



MACTAGGART SCOTT

Innovators since 1898

MacTaggart Scott Code of Ethics

Ethics: the rules of conduct recognised in respect to a particular class of human actions or a particular group, culture, etc.

MacTaggart Scott's commitment to ethical behaviour is demonstrated by the Company and each and every member of its staff:

- Assuming responsibilities within the framework of corporate governance principles approved by OECD countries.
- Understanding cultures, thereby guaranteeing for Company staff, customers and suppliers throughout the world, respect for their identity, culture and abilities.
- Sharing knowledge, in compliance with conditions related to our defence market, which enables our Company to remain at the cutting edge of technology and provide our customers with the best products and service.



MACTAGGART SCOTT

Innovators since 1898

A message from Richard Prenter Chairman, MacTaggart, Scott & Co. Ltd.

For over 100 years MacTaggart Scott has provided its customers with products and service that reflect the Company's values and integrity. Today we operate in an ever-changing market with new domestic and international customers and suppliers featuring in our business mix.

For MacTaggart Scott, the implementation of this Code of Ethics goes beyond the currently prevailing laws and regulations. It illustrates our responsible attitude and commitment to best practice wherever we do our business. We must act in compliance with this Code in all our daily business and behaviour and demonstrate our commitment to our customers, suppliers, subcontractors, partners and fellow employees.

Every one of us should therefore read and understand this Code of Ethics and make it the framework for everything we do in and for MacTaggart Scott. Please read it carefully, if you have any questions or require clarification, do not hesitate to ask your manager or any Board member. Our implementation of and adherence to this Code of Ethics will be the bedrock for our future and another 100 years of successful business.



The Code of Ethics

In application of MacTaggart Scott values, this Code of Ethics sets out the behaviour rules applicable within the Company. It will undergo a constant improvement process.

The rules specified herein do not substitute each country's applicable national and international legislation, with which the Company must also comply.

The said rules are not contractually binding, but all Company permanent and temporary employees must be aware of and apply these rules. Everyone is responsible for their application.

These rules are applicable to three key areas of the Company:

- Customers, suppliers and subcontractors
- Members of staff
- Our environment



Customers, suppliers and subcontractors

MacTaggart Scott strives to establish stable relationships based on mutual confidence and respect with its customers, suppliers and subcontractors. Accordingly, MacTaggart Scott customers, suppliers and specialised subcontractors are Company associates. This status entitles the latter to expect:

- Genuine and loyal information, in accordance with their requirements.
- Compliance with Company commitments thereto.

Customers

Satisfying UK and international Company customers is a priority for MacTaggart Scott employees.

In particular, this is based on:

- Paying attention to their requirements, resulting in clear, exhaustive and precise offers.
- Constant concern for the quality of systems, equipment, products and services supplied and their appropriateness with the customer's needs as expressed in specifications.
- A follow-up and quality service for vessels, systems, equipment, products and services supplied.

MacTaggart Scott trades in accordance with currently prevailing OECD texts, legislation and regulations.

The Company absolutely refuses to directly or indirectly grant any undue advantage to any public, UK or foreign agent whomsoever, or to any customer employee, resulting in MacTaggart Scott being awarded any particular favour due to the latter's actions or behaviour when performing his/her duties. The Company also performs business in compliance with rules applicable to export control.

Company members of staff may only grant any advantages, gifts, entertainment or travels to a customer within strictly defined limits, in compliance with currently prevailing rules and commonly agreed practices. Management's agreement thereto is mandatory.



Suppliers and subcontractors

MacTaggart Scott establishes purchasing relationships based on mutual loyalty with its suppliers and subcontractors.

Loyalty towards suppliers and subcontractors involves:

- Compliance with purchasing procedures:
 - Transparency of implemented selection rules, in particular the fair treatment of companies during bidding.
 - A commitment to implement negotiated conditions, in particular with respect to payment deadlines and intellectual property rights.
- Behaviour which ensures that prices paid correspond to the value of supplied goods, assets and services.

All members of Company personnel are expected to have the integrity to refuse any personal advantage or gift of significant value, either on their own behalf or for family and friends. Offers of travel, trips or shows shall be refused, unless these have a professional character within the framework of customer, supplier or subcontractor seminars, or collective events.

Invitations to restaurants or a show shall be restricted to a specific event, be reciprocal and kept to a reasonable level. An employee's personal interests shall never be taken into account when selecting a supplier or subcontractor. Management is especially vigilant if a personal, family or financial connection exists between a supplier or subcontractor and a member of staff.

In order to guarantee the neutrality and independence of relationships between MacTaggart Scott, our suppliers and subcontractors, and within the framework of Human Resources management policy, the purchasing department endeavours to regularly change purchasers' portfolios, at least every five years.

Application of the principles set forth herein is all the more necessary due to the fact that the Company purchasing policy is based on the selection of a limited number of suppliers and subcontractors, and the development of performing and long-lasting relationships with the latter, thereby guaranteeing the long-term competitiveness of MacTaggart Scott solutions at both national and international levels.



Members of staff

MacTaggart Scott growth and efficiency relies on enhancing the value of people. An appropriate management system and the individual development of each member of staff are mandatory conditions for the collective success of MacTaggart Scott.

The Company is particularly attached to compliance with the three following principles:

- Equal treatment: this involves avoiding any discrimination whatsoever on the grounds of origin, customs, sex, age, political or religious opinions, trade union membership or handicaps.
- Respect for the individual: this excludes any behaviour which may impede this principle and the respect of private life. Accordingly, personal staff data which is collected or filed by MacTaggart Scott is strictly delimited and declared; the use thereof is restricted.
- The will to ensure a work environment which complies with currently prevailing legal provisions, procedure follow-up, the prevention of sanitary and professional risks as well as staff training.

In their relationships with colleagues, superiors and teams, each member of MacTaggart Scott shall monitor:

- That commitments are complied with.
- That information held by the latter is dealt with in all transparency and sincerity.

MacTaggart Scott staff members shall be totally loyal to the Company. This results in not working for a current or potential competitor and excluding any dishonest competition, unless previously and formally agreed to.

Expenditure incurred by a member of staff, for which the latter requests reimbursement, shall have been effectively undertaken and have a direct connection with the project or activity performed on behalf of the Company.

Furthermore, each member of staff shall monitor compliance with the protection of MacTaggart Scott intellectual property and the security requirements pertaining to customer information passed to the Company.



MACTAGGART SCOTT

Innovators since 1898

Our environment

MacTaggart Scott is committed to a resolute approach to environmental protection and in particular defends this principle in the scope of its activities.

In support of the said approach, the Company:

- Identifies new environmental risks and implements the required measures for the purpose of preventing or limiting the effects thereof.
- Undertakes a constant improvement and staff training programme so that the reduction of our sites, activities and products' environmental impact is taken into account.

MacTaggart Scott monitors compliance with national, European and international regulations on environmental matters and deploys appropriate management systems and performance measurement tools.

Lastly, the Company communicates information with respect to the impact of its activity on the environment.



MACTAGGART SCOTT

Innovators since 1898

Citizenship

MacTaggart Scott monitors compliance with the national and international regulations applicable in the countries in which it is located and operates.

MacTaggart Scott respects political, religious and philosophical neutrality. Accordingly, the Company commits to not providing any financial contribution to candidates, elected representatives or political parties.

Nevertheless, all members of MacTaggart Scott staff may personally take part in politics, outside their place of work and working hours, but shall not use the Company's image in support of their commitment.

MacTaggart Scott takes part in financing charities, associations, foundations and sponsorships insofar as these come within the scope of values and priorities specified by the Company and currently prevailing legislation.

The Company's tangible and intangible assets

MacTaggart Scott' assets are a major contributor to its continuity and development. Each member of staff shall act in the interest of preserving the Company's tangible and intangible assets, of which the loss, theft or illegal use would be detrimental to MacTaggart Scott.

Any incident, deterioration or incorrect operating of equipment used, which belongs to the Company, shall be reported in accordance with currently prevailing procedures.

Special attention shall be paid to confidential information held by MacTaggart Scott, in particular as regards Company products, processes, patents, know-how, staff, or industrial, strategic and financial operations. The said information shall not be disclosed to any third party without prior and formal agreement thereto by MacTaggart Scott.



MACTAGGART SCOTT

Innovators since 1898

Code of Ethics implementation

MacTaggart Scott distributes this Code of Ethics to each member of staff and has a copy available on the Company's intranet. Furthermore, the Company offers advice and guidance to any member of staff who wishes to supplement his/her knowledge in this field.

This Code of Ethics may also be communicated beyond the Company if necessary, in particular to customers, suppliers, subcontractors and shareholders, in accordance with rules specified by the Company Board of Directors.

- Company organisation for ethical behaviour
- Procedure for compliance with MacTaggart Scott Code of Ethics



Company organisation for ethical behaviour

The MacTaggart Scott Board of Directors is responsible for the creation, of this Code of Ethics. Supported by all MacTaggart Scott senior management, the Board is responsible for deploying this Code of Ethics and verifying the application thereof

The specific responsibilities of the Board with respect to this Code of Ethics are:

- To define and implement Company policy as regards ethics and corporate responsibility.
- To alert and propose guidance on ethical standards relating to governance, commercial, environmental, social and corporate issues.
- To monitor deployment and follow-up of the Code of Ethics within MacTaggart Scott.
- To monitor respect of the individual and collective values on which the Company bases its actions.
- To study the positions, actions and measures implemented by the Company relating to corporate responsibility (sustainable development).
- To define the main priorities of the training and communication schedule on the said subjects.
- To study commitments undertaken by Company subsidiaries' certifying compliance with their applicable Code of Ethics.
- To launch the necessary inquiries in the event of noncompliance with the said Code and propose possible actions to be undertaken.



Procedure for compliance with the MacTaggart Scott Code of Ethics

The Company Code of Ethics, by contributing to the development of responsible awareness, is part of MacTaggart Scott's overall commitment to compliance with the legislation which governs companies in their national and international markets.

There are a range of channels provided for MacTaggart Scott staff to raise ethics issues:

- If you have any queries or doubts, all members of staff can access information and advice on the application and interpretation of the Code of Ethics rules, current texts and legislation. Any queries or doubts may be transmitted through management channels or directly to the Board.
- All queries and doubts raised by a member of staff will be handled with appropriate confidentiality.
- The implementation of the Code calls on each member of staff's integrity and honesty. The Code can only operate on the basis of information transmitted in good faith, supported as far as possible by physical and verifiable facts.



MACTAGGART SCOTT

Innovators since 1898

For further information... or if you encounter any difficulties, please contact:

- Your manager
- Any Company Board member