

CODE OF ETHICS

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Introduction

The Qioptiq Code of Ethics (the “Code”) stands for a fundamental commitment - to act in accordance with all applicable legal requirements and high ethical standards wherever we operate. In order to help us meet this commitment, this Code defines what Qioptiq expects of its businesses and people regardless of location or background.

This Code is an important reference for information that all Qioptiq employees need to know - including where to get additional information. However, this code does not address every situation or serve as a substitute for each employee’s individual responsibility to exercise good judgment and common sense so that his or her actions never damage either Qioptiq’s hard earned reputation for integrity or that of the employee. In this document the use of the word Company refers to Qioptiq. Both Qioptiq and Company are intended to cover each entity within Qioptiq.

Individual entities within Qioptiq may further develop the principles set forth in the Code as part of their internal procedures; however, such procedures must be aligned with the Code.

1 Our core values

In this Code Qioptiq reiterates its mission and the core values of the company: Qioptiq’s mission is to innovate, develop and manufacture demanding and cost-effective optical solutions for our extensive customer base. The skilled employees and professional managers of our international network of companies are committed to offering a world-class service in optics.

Accomplishing the goals in our Mission Statement is challenging. Our core values, shared by each of us, will help us meet these challenges:

1.1 Customers - we listen and respond

Our business focuses on finding advanced and cost effective solutions to meet our customers’ operational requirements.

We are proud of our customer responsiveness, standards of service, enthusiasm for and understanding of their business needs. Our objective is always to be considered more as a partner than a mere supplier.

Our communications with our customers are open and honest. We pride ourselves on being technically clear, accurate and forthcoming.

We particularly value and support long-term customer relationships in which mutual trust thrives and successful business flourishes.

With our suppliers we work in partnership to ensure that customers receive value for money. The highest quality standards and timeliness are integral parts of our supply chain in our delivery of products and services.

In all circumstances, we make sure that our actions towards and relationship with our business partners are in full compliance with law and regulations, regardless of the complexity or difficulty. Qioptiq’s head office will make sure that all employees are well informed and trained to abide by applicable laws and regulations.

1.2 People - our main resource

We capitalize on the business contribution made by all employees, their varied skill sets, roles and responsibilities.

Our focus is on providing an interesting yet challenging work environment, underpinned by a foundation of constructive relations. We endeavor to achieve excellent communications and encourage and support on-going dialogue among our employees at all levels.

We encourage personal development, helping individuals to exploit their potential and we actively promote and support their quest for knowledge, enjoyment of continuous learning and active participation in the life of the company. Recruitment and promotion are based solely on merit and ability on an individual basis.

Respect, politeness, humility and trust are the behavioral characteristics we applaud and recognize as essential in creating a work environment where the best results can be achieved. Discrimination, in any form, is not tolerated. Each employee is valued and appreciated for who he or she is.

We encourage employees to recognize that they have influence and, as such, they share in the collective responsibility for the performance of the business and the company's reputation. We support cross-fertilization among our diverse cultures. This allows us to expand more readily in new parts of the world, benefit from different ways of reasoning, and understand better our customers, wherever they are situated.

1.3 Teamwork - our major strength

As a business we gain strength by leveraging the talents and creativity of our employees through co-operation and teamwork.

We draw on the different backgrounds of our employees and the number of centers of excellence around the world to enrich debate and promote strong, international understanding.

We encourage the sharing of knowledge and recognize that employees are supportive of their colleagues, helping and guiding others to create a trusting, enjoyable and committed environment.

Our leadership style is to state our operational objectives in a clear and decisive way, within a sensitive and responsible context.

We acknowledge that our business success is a direct result of building and nurturing strong teamwork.

More and more, our customers view Qioptiq as a global supplier of products and services. We recognize and endorse this trend and will support it by actively encouraging teamwork between the different companies of the Group.

1.4 Business Integrity - at the core of our working life

Qioptiq places maximum importance on business integrity and upholding the highest moral standards across all our activities.

We conduct all aspects of our business with fairness and honesty and do not give or receive improper inducements for business gain.

We understand the rules and regulations that apply to our business around the world and adhere to the highest standards of ethical conduct.

We focus on meeting and exceeding the exacting business standards demanded by our customers.

Our employees are actively encouraged to openly discuss and seek total clarity on any issues relating to business integrity.

1.5 Innovation - the key to our future

We are proud of the capabilities of our employees who consistently demonstrate the highest levels of skill and expertise that keep us at the forefront of high technology optics.

We are not complacent in appreciating that our business is driven by the need to encourage entrepreneurship, new technologies and product innovation to achieve sustained competitive advantage. To accomplish this we continuously develop and invest in leading-edge processes which support our business objectives.

We readily accept exciting challenges and constantly question traditional approaches in the pursuit of new, superior solutions.

Interaction with academic institutions and the scientific community is encouraged, together with the sharing of information relating to benefits which can be derived from our latest research.

1.6 Performance - focus on continuous improvement

The application of and improvement upon best practice is a fundamental working process within Qioptiq.

We set challenging performance targets and consider the need for continuous improvement to be a major part of our culture, with individuals and project teams striving to refine and enhance processes.

We aggressively eliminate inefficiencies in every facet of our business processes.

Focus on the highest levels of quality in our equipment, modules and components is incumbent in all our actions. In certain areas, we are pursuing a zero defect policy, with a view to progressively cascading it throughout the Group.

Punctuality is key to meeting our performance objectives and is demonstrated within all aspects of our business.

1.7 Society and the Community - responsible citizenship

As a Company we understand the principle of being responsible citizens.

We work with national and local governments and other organizations to meet our legal and civic obligations and manage our impact on the environment.

We recognize the benefits that our facilities can bring to a community and work to sustain them and, where possible, support local institutions.

We are active members of our communities and acknowledge the efforts made by employees to participate in local pursuits as well as charitable and fundraising activities. We also praise those who are engaged in teaching and tutoring.

2 Qioptiq is a global company

Qioptiq does business globally. This means that our Company, its subsidiaries and our employees are subject to the laws and regulations of different countries and jurisdictions as well as international organizations such as the European Union (EU). Each of us is responsible for knowing and following the laws that apply to us where we work.

This Code establishes principles for business conduct applicable throughout the Qioptiq, regardless of location. Where differences exist as the result of local customs, norms, laws or regulations, you must apply either the code or the local requirements - whichever sets the highest standard of behaviour. If you have any questions, you may seek guidance from your local Management, Human Resource Department, employee representative (union or works council), Qioptiq's Legal Department Human Resources Department. For ease of contact inquiries to the latter two may be sent to: ethics@qioptiq.com.

3 Business relationships

We are committed to offering products and services that meet or exceed the requirements of our customers. Qioptiq recognizes that knowledge and support of our customer's needs is vital to our success. We will help our customers define their objectives and work to achieve them. We will gather and use necessary information only in a legal and ethical manner that respects all our confidentiality obligations.

In all business processes, all employees who represent Qioptiq, whether they are involved in the quotation and offering of products or services, the development of solutions, negotiations or after-sales services, will act with the utmost integrity and truthfulness.

We are committed to being a responsible customer to our suppliers. We encourage the development of cooperative relationships with these companies and will protect all proprietary information entrusted to us.

4 Design, manufacturing, quality assurance and product safety

The value that we bring to our customers is a function of the quality of our design and manufacturing processes. In manufacturing we utilize quality materials and workmanship and continuous improvement in our processes. We inspect and test constantly thereby assuring compliance with specifications, customer requirements and contractual obligations. Design, manufacturing, quality and testing documentation is accurate and complete. Product safety and effectiveness are the result.

5 Employee responsibilities under this code

All employees must adhere to the principles and requirements contained in this code and should consult the code for guidance when acting on behalf of Qioptiq.

Employees must not use a contractor, agent, consultant or other third party to perform any act which conflicts with this code.

Employees who engage third parties such as suppliers, contractors, agents or consultants to work on behalf of Qioptiq must seek to ensure that these parties are made aware of the code and should seek their cooperation in adhering to the code - including, where possible, a contractual commitment to act consistently with the code when acting on our behalf. You must report any breaches or inconsistent behaviour by third parties with which you work.

In joint operations, where we are the principal, we will apply our code principles directly; where we are not the principal, we will seek to influence our business partners to adopt similar principles.

6 The duties of those who supervise others

Those employees who supervise others have additional responsibilities under the Code. They must:

Promote compliance and ethics by example - in other words, show by their behaviour what it means to act with integrity.

- Make sure that those who report to them understand the Code's requirements and have the resources to meet them.
- Monitor compliance and ethics of the people they supervise.
- Use reasonable care to monitor third parties acting on behalf of Qioptiq to ensure that they work in a manner consistent with the Code.
- Enforce the Code consistently.
- Support employees who, in good faith, raise questions or concerns.

7 Conflicts of interest and nepotism

A conflict of interest arises in situations where an employee's impartial and objective judgment, while acting on behalf of Qioptiq, may be impeded, forcing the employee to act according to interests other than those of Qioptiq. Potential conflicts can involve family members, friends, customers, suppliers, present or prospective employees, shareholders or other members of the community.

Every employee has the obligation to disclose any situation that could involve a potential conflict of interest to his supervisor, the human resources department, or the legal department to get instructions on how to proceed in the situation at hand.

Having family members in a position where they are either hired by or report to a direct relative is a conflict of interests. Such situations are only acceptable if they are approved in advance by the senior management of Qioptiq.

8 Confidentiality of information

All employees have the duty to protect and ensure the confidentiality of any type of information obtained through Qioptiq. The duty of confidentiality extends to any information relating to Qioptiq, its customers, vendors, suppliers, business partners and employees. Violations of this duty will not be tolerated.

Confidentiality of information within the company is essential as it is mandated by law and by contracts signed with our partners, customers, and suppliers. All employees of Qioptiq will have either signed or will be expected to sign individual confidentiality agreements. You should be aware of the contents of these agreements. In agreeing to protect confidential information you recognize that this commitment extends indefinitely beyond the period of your employment until such information is no longer confidential.

Each Qioptiq company will have in place an information system that will ensure the confidentiality of all information pertaining to Qioptiq, its customers, vendors, suppliers, business partners and employees. Access to such information will be granted only to the employees who have a need to know such information.

Customer specific confidential information must only be utilized by the persons directly involved in the concerned project and may not be disseminated outside the group of people who have a need to know. There will be no sharing of information with respect to related or potentially related projects.

9 Proprietary information

Qioptiq is a market leader in the design, manufacture and sale of components, subsystems, assemblies and products that encompass significant intellectual property assets of the Company. This intellectual property required significant research and development, engineering and processing expertise to develop and underpins every aspect of Qioptiq. Failure to maintain control over our intellectual property could result in irreparable harm to Qioptiq. As such, each employee is responsible to ensure that our intellectual property is not the subject of any unauthorized disclosure. This rule applies equally to confidential information that has been entrusted to us by customers or suppliers. This rule also applies whether the information exists in writing, electronically or is simply known to us.

As a company involved in the defence industry, Qioptiq understands that we have special obligations with respect to classified information that may be provided to us. Any employees having access to such information must abide with relevant rules and procedures.

10 Record keeping and reporting

All employees have the duty to keep records of all the information necessary for the company to conduct its business in an efficient manner in compliance with Qioptiq's Document Retention policy. The records must be objective, accurate and clear at all times.

Records containing personal data on employees or any other people with whom Qioptiq does business are confidential. Such information should not be disclosed to third parties except as permitted by applicable procedures or if the company is legally obligated to do so. Should you have any questions about disclosure, please consult with the Qioptiq legal department before making the disclosure in question.

Accurate reporting, whether the reporting is financial or otherwise or is intended for internal or external use, is of fundamental importance to the Company. As such, all employees involved in the reporting process, whether on a regular or occasional basis, are reminded that all reports should be complete, accurate and truthful.

11 Preservation of assets

Qioptiq provides us with significant resources in order for us to do our work properly. We must ensure that these assets, including intellectual and personal property, facilities and equipment are properly cared for. We are also responsible for safeguarding and effectively using any customer-owned equipment that may have been entrusted to us.

Computers or electronic communication devices that are the property of the Company should be used primarily for business purposes although personal use outside working hours is acceptable in accordance with local policy arrangements. Loading of huge data volume for private use, using inappropriate websites e.g. those with pornographic or criminal content and using websites which incur additional cost beyond our standard subscription (eg premium cost websites) will not be tolerated.

We will also ensure that all software that is utilized within Qioptiq is being utilized further to an in-force license.

12 Political activities

Neither Qioptiq nor any entity within Qioptiq supports any political party of any country and it is strictly forbidden to make any financial contributions or contributions in kind to any political party on behalf of Qioptiq.

When employees speak on public issues, it must be made clear that their comments or statements reflect those of the individual and not Qioptiq.

13 Legal and regulatory compliance

We are each individually responsible for ensuring that all Company activities are carried out in full compliance with all applicable laws and regulations regardless of the country or area of the world in which we are operating. We are aware that, depending on the circumstances, the laws and regulations of more than one country or jurisdiction may govern our actions. Any activities or issues that are outside our normal expertise or may be questionable from a legal standpoint should be referred to Qioptiq's legal department or others in the Company with the requisite expertise.

Complying with laws and regulations means that we comply with both the letter and the spirit of such laws and regulations and that our business practices are carried out in such a way as to enhance our reputation as a law-abiding organization.

As a significant business operating throughout the world, there are many areas of the law that affect us on a daily basis. Some recurring issues are addressed in the sections that follow. Others including the need to ensure strict compliance with international trade law including export and import laws and regulations, competition law and antitrust law, intellectual property law and employment law will be the subject of policies and training by the Legal and other departments of Qioptiq. In addition, new issues will undoubtedly arise for which guidance and procedures will be developed.

14 Agents and consultants

All Qioptiq agents and business consultants are expected to carry out their duties with integrity. As part of their engagement by Qioptiq they will need to certify their adherence to the principles and values contained in this Code. The payment of bribes or kickbacks, engaging in industrial espionage, obtaining confidential information of third parties without authorisation or unlawfully obtaining inside information or exercising influence are examples of the types of behaviour that will not be permitted. Qioptiq has a specific vetting process for agents and business consultants that should be followed. Please contact the office of the General Counsel if there are any questions regarding this process.

14.1 Anti-bribery Legislation

Many countries have enacted anti-bribery legislation which make it an offense to offer, promise or give a financial or other advantage to anyone, intending to improperly influence that person into performing their role or function improperly for the benefit of Qioptiq. It is also an offense to request, agree to receive or accept a financial or other advantage offered which is intended to influence you or another person into performing a function or activity improperly, or to bribe a foreign public official. Under some legislation, an offense is committed if a bribe is paid either directly or through a third party. In addition, Qioptiq may be guilty of an offense and, therefore, takes all necessary efforts to prevent bribery where a third party person 'associated' with the organisation bribes another intending to obtain or retain business or another advantage for Qioptiq. A 'person' can be an individual or an organisation, and is 'associated' with Qioptiq if that person performs services for or on behalf of Qioptiq. This can therefore apply to any agent, consultant, intermediary, distributor or joint venture who we engage to perform services on our behalf.

Qioptiq has taken steps to prevent bribery within the organization by putting in place procedures designed to prevent bribery within our organization. Employees should be in compliance to ensure that their conduct is not in breach of applicable anti-bribery legislation.

15 Discrimination and harassment

Qioptiq values the diversity of its workforce. Qioptiq's approach to diversity is defined by inclusiveness, respect and fostering a culture that allows each individual to contribute to his or her fullest potential.

Qioptiq is committed to the principle of equal employment opportunity for all employees and to providing employees with a work environment free of discrimination and harassment, including sexual harassment. All employment decisions at Qioptiq are based on company needs, job requirements and individual qualifications, without regard to legally protected characteristics such as race, colour, religion, national origin, gender, age, disability, HIV status, sexual orientation, gender identity, marital status, past or present military service or any other status protected by the laws or regulations in the locations where we operate. Qioptiq will not tolerate discrimination based on any of these characteristics, nor harassment of any of our employees.

Qioptiq is, of course, committed to complying with all applicable laws and regulations. On occasion, these laws and regulations may apply, for example, nationality, security clearance restrictions related to the activities of the Company or reporting requirements which must be complied with.

16 Corruption

It is strictly prohibited to engage in any form of corruption by offering or accepting any illegal payments or improper advantages to a third party or by soliciting, extorting or demanding the same.

Engaging in corruption constitutes a criminal offense; Qioptiq will not tolerate its employees engaging in any form of corruption regardless of their location. Qioptiq will also act to ensure that our industrial partners also adhere to this principle.

17 Business courtesies and social functions

Qioptiq is aware of the different cultures present in the countries in which it does business. Business entertainment and gifts is delicate area since there are many cultural differences in this area. While Qioptiq is committed to embrace and respect all cultures and their differences in what is a delicate area, we have adopted the following guidelines.

17.1 Gifts and entertainment from suppliers

All gifts to employees from suppliers must be reasonable. All gifts having a value higher than the equivalent of 100 USD should not be accepted by any employee. Gifts having a value higher than the equivalent of 100 USD may be accepted by the company, not by the employee, upon authorization of the Managing Director of the company for which the employee works and must be reported to the Ethics Committee at the end of the first quarter of every year. Please see section 6 of the Anti-Bribery and Corruption Policy for further details.

17.2 Gifts and entertainment to customers

All entertainment and gifts provided to customers should be reasonable within the local business practices. The value of each gift should not exceed 100 USD. All exceptions to this rule should be consulted with and decided by the Managing Director of the company for which the employee works and reported to the Ethics Committee at the end of the first quarter of every year. Please see section 6 of the Anti-Bribery and Corruption Policy for further details.

17.3 Charities

All requests for contributions to charities or any other causes from a Qioptiq site shall be submitted to the Managing Director of that site for consideration and reported to the Ethics Committee by the Managing Director, at the end of the first quarter of every year.

17.4 Social functions organized by Qioptiq

All social functions organized by Qioptiq shall be run in a manner that is not conducive to inappropriate behavior. All Qioptiq employees should maintain a professional and proper conduct during these functions.

17.5 Business Travel or Representation Activities

While traveling or engaging in representation activities on behalf of Qioptiq, all employees are expected to comport themselves professionally and in a manner that will not reflect adversely on the Company.

18 Health, safety and the environment

Qioptiq is committed to conducting its business in a manner that delivers leading Environmental, Health and Safety performance. Our goals are to provide products and services that are safe and environmentally sound throughout their lifecycles, conduct our operations in an environmentally responsible manner, and create health and safety practices and work environments that enable Qioptiq employees to perform at their best.

Each employee has an individual responsibility to understand and support our environmental, health and safety policies and to actively participate in the improvement of his work environment. Any behavior threatening the work environment should be reported to your supervisor, the Human Resources department, or the Legal department. Your employee representative (union or works council) may also be advised.

All Qioptiq companies must be in compliance with the environmental, health and safety laws, rules and regulations at all times.

19 Internal investigations and sanctions

This Code represents a commitment to doing what is right. By working for Qioptiq, you are agreeing to uphold this commitment. Understand the requirements of the code and the standards, instructions and processes that apply to your job - and always follow them. Those who fail to follow the Code put themselves, their co-workers, and Qioptiq at risk.

You should report any breaches or potential breaches of Qioptiq's compliance and ethics commitments of which you become aware - whether these relate to yourself or others unless you have been able to resolve the matter directly. If you are unsure about the proper course of action you should seek advice.

If you are in any doubt about whether to raise a concern, ask yourself some simple questions:

- Is the action you are concerned about legal?
- Does it comply with the Qioptiq Code of Ethics and Business Conduct?
- Is it in line with Qioptiq's values?
- Does it expose Qioptiq to any unacceptable risks?
- Does it expose the employee to any unacceptable risks?
- Does it match our commitments and guarantees that we have made to others?
- What would others think about this action - your manager, colleagues or family?
- How would this look if reported in the newspapers?
- Does it feel right?

It may seem easier to keep silent or look the other way. But our commitment to integrity means we must never ignore a legal or ethical issue that needs to be addressed.

Anonymous allegations will not be allowed. However, reports of violations of this Code will be treated confidentially, to the extent practicable under the circumstances.

All legitimate allegations of misconduct will give rise to an investigation, during which all the information gathered will remain confidential. All Qioptiq employees are expected to cooperate with the investigating officers.

Violations of this Code can give rise to disciplinary measures.

Investigations will be conducted and disciplinary measures will be applied in accordance with the laws of the country where the violation has taken place. Disciplinary measures will be applied case by case depending on the gravity of the violation and the circumstances of each case.

The completion of an internal investigation or application of disciplinary measures will not prevent the operation of the legal authorities and possible application of civil or criminal sanctions.

20 Retaliation

Any employee, who in good faith seeks advice, raises a concern or reports misconduct is following the Code and is doing the right thing. Qioptiq will not tolerate retaliation against this person.

We take claims of retaliation seriously. Allegations of retaliation will be investigated and appropriate action taken. Anyone responsible for reprisals against individuals who report suspected misconduct or other risks to the business will be subject to disciplinary action up to and including dismissal.

If you suspect that you or someone you know has been retaliated against for raising a compliance or ethical issue, immediately contact Qioptiq's Legal Department.

21 Who to contact?

An important part of ethical behaviour is the responsibility to report apparent violations of this Code or any other actions that an employee believes to be a departure from appropriate standards of ethical conduct. When such actions are observed or discovered, it is each employee's responsibility to report all perceived violations or departures from sound ethical business practice to the Company. Employees are encouraged to make these reports through their supervisors and, as needed, obtain guidance and interpretation of a suspected violation as it relates to the Code of Ethics or other acceptable business practices. Employee representatives such as unions or work councils may also be advised.

If you suspect a violation of law, this Code, other Qioptiq policies, or other improper activities at Qioptiq you can bring them to the attention of your supervisor, your Human Resources Department representative, or the Legal Department representative. Again, employee representatives may also be advised.

If the matter involves a potential export compliance violation, the point of contact should be the Export Compliance person at your company or the Qioptiq Group Director of Export Compliance.

All Qioptiq employees will be treated with dignity and respect and will not be subject to retaliation, threats or harassment for raising concerns or reporting violations.

Qioptiq understands that circumstances might make other reporting channels other than those suggested previously more appropriate. In such cases, all employees should feel free to contact their respective Human Resource or the Legal functions. The employee representatives may also be notified. However, if they would feel more comfortable contacting someone independent of their organization, except for potential export compliance violations in which case they should contact the Export Compliance Officer of their unit or the Group Director of Export Compliance, they may contact either the Qioptiq General Counsel or Director of Human Resources. These two persons may be contacted through the following address: ethics@qioptiq.com.

Any contact with the Qioptiq General Counsel, Director of Human Resources or the Group Director of Export Compliance may, if requested, be held confidential to the extent possible given the need to undertake fair and appropriate investigative action. Employees should be aware that they may make such reports with the absolute assurance that no adverse action or retribution will occur based upon making such a report.

The follow-up to any specific report will depend necessarily on the particular facts involved. Generally, however, three steps may be involved. First, the issue will be reviewed to determine whether a violation of the Code of Ethics or departure from appropriate standards of ethical conduct does exist. Secondly, the matter will be fully investigated and, if necessary, a report will be produced. Finally, necessary steps will be taken to halt and correct the problem. If appropriate, disciplinary action may be taken.

22 Waiver and amendments

All requests to waive or amend any provisions of this Code must be submitted to the Ethics Committee for its consideration and approval.