



GSI GROUP INC. SUPPLIER CODE OF CONDUCT

GSI Group and its subsidiaries (collectively, "GSI") are committed to conduct business and source materials and components from responsible suppliers ("Suppliers") who meet the highest applicable legal and ethical standards. To assist Suppliers in meeting GSI's expectations, this Supplier Code of Ethics ("Code") provides basic guidelines for important areas of business conduct. As used in this Code, "Supplier" refers to any entity providing products, people or services to GSI, and where applicable, the personnel of Supplier and its subcontractors and agents. GSI expects Suppliers to comply with these guidelines and always exercise good judgment in applying them to their conduct as a GSI Supplier.

The Code is not intended to create new and additional third party rights, including for workers. Suppliers must conduct their business operations in full compliance with the laws, rules and regulations of the countries in which they operate and all other laws, rules and regulations applicable to their business and/or products, including but not limited those described in this Code, and in conformity with the internationally recognized standards of business conduct described in this Code.

A. LABOR

GSI expects the Supplier to comply, as a minimum, with all applicable local laws and regulations related to labor and employment including, but not limited to, minimum wage, maximum hours of work, days of rest, compensation, freedom of association, right to organize and collective bargaining. Furthermore, GSI expects the supplier to comply with the following principles:

1. Child Labour

Supplier will not engage in nor support the use of child labour. By child labour, it means employees under the age of 15 years old. However, for employment or work which by its nature or circumstances is not suitable for a person under the age of 18 years old, child labour shall mean employees under the age of 18 years old. GSI supports the use of legitimate workplace learning programs that comply with all applicable laws and regulations.

2. Forced or Compulsory Labour

Supplier will not engage in nor support the use of forced or compulsory labour. The Supplier is expected not to exact any work or service from any person under the menace of any penalty. For example, the Supplier's employees must be free to leave work or terminate their employment with reasonable notice, and they are not required to surrender any government issued identification, passports or work permits as a condition of employment.

3. Freedom of Association

The Supplier is expected to recognize the principle of freedom of association and the right to collective bargaining where local laws allow.

4. Respect and Dignity

There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers: nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

5. Wages and Benefits

Suppliers shall pay employee compensation in accordance with all applicable wage and hour laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

6. Non-Discrimination

Suppliers are expected to support diversity and employment equity. The Supplier is expected to offer equal employment opportunities and compensation without any discrimination, unless such discrimination is based on the inherent requirements of the job or in the course of a program to promote diversity. Suppliers shall be committed to a workforce free of unlawful discrimination.

7. The California Transparency in Supply Chains Act of 2010

In 2010, the State of California adopted the Transparency in Supply Chains Act, which requires certain retailers and manufacturers to post a disclosure statement on their web sites detailing whether, and to what extent, they investigate or monitor slavery or human trafficking in their direct product supply chains. GSI Group and its subsidiaries (collectively "GSI"), expect Suppliers in its direct product supply chains to comply with applicable laws, will investigate claims brought to its attention regarding the use of slavery or human trafficking by its Suppliers and will take appropriate action to discontinue use of a Supplier that uses such labor. GSI management is not aware of any claims regarding the use of slavery or human trafficking by any member of GSI's direct product supply chains in the history of the Company.

8. Recruitment fees

Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

B. HEALTH and SAFETY

Suppliers shall provide a safe and healthy work environment for employees in order to minimize the incidence of work-related injury and illness and enhance the quality of products and services, the consistency of production, and worker retention and morale.

1. Emergency Preparedness

Suppliers shall identify and assess potential emergency situations and events, and minimize their impact by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

2. Occupational Safety & Industrial Hygiene

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out) and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained personal protective equipment. In addition, production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers. Suppliers shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility. Workers shall not be disciplined for raising safety concerns

3. Occupational Injury and Illness

Supplier is expected to implement procedures and systems to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and d) facilitate return of workers to work.

4. Sanitation, Food, and Housing

Suppliers shall provide workers with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by Suppliers or their agents shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space, along with reasonable entry and exit privileges.

5. Physically Demanding Work

Suppliers shall identify, evaluate and control worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks.

C. ENVIRONMENTAL

Suppliers shall minimize adverse effects on the community, environment and natural resources in their manufacturing operations, while safeguarding the health and safety of the public.

1. Environmental Permits and Reporting

Suppliers shall obtain and maintain all required environmental permits (e.g. with respect to discharge and monitoring), approvals and registrations, and comply with their operational and reporting requirements.

2. Pollution Prevention and Resource Reduction & Handling

Suppliers shall reduce or eliminate the use of resources and generation of waste of all types, including water and energy, wherever commercially feasible, either at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment systems.

3. Hazardous Substances & Materials Restrictions

Suppliers are expected to identify and manage chemical and other materials posing a hazard if released to the environment to ensure their safe handling, movement, storage, use, recycling or reuse and disposal. Suppliers shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

4. Air Emissions

Suppliers shall characterize, routinely monitor, control and treat air emissions of volatile organic compounds in chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

D. ETHICS

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings should be transparently performed and accurately reflected on Participant's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

1. Anti-Corruption

Suppliers shall prohibit any and all forms of bribery, corruption, extortion and embezzlement. Suppliers shall ensure that their employees and agents do not promise, offer, authorize, give or

accept bribes or other means of obtaining undue or improper advantage. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. All business dealings should be transparently performed and accurately reflected in Suppliers' business books and records. Suppliers shall implement monitoring and enforcement procedures to ensure compliance with anti-corruption laws.

2. Disclosure of Information

Suppliers shall disclose information regarding their labor, health and safety, environmental practices, business activities, structure, financial situation and performance in accordance with applicable laws and regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in Suppliers' supply chain is unacceptable.

3. Property rights of others

Suppliers will respect the property rights of others. In the conduct of business, Supplier has occasion to receive and use proprietary information of others, such as customer lists, technical developments or operational data, as well as other material that is not publicly available. The Supplier must use this information only in accordance with the agreements under which such information is received. The Supplier policy must be to honor and respect the intellectual property rights of others. Such intellectual property rights include patents, trademarks and copyrights. Suppliers should not engage in any improper use of the intellectual property rights of others, including the unlawful or unauthorized copying, revealing or use of anyone's intellectual property.

4. Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.

5. Protection of Identity and Non-Retaliation

Suppliers shall maintain and communicate a process for their personnel to raise any concerns regarding Suppliers' business and operations without fear of retaliation. Suppliers shall ensure the confidentiality, anonymity and protection of whistle-blowers, unless prohibited by law. A whistle-blower is any person who makes a disclosure about improper or illegal conduct by an employee or officer of a company, or by a public official or official body.

6. Responsible Sourcing of Minerals

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

7. Privacy

Suppliers shall implement measures consistent with the highest industry standards to protect the personal information of individuals involved in their operations, including customers, vendors, consumers, employees and agents. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

E. COMPLIANCE MEASURES; REPORTING AND ASSESSMENTS

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the Suppliers' operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code.

1. Reporting and Assessments

Supplier must undertake periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility and implement a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews. Within a reasonable period of time following the Company's request, Suppliers will provide the Company with self-assessments, certifications and/or other documentation verifying their conformance with this Code as reasonably required by the Company to assist the Company in its own compliance efforts.

2. Training

Supplier shall develop and maintain management and worker training programs to facilitate proper implementation of its policies and procedures and to fulfil Supplier's continuous improvement objectives. Supplier shall have a process for communicating clear and accurate information about its performance, practices, policies, and expectations to its workers, next-tier supplier(s), and customers. Supplier shall have an ongoing process to obtain feedback on its practices related to this Code and to foster continuous improvement.

3. Corrective Actions

Supplier shall have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.