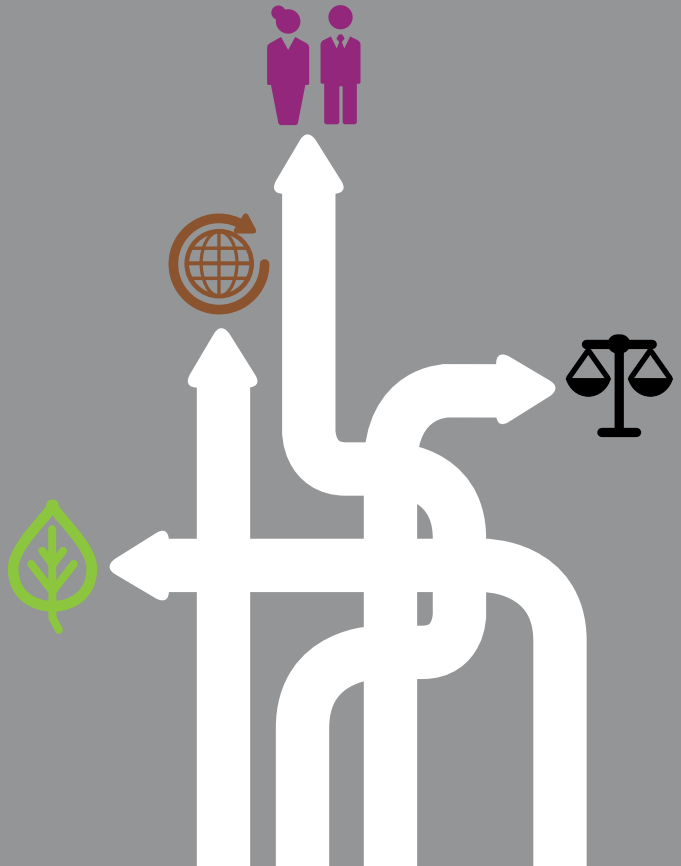


Code of Conduct

A practical guide for our suppliers around the world



Hello. We are...



...a privately owned manufacturer with its headquarters based in the UK



...subsea pioneers in acoustics, inertial, optical and sonar technologies



...over 250 people committed to seeing our customers succeed



...operating from seven regional centres around the world





...investing for the future; in people, technology and infrastructure



...exporting 80% of products to over 50 countries annually



...continuously innovating to maintain our technical leadership



...forging long term relationships with our clients and strategic partners



... and this is Sonardyne's Supplier Code of Conduct

We must all work with integrity and good judgement, as well as within the law. Our Supplier Code of Conduct promotes "doing the right thing" as well as "doing the thing right", so that we maintain our personal and business integrity.



**“Doing the right
thing”**



**“Doing the thing
right”**

**A message from the Board
of Sonardyne International Ltd**



**...our vision is to facilitate
safe, secure, economical
and environmentally sound
operations upon and
within the world's oceans
and seas...**

...we aim to achieve this by continuously building on our position as a leading independent global provider of trusted marine technology solutions...

...our values are clear: business integrity; a strong customer focus; a passion for engineering excellence and innovation; meticulous attention to quality; and a strong commitment to our employees and the community.

Purpose of the Code

The Code of Conduct is a shorter version of the code of conduct developed by Sonardyne for its employees. We expect all members of the Sonardyne group of companies to apply our Code consistently including in their dealings with you. This Code makes clear the commitments Sonardyne makes to you and the support we will give you for doing the right thing and challenging behaviours and activities that are incompatible with our values.

This Code formalises Sonardyne's practices and makes clear that in recognising differences in cultures and legal requirements, we expect that wherever our suppliers are located, producing products or delivering services for us, that these are provided in a manner compatible with the high standards that contribute to the reputation of Sonardyne as well as in full compliance with all applicable laws and regulations.

Sonardyne requires suppliers to meet, as a minimum, the requirements of this Code and promote best practices and continuous improvement throughout their operations. Suppliers must ensure that documentation is kept to demonstrate compliance with the Code of Conduct and provide access to that documentation upon request from Sonardyne.

If you are unsure what to do or concerned that the Code is being broken, you have a responsibility to Speak Up. The Code explains how to do this and the protections to ensure that there is no retaliation against those who speak up.

Q

What if I don't comply with the Code of Conduct?

A

The Code of Conduct sets out clearly your obligations as a supplier to Sonardyne. Failure to comply with it could lead to termination of the business relationship.



Violating the Code

Violating the Code can have serious consequences for Sonardyne and our relationship with you.

If you violate the Code, we would expect you to promptly remedy any identified non-compliance.

Q

I have a concern. Should I use the Ethics Helpline to report my concern?

A

Yes, you can report it using one of the Ethics Helpline channels. Ideally, you should talk to your manager first.



Feedback and Revisions to the Code

We will regularly review the Code and revise it as needed. Revisions to the Code will be available from the Sonardyne website.

We welcome your comments and suggestions on the Code and its use; please address them to the Human Resources or Risk and Compliance teams. You'll find their contact details in the Speak Up section of this booklet.

Q

What if I raise a concern and it turns out I was mistaken?

A

If you raise a genuine concern in good faith, no action will be taken against you.



People and Team Focus

Fair Treatment and Equal Opportunity

Sonardyne is an equal opportunity employer; we embrace diversity and value everyone for their merits.

We expect our Suppliers to do the same. You must ensure employment – including hiring, payment, benefits, advancement, termination and retirement – is based on ability and not on beliefs or any other personal characteristics. This includes discrimination based on sex, race, colour, national or ethnic origin, sexual orientation, gender identity or expression, religion, political beliefs, trade union activity, marital status, caring responsibilities, disability, age or citizenship. Disciplinary procedures shall be clearly defined and communicated to all workers.

Respectful Workplace

Sonardyne Suppliers must treat all workers equally and with respect and dignity and ensure freedom from harassment and violence. Workers shall not be subject to any form of forced, compulsory, bonded and indentured or prison labour.

Wage and Benefits

Sonardyne Suppliers must pay workers a fair wage commensurate with at least the minimum compensation required by local law and provide all legally mandated benefits. Workers shall not be charged any fees or costs for recruitment or be required to lodge security payments.

Working Hours

Sonardyne Suppliers must ensure that on a regularly scheduled basis, workers are not required to work more than 60 hours a week, including overtime. Overtime must be voluntary and compensated appropriately.

Human Rights, Modern Slavery and Human Trafficking

Sonardyne recognises the United Nations Declaration of Human Rights. We respect human rights and do not take part in, or benefit from, any activity which abuses them. Modern slavery takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking. Sonardyne Suppliers must be committed to acting ethically and with integrity in their business dealings and relationships, and ensure human rights offences including modern slavery are not taking place in their businesses or in any immediate supply chains.

Freedom of Association and Collective Bargaining

Sonardyne's Suppliers are 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.

We also expect our Suppliers to recognise and respect any rights of workers to bargain collectively and exercise lawful rights of free association, including joining or not joining any association of their choosing.

Q

We apply these principles to our own business, what about our supply chain?

A

You should disseminate these values throughout your own supply chain and then incorporate them as part of routine improvement activities.



Business Integrity

Sonardyne is committed to the highest standards of integrity, honesty, openness and professionalism in all its activities wherever they are undertaken, we respect local laws and do not engage in any form of corrupt practices, including extortion, fraud, or bribery. Our Suppliers should inspire trust by taking responsibility, acting ethically and encouraging honest and open debate.

Export/Import Control

Sonardyne Suppliers who serve us across national borders shall understand and comply with all applicable export/import laws and regulations.

Bribery, Corruption and Facilitation Payments

Sonardyne never offers, gives or receive bribes or improper payments, or participates in any kind of corrupt activity, either directly or through any third party. We expect our Suppliers to apply the same stringent principles. Sonardyne Suppliers should not engage in any form of commercial bribery related to the manufacture, distribution or delivery of goods or services to the company or that otherwise involves the company or engage in any kick-back scheme. Suppliers acting on behalf of the company must comply with applicable anti-bribery laws as well as all local laws dealing with bribery of government officials.

We expect our Suppliers to implement appropriate and adequate procedures for their employees to comply with applicable anti-corruption laws and these standards.

Q

I am procuring parts, from overseas, that are required to fulfil an order from you. An official in that territory is requesting additional payment in order to release the goods from customs. I am not sure how I should handle that?

A

Always inform us if someone attempts to bribe you or any suspicions about bribery and corruption.



Trust

Gifts and Hospitality

All Suppliers must conduct their business to a high ethical standard and comply with relevant legislation on bribery, corruption and prohibited business practice.

Sonardyne Suppliers should not provide any gift, meal or entertainment to a company employee that may be seen as an attempt to influence business decisions.

Exchanging gifts other than low value promotional items incorporating a company logo or message such as a calendar or pen is not part of our business model.

Conflicts of Interest

Conflicts of interest run counter to the fair treatment we expect.

Sonardyne Suppliers should avoid any interaction with any Sonardyne employee that may conflict or appear to conflict with that employee acting in the best interests of Sonardyne.

Fraud and Deception

Our policies are clear, no employee will engage in any activity that is designed, or can be reasonably construed, to perpetuate a fraud. We expect our Suppliers to meet these same standards.

Counterfeit Parts

Effective processes should be in place to detect counterfeit parts and materials, and mark parts obsolete as appropriate.

Competition and Anti-Trust

We are committed to free and open competition in our markets. We compete fairly and ethically, and support laws that promote and protect competition. Suppliers shall not engage in any anti-competitive practices or activities which violate anti-trust laws.

Working with Suppliers

We consider the social and environmental impact of the goods and services we buy, as well as the financial cost.

We apply consistent procurement processes and ensure that our Supplier relationships are always based on fair and honest dealing.

Q

As you are a valued customer I want to provide a small gift at Christmas to show my appreciation, what should I do?

A

Our policy does not permit acceptance of gifts or hospitality that is not within the context of a business meeting.



Keeping Information Secure

Confidential Information and Records

Information for us is confidential if it has value to Sonardyne and is not publicly available. You might also obtain confidential information from our employees, customers, partners and others.

Sonardyne employees and Suppliers have a responsibility to keep confidential information safe and make sure it never gets into the wrong hands. Sonardyne Suppliers should also protect personal privacy and comply with applicable privacy laws.

To protect others' confidential information, Sonardyne Suppliers similarly should not disclose to anyone at Sonardyne company information related to any other company if the Supplier is under contractual or legal obligation not to share that information.

Sonardyne in some instances will require Suppliers to sign a non-disclosure agreement.

Q

My Sonardyne contact has sent me information meant for a customer, should I keep it?

A

No, you should immediately notify your contact at Sonardyne and refrain from further distribution.



Health, Safety and Environment

Health and Safety

Our work is never so urgent that we cannot take time to do it safely.

We require Sonardyne Suppliers to provide workers a clean, safe and healthy work environment in compliance with all legally mandated standards for workplace health and safety in the countries in which they operate. Suppliers must understand the health and safety risks of their activities and apply good health and safety management systems, training and practices in all they do. They should also take the necessary precautions to protect everyone from workplace injuries and occupational disease.

Environment

Sonardyne Suppliers must comply with all local environmental laws applicable to the workplace, the products produced, and the methods of manufacture. Additionally, Sonardyne Suppliers must not use materials that are considered harmful to the environment, but should encourage the use of processes and materials that support sustainability of the environment throughout their supply chain.

Conflict Sourced Materials

We require our Suppliers to source minerals from non-conflict associated countries.

The countries that are currently defined as conflict mineral Suppliers are within the Democratic Republic of the Congo (DRC) and its nine adjoining countries: Tanzania, Zambia, Republic of Congo, Central African Republic, Angola, Uganda, Rwanda, South Sudan and Burundi.

Conflict minerals are: Cassiterite, columbite-tantalite (coltan), gold, and wolframite, as well as their "3T" derivatives tin, tantalum and tungsten.

Q

Products we supply to Sonardyne may include conflict minerals should I report that?

A

If you source the above minerals and have not filled out one of our declarations it can be found on our website at: www.sonardyne.com/ethics/conflict-minerals/



Stop, Think and ...

This Code provides basic principles to help us meet our legal and regulatory requirements, our values and the standards we set ourselves.

It is also your responsibility to act professionally and responsibly and to use good judgement.

There are a number of simple warning signs flagged by everyday phrases that should make you stop and think.

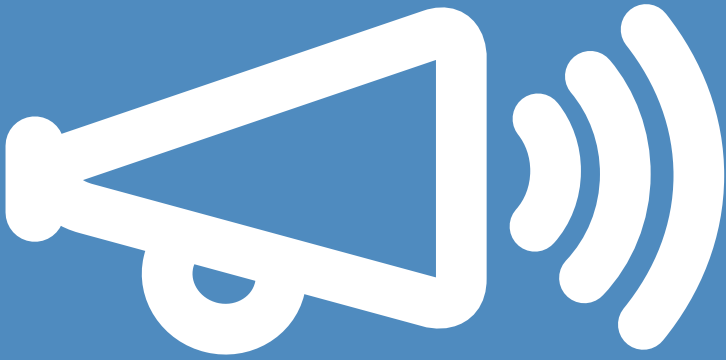
These phrases include:

- “Yes, but just this once...”
- “Nobody will find out that...”
- “Who cares how, as long as it works...”
- “We need a pragmatic approach...”
- “Everybody else does it...”
- “We’ve always done it that way...”
- “We don’t have to mention that...”
- “Now remember, I never told you this...”
- “Just close your eyes to...”
- “It isn’t that serious...”
- “It’s easier to get forgiveness than permission...”
- “If we had to follow all the rules, we couldn’t get any work done...”

If you find yourself using any of these expressions ask yourself:

- is it in line with Sonardyne’s values?
- does it conflict with the Code of Conduct?
- is it legal?
- is it fair and honest?
- will I be proud of what I have done?
- will I sleep soundly tonight if I do this?
- what will my family and friends think of what I’m doing?
- would I be comfortable with my actions being reported in tomorrow’s newspaper?
- am I putting any person in harm’s way?

If you are still not sure what to do, ask for advice. You must always be certain you are doing the right thing.



...Speak Up

There may be situations when you want to report a concern. Sonardyne Suppliers who believe that a company employee or anyone acting on behalf of the company has engaged in illegal or improper conduct should report the matter to us. Sonardyne Suppliers similarly should report any potential violation of this Code. Your relationship with us will not be affected by an honest report of potential misconduct.

Sonardyne is committed to provide the means for you to do it so that it:

- meets your need for confidentiality
- is seen to be responsive and
- protects you from any detrimental treatment by anyone at Sonardyne.

Report concerns by using one of the Sonardyne Ethics Helpline channels listed below.

Telephone: UK +44 (0) 1252 743209

Email: ethics.helpline@sonardyne.com

Post: Finance Director,
Sonardyne International Ltd, Ocean House,
Blackbushe Business Park, Yateley,
Hampshire, GU46 6GD

We encourage our Suppliers to communicate to us any actions taken to improve its business practices and to send us suggestions about how Sonardyne can best contribute to the implementation of the principles set out in this Supplier Code of Conduct.

Full details of Sonardyne's Governing Principles, Code of Conduct, Policies and Standards are available on www.sonardyne.com.



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