



Code of Ethical Business Conduct For FLIR Operations Inside the U.S.

Effective: November 24, 2013

As evidence of FLIR's commitment to conducting the Company's business to the highest ethical standards, we have adopted this **Code of Ethical Business Conduct for FLIR Operations Inside the U.S.** (referred to as the "Code").

Accordingly, we require all FLIR employees, including officers and members of our Board of Directors, to:

- **Read and understand** the Code;
- **Sign the written acknowledgment** that they have done so;
- Ensure that their **conduct fully meets ethical standards;** and
- Take action to ensure that **FLIR affiliates** (such as representatives, distributors, agents, consultants and contractors) **understand and comply** with these ethical standards.

Code of Ethical Business Conduct For Operations Inside the U.S.

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Letter from Andrew C. Teich, President and CEO

November 24, 2013

To FLIR Employees, Officers and Directors:

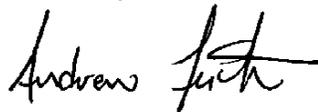
FLIR Systems and all of its employees are committed to conducting the Company's business in accordance with best business practices and the highest ethical standards. Our reputation for honesty, integrity and high ethics is as important as our reputation for providing outstanding products, services and support.

The attached Code of Ethical Business Conduct for FLIR Operations Inside the U.S. describes the principles and standards that we expect our employees to abide by when conducting business for the Company. We are committed to maintaining a workplace that is fair, honest and open. To that end, we have established a reporting system managed by an outside third party that allows any employee to report suspected violations of law, ethics or business practice that may have occurred. All reports can be submitted anonymously and without fear of retribution. This system is explained in detail in Section 2.C. of this Code and all employees should become familiar with it.

While I hope that we have created an environment at FLIR that encourages openness such that an anonymous reporting system is not necessary, it is good corporate practice to have one in the event that it is needed.

If you have any questions about interpreting or applying the Code of Ethical Business Conduct for FLIR Operations Inside the U.S., please consult with a member of FLIR's Law Department or Human Resources Department.

Sincerely,



Andrew C. Teich
President and Chief Executive Officer

1. OUR ETHICAL PRINCIPLES

1. A. **FLIR is committed to the following ethical principles in all of its activities:**

Honesty.

We will be truthful in all of our endeavors with one another and with our customers, communities, suppliers, and shareholders.

Integrity.

We will say what we mean, deliver what we promise and stand for what is right.

Respect.

We will treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee.

Trust.

We will build confidence through teamwork and open communication.

Responsibility.

We will encourage our employees to speak up – without fear of retribution – and report concerns in the workplace, including violations of laws, regulations and company policies, and to seek clarification and guidance whenever there is doubt.

Citizenship.

We will obey all the laws of the United States and of the countries and jurisdictions in which we do business.

1. B. **FLIR is committed to the ethical treatment of those with whom we do business.**

For our Employees:

We are committed to honesty, just management, fairness, and providing an environment free from discrimination, harassment and fear of retribution.

For our Customers:

We are committed to producing reliable products and services, delivered on time, at a fair price.

For our Shareholders:

We are committed to pursuing sound growth and earnings objectives, exercising

prudence in the use of assets and resources and providing accurate and complete disclosure regarding FLIR's operations and financial condition.

For our Suppliers and Partners:

We are committed to fair competition and the sense of responsibility required of a good customer and teammate.

1. C. FLIR will:

- Maintain this Code to meet the requirements of applicable law and recognized business ethics;
- Communicate this Code to all employees and members of the Board of Directors;
- Review and revise our business practices, procedures and policies as necessary to insure compliance;
- Maintain a system to encourage and allow the anonymous reporting of suspected improper conduct;
- Impose disciplinary action for improper conduct;
- Report any violation in connection with Government contracts in a timely manner; and
- Cooperate fully in any Government investigation or corrective action.

2. RESPONSIBILITY FOR COMPLIANCE

2. A. What We Require of You

For purposes of the Code, the term “employee” includes all FLIR employees, officers, and members of the Board of Directors. Hence, all employees are required to:

- Comply with this Code and with all laws, rules and regulations applicable to the conduct of our business and the management of our business relationships;
- Be alert to any possible violation of the above and report them to the Company as soon as possible;
- Exercise good faith and honesty in reporting possible violations; and
- Cooperate fully and truthfully in any internal or external investigation of possible violations.

Directors are required to comply with the relevant sections of the Code, which includes all sections, other than the following sections which are not applicable to service as a member of the Board of Directors: Sections 2.C., 2.D., 3.N., 3.P., 4.E. and 4.F.

2. B. Our Commitment to You

We recognize that FLIR must take action to ensure that the objectives of the Code are met. For our part, we assure you that:

- Anyone who communicates ethical concerns or reports suspected violations will be treated with respect;
- We will review and address issues that are raised in any complaint or report;
- Any communication from, and the identity of, a reporting individual will be treated confidentially to the greatest extent possible;
- FLIR will not take action against any reporting individual acting in good faith, and will protect that individual from retaliation.

2. C. How to Report a Concern or Violation

Concerns or suspected violations of the Code should be reported to your supervisor. If this isn't possible (if you suspect your supervisor of involvement in the violation), you should report the matter, either verbally or in writing, to the Human Resources (HR) Department, the Law Department or the Chief Executive Officer (CEO).

FLIR has established an anonymous, interactive on-line reporting system that is provided and managed by an outside, independent company that has no other relationship to FLIR. This system, provided by **Ethicspoint®**, allows you to report concerns or suspected violations, check on the progress of your report, answer or ask questions, seek advice, and respond to requests for information – while protecting your identity.

You may access this service via the FLIR intranet, by clicking on the “**Ethicspoint®**”

icon. You will then be brought to the secure FLIR site at **Ethicspoint®**, which describes FLIR policy regarding violations and good faith reporting requirements. Click on the “Make a Report” link and you will find the reporting screen where you may file your report, or seek advice. After you have completed the report, you will be given a “Report Key” to use with your chosen password for all future correspondence and updates.

Your anonymous report will go from **Ethicspoint®** to the Compliance Officers at FLIR who will respond to you promptly. When you login again with your password, you may be asked for additional details and information in order to fully investigate your claim. A response will be provided to all additional information provided by you. Your identity will be kept strictly confidential throughout this process, and not revealed to anyone at FLIR. You may check on the status of your report at any time by logging in with your password on the FLIR **Ethicspoint®** site.

2. D. Discipline for Compliance Violations

If it is determined that a violation of the Code or applicable laws, rules or regulations has taken place, disciplinary action will be taken against:

- **Any FLIR employee** who **violates** this Code, fails to report a violation, or withholds material information about a known violation;
- **The violator's supervisor(s)** and manager(s), where a **lack of leadership**, supervision, or diligence has directly or indirectly contributed to the violation; and
- Any supervisor or co-worker who attempts or **encourages retaliation** against a reporting individual.

In addition, anyone who makes a **false report** or deliberately distorts the truth is also subject to disciplinary action.

Discipline may also be imposed on individuals who, while not directly involved in the violation, may have authorized or participated in it. Depending on the nature and extent of the violation, discipline may include:

- reprimands and warnings;
- probation or suspension without pay;
- demotion;
- reduction in salary, bonus or other compensation;
- reimbursement to the Company or the Government for any resulting losses or damages;
- termination of employment.

3. COMMITMENT TO THE COMPANY AND ITS SHAREHOLDERS

3. A. Conduct in the Workplace

FLIR strives to maintain a cooperative, efficient work environment that is free from discrimination or harassment based on race, religion, gender, sexual orientation, national origin, disability, age, or other factors that are unrelated to FLIR's legitimate business interests. FLIR does not tolerate sexual advances, racial or religious slurs or any other comments or conduct in the workplace that creates, encourages or permits an offensive, unlawful, intimidating or inappropriate environment.

This commitment to a cooperative, efficient work environment extends to offsite locations where Company business is conducted, including social events. We expect all of our employees to share this commitment, and to exercise good judgment in conducting Company business. Please refer to the comprehensive FLIR *Employee Handbook* for detailed information on harassment and other workplace issues.

3. B. Compliance with Applicable Laws

FLIR requires that all employees, as well as representatives, distributors, agents, consultants and contractors, comply with all applicable laws, regulations, rules and regulatory orders. Given the significant international component of our business, FLIR places special emphasis on compliance with the *Foreign Corrupt Practices Act* (See Section 4 of this Code) and the *U.S. Export Control Act* (See the Global Trade Compliance Policy). Any individual located outside the U.S. or traveling abroad on Company business must understand and comply with applicable local laws and regulations.

As a U.S. Government Contractor, FLIR and all FLIR employees must comply with the U.S. Government's zero tolerance policy regarding trafficking in persons. To comply with this policy, FLIR and its employees are prohibited from (1) engaging in severe forms of trafficking in persons; (2) procuring commercial sex acts, whether legal or illegal and (3) using forced labor. Individuals who violate this policy will be subject to disciplinary action up to and including termination of employment or business relationship. This policy requires FLIR to notify the U.S. Government Contracting Officer immediately of any allegation it receives from any source that an individual has violated this policy. This includes activities undertaken while off-duty and off-site. FLIR's failure to comply with this policy could result in the termination of a U.S. Government contract. For more detailed information on this U.S. Government policy, please read the associated contract clause in the U.S. Government Federal Acquisition Regulation (FAR) Title 48 CFR 52.222-50 or contact FLIR's Law Department.

It is your responsibility to have sufficient understanding of the legal requirements applicable to your duties and responsibilities, and to seek assistance from the HR or Law Department where required.

3. C. Protection of Company Assets

You have a fiduciary responsibility to protect the equipment and assets of the Company. These assets include our physical assets and our valuable proprietary information, such as our intellectual property and our confidential information. You may not misappropriate, loan, sell or donate FLIR's assets without authorization. You are also responsible for the proper use of FLIR's assets, including inventory and equipment, and are required to safeguard them against loss, damage, or theft. FLIR assets should only be used for FLIR business purposes and may not be used for any other purpose without prior authorization. If you have any questions about this policy, please contact FLIR's Human Resources Department.

3. D. Use of Company Funds and Authority to Make Commitments

Use of Company Funds. Every FLIR employee is responsible for the funds over which he or she exercises control. You are required to take reasonable steps to ensure that these funds are used only for FLIR business purposes in an appropriate and authorized manner, and that accurate records of all expenditures are maintained and submitted in a timely manner. You may not use Company-guaranteed credit cards for any personal purpose. FLIR representatives, distributors, agents and contractors should not be allowed to control FLIR funds.

Authority to Make Commitments. Authority to enter into contracts and other commitments has been delegated to certain individuals within the Company. It is important that commitments not be made outside these processes. You should not make any oral or written commitments that create a new agreement or that will modify an existing FLIR agreement with a third party without approval consistent with delegation levels, from the appropriate FLIR department or division.

3. E. Maintenance of Accurate Records

FLIR is required by law to keep an accurate accounting of all financial transactions for its financial records, including payment of commissions, consulting or service fees, facilitating payments and gratuities.

FLIR has adopted policies and procedures to insure that we maintain complete and accurate books, records, and communications. If your duties include preparing business documents such as financial records, internal or external correspondence, memoranda, or any type of communication, you are expected to be complete, honest, and accurate. All disbursements and receipts must be properly and promptly recorded, and no undisclosed or unrecorded fund or asset may be established for any purpose. All Company funds must be retained in Company-directed accounts.

You may not falsify or destroy records in order to hide non-compliance or demonstrate compliance with the requirements of a contract or of any applicable law. Any inaccurate description of labor costs in FLIR's records is strictly prohibited, including time charges that do not reflect actual time worked.

Mislabeled or hidden transactions can result in civil and criminal liability for FLIR and the individual involved, including severe fines and lengthy imprisonment. (Please refer to the *Foreign Corrupt Practices Act* for full details). If you have any questions about the above, you should consult an appropriate supervisor, the Corporate Controller or the Law Department.

3. F. Accurate Disclosure to Shareholders

It is the duty of the Company's management to produce financial statements and periodic reports to our shareholders that fairly and accurately present the Company's financial condition and results of operations, and to make the timely disclosures needed to assess the financial and business condition of the Company.

If you are responsible for providing any aspect of this information, you must make sure that it is accurate, complete, objective, timely and understandable. In doing so, you must act in good faith, without misrepresenting or omitting facts, and in compliance with all federal, state and local rules and regulations, including rules promulgated by the Securities and Exchange Commission (SEC) and by state securities authorities. Any inaccurate or misrepresented information reported to the SEC, or the failure to provide required information, may subject FLIR and the individuals involved to civil and criminal penalties under the Sarbanes-Oxley Act.

FLIR has adopted disclosure controls to ensure that reports to our shareholders do not contain misleading or untrue information, including omissions of facts. Every person involved in the process of preparing reports to FLIR's shareholders must clearly understand their legal responsibilities under the Company's disclosure controls. If you have any questions about this, please contact an appropriate supervisor or the Law Department.

3. G. Conflicts of Interest

While our duties to FLIR do not prevent us from engaging in personal transactions and investments, we must take care to avoid situations that create a conflict of interest or the appearance of a conflict of interest. FLIR is subject to scrutiny from many different individuals and organizations, and we should always strive to avoid even the appearance of impropriety. What constitutes conflict of interest? It exists where the interests or benefits of one person or entity conflict with the interests or benefits of FLIR. The most common types of conflicts are discussed below, although you should be sensitive to other situations that could create a conflict of interest:

Outside Employment. With the exception of members of our Board of Directors, we expect our employees to devote their full attention to FLIR's business interests. Hence, you cannot engage in any activity that interferes with your performance or responsibilities, or is in conflict with or prejudicial to FLIR. For example, you can't be employed by us and at the same time work for a supplier, customer, distributor or competitor, nor can you be involved in advancing a competitor's position. Further, you must disclose any interest of yours that may conflict with the business of FLIR. If you have any questions about this requirement, contact your supervisor or the HR Department.

Outside Directorships. It is a conflict of interest to serve as a director of any company that competes with FLIR. You may serve as a director of a FLIR supplier, customer, distributor or other business partner only if you first obtain approval from the CEO. Any compensation you receive should be commensurate to your responsibilities. Serving as a director of a non-profit organization or charity does not violate this policy or require approval.

Business Interests. Before you invest in any customer, supplier, distributor or competitor of FLIR, especially if you are in a position to influence a decision relating to that entity, you must make sure that this investment does not compromise your responsibilities to FLIR. Any such investment requires the approval of FLIR's Chief Financial Officer (CFO). Factors you should consider are: the size and nature of the investment, both in absolute terms and in relation to your annual compensation; your ability to influence FLIR's decisions; your access to FLIR's or the other company's confidential information; and the nature of the relationship between FLIR and the other company. This does not apply to investments in mutual funds or in stocks of companies that merged into FLIR held by you as a former employee.

Receiving Gifts. Neither you nor any member of your family may solicit or accept from a customer, supplier, distributor or other business partner, money or a gift that could influence or could reasonably give the appearance of influencing FLIR's business relationship with that organization. You may accept a gift of nominal value when it is customarily offered to others having a similar relationship with the customer, supplier, distributor or other business partner. If you have any doubts, you should consult your supervisor or a member of FLIR's Law Department.

Related Party Transactions. As a rule, you should not conduct FLIR business with a family member or significant other, or with a business in which they have a key role. "Family members" include immediate family members, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. "Significant others" include persons with whom you share a household. Any dealings with a related party must be conducted so that no preferential treatment is given to this business.

If a related party transaction is unavoidable, it must be approved in writing by either the CEO or the Audit Committee. If you are involved in a proposed related party transaction, you must first disclose the nature of the proposed transaction in writing to the CEO. The CEO will either make a determination on whether the transaction is permissible or will refer the matter to the Audit Committee. In addition to reviewing transactions referred by the CEO, the Audit committee also reviews any related party transaction involving a director or officer. Significant related party transactions, including any involving FLIR's directors or officers, must also be reviewed and approved in writing in advance by the Board of Directors. FLIR is required to publicly disclose certain material related party transactions under applicable accounting rules and federal securities laws.

Other Situations. It would be impractical to list all possible situations in which a conflict of interest may arise. Hence it is your responsibility to use your best judgment to avoid all such transactions.

If you have doubts about whether an activity constitutes a conflict of interest, you should err on the side of caution and consult the Human Resources Department or the Law Department before taking any action.

3. H. Corporate Opportunities

Employees may not exploit opportunities discovered through the use of Company property, information or position, for their personal gain unless the opportunity is fully disclosed in writing to, and authorized by, FLIR's CEO. Employees are also prohibited from using Company property, information or position for personal gain.

3. I. Protection of Company Confidential Information

FLIR's confidential information is a valuable Company asset and may only be used for FLIR business purposes. By way of example, this includes product architectures, plans and road maps; names and lists of customers, dealers and employees; and financial and any other information designated as confidential. This information is owned by FLIR and may be protected by patent, trademark, copyright and trade secret laws. Every employee, as well as each representative, distributor, agent, consultant and contractor under contract with FLIR, has a duty to safeguard and refrain from disclosing confidential information. This includes securing and properly disposing of confidential information in accordance with FLIR's policy on maintaining and managing records. This obligation to protect and hold confidential FLIR proprietary information remains in effect while you are an employee and after you leave. If you have any questions regarding whether particular information is confidential FLIR information, you should seek assistance from your supervisor or the Law Department.

You should be careful to avoid inadvertent disclosure of confidential FLIR information. To avoid inadvertent disclosure, never discuss with any unauthorized person confidential information. You should not discuss confidential FLIR information even with authorized FLIR employees if you are in the presence of others who are not authorized, such as in a public place. You should also refrain from discussing any confidential FLIR information with family members or friends, who might innocently and unintentionally pass the information on to someone else.

Disclosure to Business Partners. Occasionally our confidential information may be disclosed to potential business partners. Any such disclosure should only be done after carefully considering its potential benefits and risks. If, together with your supervisor, you determine that disclosure of confidential information is necessary, you must first contact the Law Department to ensure that an appropriate nondisclosure agreement is signed prior to making the disclosure.

Requests by Regulatory Authorities. The Company and its employees, representatives, distributors, agents, consultants, and contractors must cooperate with all authorized government inquiries and investigations. However, even in this context it is important to protect FLIR's legal rights regarding confidential information. All government requests for information, documents or investigative interviews must be referred to FLIR's

Law Department, and no information may be disclosed without prior approval.

FLIR Spokespeople. FLIR has a Disclosure Compliance and Communications Policy regarding who may communicate with the press, the financial community, and the public. All inquiries from the press and financial analysts should be referred to the CEO. FLIR has designated its Chairman/CEO, CFO, Senior Vice President for Corporate Development, Senior Vice President and General Counsel and the Director, Investor Relations, as Company spokespeople. These designees and other individuals designated by them are the only people who may communicate with the press or the financial community. You should not make comments or postings about the Company's business in any Internet chat room, bulletin board or non-Company sponsored website or respond to comments or postings about the Company's business made by others in any other public forum absent express approval of one of the designated Company spokespeople.

3. J. Prohibition on Insider Trading

The securities laws apply to everyone. In the normal course of business, employees, representatives, distributors, agents, consultants, and contractors of FLIR may come into possession of material nonpublic information. Material nonpublic information is information which is not available to the general public and which could influence a reasonable investor to buy, sell or hold stock or other securities. While we cannot identify all categories of material nonpublic information, some examples include: information relating to FLIR's financial performance, major new product announcements, acquisitions or divestitures and other significant activities affecting FLIR. This information is the property of FLIR -- you have been entrusted with it. You may not profit from it by buying or selling securities yourself, or by passing on the information to others ("tipping").

FLIR maintains an Insider Trading and Disclosure Policy that you should review and understand prior to entering into **any transaction** involving the purchase or sale of FLIR stock. The Policy is available from the Law Department, and on the IntraFLIR website. The purpose of this policy is to inform you of your legal responsibilities, and to make clear that the misuse of sensitive information is contrary to both Company policy and the securities laws.

In reviewing the Insider Trading and Disclosure Policy, you should pay particular attention to the potential criminal and civil liability and/or disciplinary action for insider trading violations. These rules are strictly enforced, even when the amounts involved are very small. You should always contact FLIR's CFO or the Law Department if you are unsure of any aspect of the Insider Trading and Disclosure Policy.

We cannot emphasize strongly enough that insider trading is a serious crime punishable by severe fines and lengthy prison sentences. The SEC may also seek civil penalties against profits made or losses avoided from the trading, in addition to disgorging any profits. Finally, insider traders may be subjected to civil liability in private lawsuits. Employers and other controlling persons (including supervisory personnel) are also at risk under the U.S. securities laws.

Thus, it is important for all of us that insider trading violations NOT occur.

Directors, officers and certain designated employees and outsiders are subject to additional trading limitations that are set forth in the Insider Trading and Disclosure Policy. All questions regarding FLIR's Insider Trading Compliance Program should be directed to the CEO, the CFO or the Law Department.

3. K. Prohibition Against Short Selling of FLIR Stock

You may not trade in any interest or position relating to the future price of Company securities, such as a put, call or short sale, or any derivative instrument whose price is partly or wholly affected by changes in the Company's stock or other securities' prices. You may not conduct margin trades in the Company's securities or specifically pledge Company securities as covered collateral for a margin purchase. You may not establish or utilize a line of credit, loan or other financing mechanism in which Company securities are specifically pledged as covered collateral; provided, however, that this limitation shall not apply if the margin account permits the individual to designate Company securities as non-marginable and the Company securities are so designated.

3. L. Maintaining and Managing Records

FLIR's records must be maintained and disposed of properly, in accordance with established procedures and policies. FLIR is required by law to retain certain records and to follow specific guidelines in managing them. You are expected to know and understand retention policies that apply to all recorded information in your custody or control. These include paper documents, CDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. Failure to comply with such guidelines can include civil and criminal penalties, and may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship.

3. M. Records on "Legal Hold"

A "legal hold" suspends all document destruction in order to preserve records under special circumstances, such as litigation or government investigations. FLIR's Law Department determines what types of records or documents should be under a legal hold, and will notify you if a hold is placed on records for which you are responsible. You must then preserve and protect the necessary records until our Law Department officially releases the legal hold in writing. If you are unsure whether a document has been placed under this status, you should preserve it while you check with the Law Department.

RECORDS OR SUPPORTING DOCUMENTS THAT HAVE BEEN PLACED UNDER A LEGAL HOLD MUST NOT BE DESTROYED, ALTERED OR MODIFIED UNDER ANY CIRCUMSTANCES BY ANY EMPLOYEE, OR ANY ENTITY OR PERSON UNDER THE CONTROL OF FLIR

Failure to comply can include civil and criminal penalties and may subject the employee to disciplinary action up to and including termination of employment or business relationship. If you have any questions about this policy, please contact the Law Department.

3. N. Product Integrity

Employees should at all times strive to deliver the highest quality of goods and services. FLIR will not deliver inferior goods to the U.S. or any foreign government, or any other customer. Employees should not allow the substitution of shoddy parts or reduced product performance. No employee may knowingly misrepresent the condition or status of products being prepared for inspection, testing, or delivery. We expect employees responsible for product testing to ensure that products are designed and manufactured to meet appropriate quality criteria and to provide accurate and sufficient documentation of all tests.

3. O. Political Contributions

FLIR reserves the right to communicate its position on important issues to elected representatives and other government officials. It is FLIR's policy to comply fully with all applicable laws, rules and regulations regarding political contributions. FLIR's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of FLIR's CEO. In addition, subject to applicable law, any political contributions must be restricted to amounts in size sufficient to negate any impression that the contribution was made to gain special consideration for FLIR.

3. P. Drug-Free Workplace

FLIR has instituted and maintains a program for achieving a drug-free workplace. The use of illegal drugs is inconsistent with the law-abiding behavior expected of all citizens. Employees who use illegal drugs tend to be less productive, less reliable, and prone to absenteeism. The use of illegal drugs also results in the potential for increased cost, delay, and risk in the performance of a contract. Please refer to the Employee Handbook for rules and policies relating to this program.

4. COMMITMENT TO ETHICAL BUSINESS DEALINGS AND ANTI-CORRUPTION

FLIR has a commitment to use ethical business practices in its business dealings with third parties. You should take special care to treat all customers, public and private, honestly and fairly.

FLIR also conducts its business in compliance with all applicable federal, state, local and foreign anti-corruption laws and regulations. FLIR adheres to all antibribery laws. This means FLIR does not tolerate bribery in its dealings involving public officials or in private commercial transactions. Although some sections of this Code specifically address your conduct in transactions involving public officials, you should remember that FLIR does not tolerate illegal business practices of any kind, regardless of whether you are dealing with public officials or private parties.

4. A. Transactions Involving Public Officials

If you deal with any government or public agency, domestic or foreign, you must understand all applicable laws and regulations concerning the giving of money or things of value to public officials.

The general rule is that you are prohibited from giving money, gifts, gratuities or things of value to public officials, whether the officials are federal, state, local or foreign, in return for favorable treatment. In most jurisdictions, public officials are prohibited from accepting payments or gifts of value.

The term “public official” should be interpreted broadly to include any person acting on behalf of any government or government agency in an official function, regardless of whether they are employed by the government. The test is whether the person occupies a position of public trust with official government responsibilities. All members of the military are public officials.

There are some differences in the laws concerning U.S. public officials and foreign public officials with regard to the giving and acceptance of certain things of value, including entertainment, meals, gifts, gratuities, and the like. You must comply with the laws, regulations and rules of each government and jurisdiction in this regard. Some basic rules and guidelines are provided below.

Please consult your supervisor, or the Company's Law Department, for guidance and assistance.

4. B. Unlawful Payments to U.S. Public Officials

U.S. federal, state and local employees are prohibited from accepting entertainment, meals, gifts, gratuities or other things of value.

While extending business courtesies is part of building and maintaining business relationships, offering a benefit to a government employee or their family members may violate the law.

A FLIR employee who deals with a government agency is expected to know and abide by all applicable guidelines, and to exercise good judgment in evaluating the propriety of his or her own actions. Unless a proposed gift is clearly permitted under applicable laws and rules, you should assume the gift is prohibited.

The following inexpensive items may be offered to government employees and are not considered gratuities: (1) social courtesies, such as coffee, soft drinks, doughnuts, and refreshments as long as these items are not offered as part of a meal, (2) promotional items such as pens, mugs, mouse pads, or the like, and (3) presentation items such as cards, plaques, certificates and trophies. Specifically, the value of any single gift may never exceed \$20, nor may the total value of all gifts offered to one person exceed \$50 over the course of one year.

These rules may apply even where the business courtesy is based purely on a personal or social relationship, rather than on the position of the government employee. When in doubt, seek guidance from an appropriate supervisor or from FLIR's Law Department.

4. C. Unlawful Payments to Foreign Public Officials

The Foreign Corrupt Practices Act prohibits you from offering to give or giving money or anything of value to foreign public officials, political parties, political party officials, candidates for office and employees of certain public international organizations in return for obtaining or maintaining business or gaining a competitive advantage. Most foreign countries have similar laws. For further details, see the *Corporate Policy on U.S. Foreign Corrupt Practices Act Compliance*.

4. D. Unlawful Payments Through the Use of Third Party Intermediaries

It is also a violation of the Foreign Corrupt Practices Act to make any payments or give things of value to foreign public officials indirectly through third parties such as sales representatives, consultants and distributors. You cannot make any payment to a third party if you believe it is likely that all or a portion of the payment will be passed on to a foreign public official. For further details, see the *Corporate Policy on U.S. Foreign Corrupt Practices Act Compliance*.

4. E. Employment of Former U.S. Government Employees

FLIR prohibits discussing present or future employment with a federal worker who is involved in a procurement to which FLIR is a party without prior approval. Such approval will only be granted after the federal worker in question has taken certain actions as prescribed by federal law. In addition, many federal employees who participate in the procurement process are banned by law from accepting compensation as an employee, officer, director, or consultant of FLIR for one year or more after leaving federal employment.

FLIR screens the employment applications of current and former U.S. Government employees to evaluate each individual's eligibility for employment with FLIR. No employment should be discussed with such individuals until the eligibility assessment is completed by the Human Resources and Law Departments. If you have any information indicating that a federal employee in employment discussions with FLIR continues in a role that includes taking action regarding FLIR, you should immediately notify the Law Department. For further details, see the *Corporate Policy on Recruitment, Employment and Retention of Government Employees*.

4. F. Exchange of Information with Federal Employees

In federal procurement activities, FLIR prohibits its employees, and anyone acting on its behalf, from knowingly obtaining either (1) another contractor's bid or proposal information, or (2) source selection information before the award of a contract.

“Bid or proposal information” is information submitted to a federal agency in connection with a bid or proposal that relates to cost or pricing, indirect costs and direct labor rates, proprietary information about manufacturing processes, operations, or techniques, and any other information so marked by the contractor.

“Source selection information” is information not previously publicly disclosed that is prepared for use by a federal agency in evaluating a bid or proposal. It includes bid prices and proposed costs; source selection plans; technical evaluation plans; technical and cost or price evaluations of proposals; competitive range determinations identifying those proposals with a reasonable chance of being selected for award; rankings of bids, proposals, or competitors; reports and evaluations of selection panels, and other information so marked. If you are involved in federal procurement, you must understand the laws and the regulations of the agencies with which you are dealing. In case of uncertainty, you should consult an appropriate supervisor or FLIR's Law Department.

5. COMMITMENT TO ETHICAL DEALINGS WITH NON-GOVERNMENT PARTIES

You represent FLIR to our customers, potential customers and business partners. Always act in a manner that creates value for our customers and helps to build a relationship based on trust. FLIR employees have provided products and services for many years, and have built up significant goodwill that is one of our most important assets.

5. A. Prohibition on Kickbacks

FLIR prohibits its employees, officers, agents and anyone acting on its behalf from *offering, providing, soliciting, or receiving kickbacks in connection with government contracts and subcontracts.*

What is a kickback? A kickback is any money, fee, commission, gift, or the like which is given by a subcontractor or supplier to a contractor for the purpose of obtaining favorable treatment or an award in connection with the contract. In addition, you violate federal law and FLIR policy if you include, even indirectly, the amount of a kickback in the contract price charged by a subcontractor to a prime contractor (or higher-tier sub), or by a prime contractor to the U.S. Government.

FLIR prohibits the offer of any kickback to a prime contractor of the U.S. Government as an inducement to award a subcontract, or as an acknowledgment of the award of such a subcontract. Likewise, FLIR prohibits its employees and others acting on its behalf from accepting any such benefit from a subcontractor. FLIR maintains the integrity of the procurement process by providing our suppliers with an anti-kickback letter advising them of our policy.

Federal law establishes severe criminal, civil, and administrative penalties for giving or receiving a kickback, which can apply to individuals as well as to the Company. You are expected to thoroughly understand this policy, and to consult your supervisor or FLIR's Law Department with any questions. If you have any information indicating that a kickback is being considered or has been paid, you should immediately notify the Law Department.

5. B. Commissions, Percentages and Contingent Fee Payments to Outside Parties

FLIR prohibits the solicitation or payment of a commission to any outside party that is not an established commercial selling agency retained by FLIR, *when payment of the commission is contingent upon obtaining a U.S. Government contract.* Such payment subjects FLIR to severe potential penalties, including cancellation of the resulting contract. Therefore, you are required to obtain approval from FLIR's Law Department before offering or paying any commission to an outside party other than to an agent retained by FLIR. Commissions can only be paid when supported by a current contract.

5. C. Handling the Confidential Information of Others

FLIR has business relationships with many companies and individuals. Sometimes they will volunteer confidential information about their products or business plans to induce FLIR to enter into a relationship. At other times, we may ask that a third party provide us with confidential information in order to evaluate a potential business relationship. Whatever the situation, we expect you to handle the confidential information of others with integrity so as to maintain its confidentiality. Further, to avoid the risk of FLIR being accused of misappropriating or misusing someone's confidential or restricted information, the receipt of confidential or restricted information (including intangible information, such as software) must not take place until the terms of its use have been formally agreed to by FLIR and the other party in a written nondisclosure agreement approved by the Law Department. Once such an agreement is in place, you are expected to comply with the terms of that agreement.

5. D. Selecting Suppliers

FLIR's suppliers make significant contributions to our success, and must be confident that they will be treated ethically. Our policy is to purchase supplies based on need, quality, service, price, and terms and conditions. Under no circumstances should any FLIR employee, representative, distributor, agent, consultant, or contractor attempt to coerce suppliers in any way. Our suppliers are free to sell their products or services to any other party, including competitors, unless the agreement between the parties contains restrictions on sales.

6. LEGAL EFFECT

Nothing in this Code, or in any Company policy or procedure, or in any related communication creates or implies an employment contract or term of employment. Unless specifically agreed to in another writing or prescribed by applicable law, your employment remains at-will.

7. FURTHER REFERENCES

Additional Documents and References: You may need to refer to additional policies, guidelines, handbooks and other publications in order to further your understanding of some of the issues raised above. These documents can be found on the IntraFLIR Corporate Policies website under Export, Finance, Law, and Human Resources and include the Corporate Policy on *Foreign Corrupt Practices Act Compliance*, the *Global Trade Compliance Policy*, the Corporate Policy on *Recruitment, Employment and Retention of Government Employees*, the *Corporate Disclosure Compliance and Communications Policy* and the *FLIR Employee Handbook*.

8. ACKNOWLEDGEMENTS REQUIRED

All FLIR employees are required to sign the acknowledgment form attached to this Code (next page) and return it to Human Resources for inclusion in the personnel files. The Company will also require each employee to certify annually in writing that they have complied with this Code and that they are not aware of any violations, or have listed all violations of which they have knowledge.

9. AMENDMENT

This Code of Ethical Business Conduct for FLIR Operations Inside the U.S. may be amended or modified only by the Board of Directors of the Company.

10. EMPLOYEE RECEIPT AND ACKNOWLEDGEMENT

I am employee of FLIR and hereby certify that I have read and understand FLIR's Code of Ethical Business Conduct for FLIR Operations Inside the U.S. (the "Code").

I will comply with the policies set forth in the Code in all respects. I acknowledge that it is also my responsibility to ensure that those reporting to me comply with the Code.

I understand and agree that my continuing compliance with the Code and Company policies is a specific condition of my employment with FLIR. I am aware that my participation in any conduct that violates the Code will subject me to disciplinary action, including dismissal. As of the date below, I am not aware of any actions by me or by any other employee or person associated with FLIR that have violated the Code.

If I have any question regarding the Code as it applies to any business activity in which I am engaged or of which I become aware, I will consult with an appropriate supervisor or FLIR's Law Department.

Signature: _____

Print Name: _____

Date: _____

PLEASE sign and cut this page along dotted line and return to HR Department.