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## **SUPPLIER CODE OF CONDUCT POLICY**

### **(Revised September 2016)**

#### **To Our Supply Chain:**

Instro Precision Limited (the "Company") is committed to best practices regarding integrity in business conduct, including in our dealings with our suppliers, representatives, contractors and consultants. Our commitment to operate according to ethical standards is an important factor in enabling the Company to meet our business goals and demands of today's marketplace.

A reliable and ethical supply chain is critical for the Company's ability to support our and our customers' goals. Integrity, safety and quality are fundamental to the Company's performance, and we encourage a collaborative environment with our supply chain in these areas. Our customers rely on us to work with suppliers, subcontractors and other business partners who share these values.

To support the business integrity of our activities, we require that members of our supply chain endorse our values relating to the range of areas set forth in this Supplier Code of Conduct (the "Code"). The principles set forth in the Code represent a fundamental part of our mutual commitment on how we do business and are integral to every relationship you have with the Company. The Code is also consistent with the principles set forth in the Supplier Code of Conduct endorsed by the International Forum on Business Ethical Conduct of the U.S. and European aerospace and defense industries.

Thank you for doing your part in helping us maintain a leading standard of business integrity.

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Tom Cross  
Managing Director  
Instro Precision Limited



## Introduction

Welcome to Instro Precision Limited's (the "Company") *Supplier Code of Conduct* ("**Code**"). Conducting our business fairly, openly, honestly, ethically and properly is critical to the Company's continued success. The purpose of this Code is to facilitate our representatives, suppliers, subcontractors and consultants (collectively "**Supply Chain**") commitment to ethical and compliant business conduct.

In addition to the specific provisions of the Code and any other Company policies, procedures or contractual obligations we may ask you to follow, we expect members of our Supply Chain to conduct their business activities ethically and in compliance with all applicable laws and regulations. This Code is intended to promote a culture that complies with not only the letter, but also the spirit, of all applicable laws, rules and regulations and related Company's policies and procedures.

This Code incorporates best practice supply chain in compliance principles and is based upon the Company's Code of Business Conduct and Ethics, which is available for review on our website, [www.instro.com](http://www.instro.com).

## Conducting Your Business

The Company's reputation is based on delivering systems and products that create value for our customers and protect and save lives. In order to maintain this reputation, we strive for excellence in all that we do, including conducting ourselves according to leading ethical standards. We expect our Supply Chain to follow similar standards.

You should refer to this Code's principles when ethical and compliance issues arise. Each of the principles in this Code is fundamental to how we do business.

The Company relies on our Supply Chain to choose sub-tier subcontractors and suppliers that also share the values included in the Code. It is important everyone working on your behalf for us conducts business in the manner prescribed by this Code.

By entering into any subcontract or purchase order with the Company, you are committing to conduct your activities in a manner consistent with this Code. Accordingly, all of your business activities relating to work with the Company must be performed in a manner that is fair, ethical and compliant with this Code and applicable laws and regulations.

While the Code contains standards to be followed, no one document can cover all situations. If, for whatever reasons, following the Code would conflict with a legal requirement, you must comply with the law.

## Compliance with Laws

You must comply with all applicable laws and regulations of the countries in which operations are managed or services provided.

## Human Rights

You are expected to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all and foster an inclusive and



ethical culture, in accordance with the relevant International Labour Organization (ILO) Conventions.

### **Child Labour**

You must ensure that child labour is not used in the performance of work. The term "child" refers to any person under the minimum legal age for employment where the work is performed, provided the legal age is consistent with the minimum working ages defined by the ILO.

### **Anti-Slavery and Human Trafficking Policy**

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We have a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our Supply Chain.

Our Modern Slavery and Human Trafficking Policy is enclosed in Annex I to this Supplier Code of Conduct. You must adhere to the Company's Anti-Slavery and Human Trafficking Policy and comply with all applicable local laws in the country or countries in which you operate. This includes refraining from violating the rights of others. You are expected to address any adverse human rights impacts of your operations.

In accordance with our obligations under the Modern Slavery Act 2015, the Company will make an annual Transparency in Supply Chain statement, which will include information on the steps it has taken to ensure there is no modern slavery in our business or our Supply Chain.

Each of the Company's suppliers, contractors, representatives and consultants confirms that there is no modern slavery in their business when contracting with the Company. All suppliers, contractors, representatives and consultants are expected to then inform the Company if they subsequently become aware of any information which may indicate that modern slavery is occurring in their business or supply chain. They should also inform the Company of any positive changes they make to ensure there is no modern slavery in their business or supply chain. Further guidance concerning the types of information suppliers, contractors, representatives and consultants may provide to the Company in this regard, is contained in the Modern Slavery and Human Trafficking Policy, in Annex I to this Code.

When acting as a supplier to us for a program for end use by the U.S. Government, you will comply with the requirements for prohibiting human trafficking as set forth in U.S. Federal Acquisition Regulation, Section 52 222-50 and Executive Order 13627.



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## Employment Practices

### Harassment

You are expected to ensure that your employees are afforded an employment environment that is free from physical, psychological and verbal harassment, or other abusive conduct.

### Non-discrimination

You are expected to provide equal employment opportunity to employees and applicants for employment without discrimination, consistent with all applicable regulations.

### Wage and Benefits

You must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted.

### Free Association

You are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. You are also expected to recognize and respect any rights of workers to exercise lawful rights of free association with any labour association of their choosing.

## Anti-Corruption

### Anti-Corruption Laws and Regulations

You must comply with the anti-corruption laws, directives and regulations that govern operations in the countries in which you do business. When working with us, for us or on our behalf, this includes compliance with the UK Bribery Act and the U.S. Foreign Corrupt Practices Act, other applicable laws and regulations, and compliance with the Company's Anti-Bribery Compliance Policy.

### Zero Tolerance Policy

The Company has a "zero tolerance" policy against corruption, whether done directly by Company employees or indirectly through our Supply Chain. For further information, see the Company's Anti-Bribery Compliance Policy, which is available on our website [www.instro.com](http://www.instro.com).

### Illegal and Improper Payments or Benefits

Doing business the right way means never providing or receiving anything of value to obtain a business advantage or favourable treatment or exert undue influence, including offering, giving, asking for or taking any form of potential bribe or kickback. This prohibition extends to payments and gifts of cash or in kind, made directly or through others. You must not offer



any potentially illegal payments to, or receive any potentially illegal payments from, any customer, supplier, their agents, representatives or others. This includes a prohibition on facilitation payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law.

### **Due Diligence**

You are expected to exert reasonable due diligence to monitor, prevent and, where necessary detect and address any potential corruption in all your business arrangements, including partnerships, joint ventures, offset agreements and the hiring of intermediaries such as agents or consultants.

### **Gifts/Business Courtesies**

We and our Supply Chain must compete solely on the merits of our products and services. You must not try to influence a customer's decision to purchase from us or to otherwise gain an unfair competitive advantage by offering gifts, meals, travel expenses, entertainment or other business courtesies that exceed acceptable levels. Government agencies and companies have regulations prohibiting their employees' acceptance of items of value from contractors or suppliers. In any business relationship, you must ensure that: (1) the offering or receipt of any gift or business courtesy is permitted by applicable law and regulation, and (2) these exchanges do not violate the rules and standards of the recipient's organization and are consistent with reasonable marketplace customs and practices. Although standard give-away items of a nominal value may be provided or accepted in appropriate situations, cash and cash equivalents (such as gift cards) are prohibited.

In engaging with the Company or engaging with third parties on behalf of the Company, you are required to act in accordance with the Gifts and Hospitality provisions of the Company's Anti-Bribery Compliance Policy, including ensuring that you are not offering any gift or hospitality to our directors, officers or employees, which they are not permitted, under the policy, to accept.

### **Offers of Employment**

Offers of employment to employees or representatives of our customers or end users, or their close relatives, could be viewed as an attempt to improperly influence decisions relating to our programs. Therefore, you should exercise caution in hiring activities in order to avoid the possibility of undue influence.

### **Fraud and Deception**

You must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the Company, a customer or any third party, and any kind of misappropriation of property.

### **Competition and Anti-Trust**

We compete fairly and within the law. As such, where you support us in doing business, you must comply with applicable competition laws (sometimes called "antitrust laws") of all applicable countries. These laws prohibit formal or informal understandings, agreements or

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arrangements among competitors that unfairly restrict competition. You must not fix prices, rig bids with your competitors or participate in a cartel. This includes a prohibition on exchanging current, recent or future pricing information with competitors.

### **Insider Trading**

You and your personnel must not use any material, non-publicly disclosed information obtained in the course of your business relationship with the Company as the basis for trading or for enabling others to trade in the stock or securities of any company.

### **Conflicts of Interest**

You are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest and provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of the Company and your or your employees' personal interests or the interests of your or their close relatives, friends or associates.

### **Maintain Accurate Records**

You are expected to keep appropriate records to demonstrate compliance with this Code, as well as all applicable laws and regulations. This includes creating accurate records and not altering any record entry to conceal or misrepresent the underlying transaction represented by such records. Regardless of format, all records made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on applicable document retention requirements.



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## Information Protection

### Protection of Sensitive Information

The Company is committed to ensuring our intellectual property rights and those of our customers and business partners are protected to the full extent of the law and our contractual commitments. You must comply with all applicable laws and contractual requirements governing intellectual property rights assertions, including protection against disclosure, patents, copyrights and trademarks. We also require appropriate security measures to protect classified and other sensitive information. When working with the Company, you must take necessary steps to protect and safeguard intellectual property rights and sensitive information, including the following:

**Proprietary Information** includes trade secrets, patents, trademarks, copyrights, business, marketing, financial, human resources, technical and administrative information not released to the public. You must safeguard proprietary information of, or provided by, the Company. It cannot be shared with a third party without the Company's express written permission.

**Classified Information** includes data and items that for reasons of national security must be safeguarded and maintained in accordance with applicable laws and regulations in support of a government programme. To receive this information your facility must possess the appropriate government approved security clearance. It is important to remember that release of classified information to unauthorised persons will harm national security.

### Use of Sensitive Information

You will properly handle sensitive information, including classified, proprietary and personal information. Such information should not be used for any purpose (e.g. advertisement, publicity and the like) other than the business purpose for which it was provided, unless there is prior authorisation from the owner of the information. Unauthorised use or distribution of Proprietary Information or Classified Information through any means, including social media, violates this Code. It may also violate applicable law, as well as regulatory and contractual requirements.

### Information Security

You must comply with applicable data privacy laws and must protect the confidential and proprietary information of others, including personal information, from unauthorised access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. You are expected to take the necessary information security measures, for both computer systems and portable electronic devices, to protect against malware and unauthorised disclosure of any proprietary information and other program related information provided by the Company. If there is a suspicion that a possible data security breach has occurred, it is critical that such circumstance be immediately reported to the Company.

### Marketing Materials and Interactions with the Media

The Company controls the release of any marketing materials, press releases or media interviews that include a reference to the Company, our affiliated companies, our customers,





our end users or our cooperative activities with you. Any such release requires advanced approval by the Company.

## **Environment, Health, and Safety**

### **Environmental, Health and Safety Management**

You must comply with all applicable environmental, health and workplace safety laws and regulations. You are also expected to establish an appropriate management system for environmental, health and safety compliance.

### **Conservation of Natural Resources**

You are expected to operate in a manner that actively manages risk, conserves natural resources and protects the environment in the communities within which you operate.

### **Protection of Employee Health and Safety**

You should protect the health, safety and welfare of your employees, contractors, visitors and others who may be affected by your activities.

### **Global Trade Compliance**

You must ensure that your business practices are in accordance with all applicable laws, directives and regulations governing the import and export of parts, components and technical data. You will provide truthful and accurate information relating to import and export authorisation processes and obtain import and export licenses and/or approvals where necessary.

### **Responsible Sourcing of Minerals**

You must comply with applicable laws and regulations regarding "Conflict Minerals", which include tin, tungsten, tantalum and gold. Additionally, you should establish a policy to reasonably assure that any tin, tungsten, tantalum and gold which may be contained in the products you manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. You should exercise, as may be directed by law or industry practice, due diligence on the source and chain of custody of these minerals and require the same from your next tier suppliers.

### **Counterfeit Parts**

You are expected to develop, implement and maintain effective methods and processes appropriate to your products to minimize the risk of introducing counterfeit parts and materials into products to be delivered to us. In addition, you will provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.





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## Government Procurement

### Compliance with Government Contracting Regulations

Governments are the largest user of the Company's goods and services, so it is crucial that you comply with the laws and regulations relating to government contracting in the countries in which you are supporting our projects.

### Source Selection Information

In working with the Company in any government procurement process, you will not improperly obtain, use or disclose government source selection or proprietary information. You will not ask officials to disclose the proprietary information of our competitors, nor will you improperly ask for source selection material - the material the government has developed to evaluate competing bids. In addition, you will take precautions not to share any of our proprietary information or other program related information without our permission.

### Lobbying

You are not authorised, directly or through others, to engage in lobbying activities designed to influence government policies, or the award or administration of government contracts, on our behalf or on behalf of our projects, without our prior approval.

## Ethics Program Expectations

### Whistleblower Protection and Non-Retaliation

You are expected to provide your employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. You are also expected to take action to prevent, detect and correct any retaliatory actions. Company policy prohibits retaliation against any person making a good faith effort to report possible violations of the principles in this Code.

### Consequences for Violating the Code

In the event that the expectations of this Code are not met, the business relationship may be reviewed and corrective action pursued subject to the terms of the related procurement contracts.

### Ethics Policies

Commensurate with the size and nature of your business, you are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed within this Code. You are encouraged to implement your own written code of conduct and to flow down those principles to the entities that furnish you with goods and services. We expect you to maintain effective programs to encourage your employees to make ethical, values-driven choices in your business dealings - beyond compliance with laws, regulations and contract requirements.



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## Reporting Concerns

### Self-Monitoring and Reporting

You are expected to self-monitor your compliance with this Code and promptly report any integrity concern involving or affecting the Company, whether or not the concern involves your company. When requested, you are expected to assist the Company in investigating concerns.

### Reporting Point of Contact

Prompt reporting is crucial. Concerns may be raised by contacting the Company's Managing Director by e-mail at: [tom.cross@instro.com](mailto:tom.cross@instro.com).

### Right to Audit

We reserve the right to periodically, and/or in response to specific concerns, review your business practices to ensure compliance with this Code. You are expected to comply with our reasonable enquiries related to your work for us and cooperate with audits and investigations.



## Annex I

### Anti-Slavery and Human Trafficking Policy

#### 1. Policy Statement

- a) Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. We have a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in our supply chain.
- b) We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chain, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our Company directors, officers and employees (including any contract employees), subsidiaries and joint ventures of the Company, consultants to and representatives of the Company, Company subcontractors and suppliers.
- c) As part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.
- d) This policy applies to all persons working for us or on our behalf in any capacity, including Company directors, officers and employees, subsidiaries and joint ventures of the Company, consultants to and representatives of the Company, Company subcontractors and suppliers.
- e) This policy does not form part of any employee's contract of employment and we may amend it at any time.

#### 2. Responsibility for the Policy

- a) The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- b) The Managing Director has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.
- c) Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issue of modern slavery in supply chains.
- d) You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries are encouraged and should be addressed to the Managing Director.



### 3. Compliance with the Policy

- a) You must ensure that you read, understand and comply with this policy.
- b) The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- c) You must notify the Managing Director as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- d) If you do not feel comfortable reporting your concerns or suspicions to the Managing Director you may notify the Company through alternative means provided in our Whistle-blower procedure (including anonymously, if you so choose). The Whistle blower policy can be found in our Code of Business Conduct and Ethics.
- e) If you are unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains constitutes any of the various forms of modern slavery, raise it with the Managing Director.
- f) We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in our supply chain.

### 4. Communication and Awareness of this Policy

- a) Training on this policy, and on the risk our business faces from modern slavery in our supply chain, forms part of the induction process for all our directors and employees, and regular training will be provided as necessary.
- b) Our zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors representatives and consultants at the outset of our business relationship with them and reinforced as appropriate thereafter.

### 5. Third Parties

- a) Consultants, representatives, subcontractors and suppliers may be retained to promote the Company's business or otherwise assist the Company in operating and carrying out our business and activities, including with regard to any necessary interaction with Government or Public Officials.
- b) Such third parties may only be engaged by the Company following completion of applicable internal company due diligence, contracting and approvals procedures.
- c) The Company must have a written agreement in place with each such party, and the agreement must specifically bind such party to comply with all applicable anti-modern slavery laws, including the UK Modern Slavery Act, as if such laws applied directly to such parties, and to comply with our Supplier Code of Conduct (including this Anti-Slavery and Human Trafficking Policy).
- d) In accordance with its obligations under the Modern Slavery Act 2015, the Company will make an annual Transparency in Supply Chain statement, concerning the steps we have taken to ensure there is no modern slavery in our business or supply chain. All suppliers, contractors, representatives and consultants are required to inform the Company if they become aware of any information which may indicate that modern slavery is occurring in their business or supply chain. They should also inform the

Company of any positive changes they make to ensure there is no modern slavery in their business or supply chain. This may include to the extent relevant, information concerning:

- Their business structure and supply chain;
- The policies their business has adopted to ensure there is no modern slavery, including human trafficking, forced or indentured labour, slavery or servitude, within their business;
- The training and other measures used to ensure the policies and procedures are applied;
- The due diligence and monitoring conducted by their business to understand the relevant risk areas and confirm that no such behaviour is occurring;
- A confirmation that no modern slavery issues have been identified in their business or supply chain in the last year;
- To the extent any potential issues concerning modern slavery (including human trafficking, forced or indentured labour, slavery or servitude) have been identified within their business, the circumstances surrounding those issues and the steps they have taken to remedy such issues; and / or
- Documents evidencing the information provided in relation to the matters set out above.

## 6. Breaches of this Policy

- a) Any Company director, officer or employee who breaches this policy will face disciplinary action, which may result in dismissal (or otherwise the ending of their engagement with the Company).
- b) We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy including contractors, suppliers, representatives and consultants.

Signed:

A handwritten signature in black ink, appearing to read "Tom Cross", written over a horizontal line.

Tom Cross  
Managing Director

Date: 14/11/2017