



Ethical Conduct

The employees of Mercury Electronics are expected to adhere to the highest standards of personal, professional, and business ethics, and to always use common sense and good judgment in regard to the way they conduct themselves when on duty or representing Mercury Electronics. It is important to avoid even the appearance of unethical behavior in all business relationships. It is impossible to specify each and every forbidden activity, but unethical conduct includes but is not limited to the following:

1. Engaging in business conduct which is damaging to company reputation;
2. Promising or providing something of value to anyone doing or seeking to do business with Mercury Electronics in order to influence them in matters relating to us;
3. Accepting gifts, entertainment, services or other benefits where the purpose is to unduly influence our business decisions. Gifts or benefits valued at over \$50.00 may not be accepted. This, however, will not prohibit an employee from accepting occasional business meals or limited entertainment where Mercury business is discussed or where the meal or entertainment is extended as a normal courtesy in the conduct of business;
4. Selecting suppliers based on non-business reasons, such as personal or former non-business relationships; or directing business to a relative, friend, or company in which you or one of your family members has a direct or indirect financial or personal interest;
5. Representing or discussing the affairs of Mercury Electronics with any media without proper authorization;
6. Undermining business decisions, unless they are illegal or dishonest;
7. No confidential information of any sort concerning Mercury Electronics will be disclosed or otherwise used for personal profit or advantage, or to Mercury's disadvantage, by an employee, family member, friend, or acquaintance either during or following employment;
8. No employee may compete directly or indirectly with Mercury Electronics or make any decision adverse to Mercury's interests.

In general, abiding by all laws, adhering to all company policies and regulations and the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises, where it is difficult to determine the proper course of action; the matter should be discussed openly with your immediate supervisor and if necessary, with the Company President.

Compliance with this policy of business ethics and conduct is the responsibility of every Mercury employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

Mercury Electronics believes in doing business in an ethical and environmentally friendly manner is good for our business and the world and community around us. In accordance with this belief, Mercury Electronics

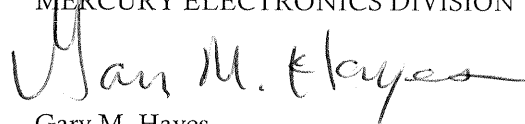
selects our suppliers with care and with each purchase order; our suppliers agree to the same ethical standards that we abide by.

Mercury Electronics complies with all applicable laws regarding the hiring of minors and maintains an "at-will" employer and employee relationship. As such, at the time of hire, Mercury Electronics verifies the age of all employees to insure they are at least 18 years of age and does not enter into any written or verbal employment contract that violates the "at-will" employment relationship.

It is Mercury Electronics' policy not to interfere with our employees' right to organize and collectively bargain in accordance with applicable federal and states laws. Furthermore, we will not discriminate against, deny access to our facility or otherwise interfere of the employee's representatives.

This policy supersedes all previous policies regarding ethics and ethical conduct. Failure to comply with this policy may lead to disciplinary action up to and including termination.

DIVERSIFIED TRAFFIC PRODUCTS, INC.
MERCURY ELECTRONICS DIVISION



Gary M. Hayes
President