

## **SPIRENT GROUP**

# **BUSINESS ETHICS POLICY**

## Policy Statement

Spirent expects that all of its business is conducted in compliance with high ethical standards of business practice. We apply these standards to all dealings with employees, customers, suppliers and other stakeholders.

The Ethics Policy, which has been approved by the Board of Spirent Communications, is set out below and it is available on the company website at [www.spirent.com](http://www.spirent.com). Our Ethics Policy has been developed to ensure that our business is conducted in adherence with high ethical and legal principles and sets standards of professionalism and integrity for all employees and operations worldwide.

The following is a summary:

- All employees have the right to expect and the responsibility to ensure that Spirent's business is conducted with high ethical standards and legal principles;
- Our policy is to operate within applicable law;
- Discrimination or harassment of any kind will not be tolerated;
- As a matter of policy, we do not make political donations;
- No bribes shall be given or received;
- We all have a responsibility to take the necessary safeguards against fraudulent activity;
- Conflicts of interest must be avoided;
- We aim to be a responsible partner within our local communities; and
- Employees are encouraged and supported to report, in confidence, any suspected wrong doing.

Our internal control process includes the review of appropriate ethical behaviour.

## Rules of Conduct

### Introduction

This summary is not intended to address every instance in which we are called upon to observe and practice sound business ethics. However, it is meant to remind us that if we each strive to live and abide by basic ethical principles in the day-to-day conduct of our business, we will foster an environment of mutual trust and respect and continue to build on our global reputation for integrity, which is the foundation of the company.

Spirent believes that trust fosters long-term relationships which are built through honesty, openness and fair play. All aspects of our business must be based on the highest ethical standards. Our employees are key to our success and we're all part of the Spirent team, so we all must take responsibility for our own actions and conduct. In addition, since managers are responsible for directing the actions of others and for setting an example for other employees, they should be familiar with this Business Ethics Policy and how it applies to them and to those under their supervision. It should be remembered that no one has authority to require or influence another employee to violate these Rules of Conduct, and any attempt to do so may result in immediate disciplinary action, up to and including termination of employment.

Good judgment is a fundamental basis of everything Spirent does as a company and understanding our ethical and legal parameters can only strengthen that judgment. We are a global company; we have a responsibility to follow applicable laws and regulations in all locations where we do business. Instances where law does not explicitly address an ethical matter requires us to use good judgment, adhering to the spirit of the law, and following the principles of honesty, integrity, and common sense. To be clear, if local law is stricter than the Business Ethics Policy, then we should follow local law. If the Business Ethics Policy is stricter than local law, then we should follow the Policy.

This Spirent Ethics Policy is supported by the whole Board of Spirent Communications plc and shall be reviewed from time to time. The policy applies to every employee of the Group.

If you have any questions about how these principles affect you or if you observe what you believe to be inappropriate, unethical, or unlawful conditions at any time, please contact your manager or business unit/functional organisation HR Director. If you have any queries or concerns that you would rather not raise at a local level then please contact the Company Secretary & General Counsel, Chief Financial Officer (“CFO”) or Chief Executive Officer (“CEO”). Alternatively, you may report the matter via our Whistleblowing hotline, <https://inside.spirent.com/safecall-country-numbers>

## **Employment, Discrimination and Harassment**

Taking into account local practice and the operational requirements of the business, it is our goal to offer unambiguous and fair terms of employment and to provide employees with appropriate opportunities to develop their skills and progress in their careers. It is our intention to honour all applicable terms and conditions of employment.

The Company recognises its duty and the benefits of providing working conditions which promote good health, safety and environmental practices - copies of Company guidelines in respect of these matters are available from local management. Employees are encouraged to report immediately any health, safety or environmental concerns to their line manager in order to protect the welfare of themselves and colleagues.

Employees are encouraged to recognise their duty to act in a responsible manner in the workplace, having due regard for the health, safety and general welfare of their colleagues.

We consider that the diverse backgrounds and nationalities of Spirent employees around the world form a strength to the business. All employees regardless of their colour, race, religion, marital status, sexual orientation, disability or age should be treated fairly and honestly with both respect and dignity. Harassment (including sexual, physical, mental, use of abusive language or offensive gestures) or bullying, in any shape or form will not be tolerated. Any employee who is proved to have acted in a discriminatory manner or to have indulged in bullying or harassment will be subject to disciplinary or grievance procedures and all employees are strongly encouraged to report such incidents.

It is our policy to respect the human rights of all employees, including:

- ensuring employees have the freedom to associate or to collectively bargain without fear of discrimination against the exercise of such freedoms;
- a prohibition on using forced or child labour; and
- appropriate restrictions on the access and use of personal employee information to respect rights of privacy.

## **Conduct and Behaviour Standards**

All employees are expected to contribute to the success of Spirent by performing their jobs as required and conducting themselves in a professional manner consistent with the company's business philosophy, values and standards of business conduct.

Employee honesty and integrity are essential to ethical business practices. Employees are required to prepare all reports, including expense reports and time cards accurately and truthfully.

Unacceptable conduct that is considered detrimental to the company's best interests may result in immediate disciplinary action, up to and including termination of employment.

Misuse of Spirent property, including the company's equipment, supplies, e-mail, intranet, and computer and voicemail systems can constitute unethical conduct. These tools and resources are intended to assist employees in conducting legitimate company business, and any other use of such property is discouraged.

Any of the following conduct by any employee, including the Chairman, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO"), must be reported immediately to the Company Secretary & General Counsel. If the Company Secretary & General Counsel is alleged to be involved in the conduct, then the report shall be conveyed to the CEO, unless the CEO is allegedly implicated in such conduct, in which case the report shall be conveyed to the Chairman of the Audit Committee ("Audit Committee Chairman"). If you are uncomfortable making a report in the manner described above you may report the matter in accordance using our Whistleblowing hotline: <https://inside.spirent.com/safecall-country-numbers>

Violation of the company's revenue recognition policies and procedures, or any other company policies or procedures designed to ensure full, fair, accurate, timely and understandable disclosure of company information as required by the London Stock Exchange or any other applicable governmental law, rule or regulation.

- Failure to fully, fairly, accurately, understandably and timely disclose to the appropriate individual(s) within the company any and all information that relates to the company's business, operations or financial condition that may need to be reported or disclosed to the London Stock Exchange or pursuant to any other applicable governmental law, rule or regulation.
- Misrepresentation, concealment, falsification or destruction of any documents or other information relating to the company's business, operations or financial condition that may be required to be reported or disclosed or used to prepare documents required to be reported or disclosed, to the London Stock Exchange or pursuant to any other applicable governmental law, rule or regulation.
- Any other activity or conduct that could cause an individual, the company or any of its officers or directors to violate any applicable governmental law, rule or regulation relating to full, fair, accurate, timely and understandable disclosure of information required to be disclosed to any third person.

### **Compliance with the Law**

At all times, it is our policy to operate within the laws, rules and regulations of the countries, states or other jurisdictions in which we operate. It is our policy to co-operate fully with relevant public authorities and regulatory bodies as appropriate.

The senior management team of each operating unit or subsidiary is responsible for ensuring that legislation is complied with and that requirements are appropriately communicated to their staff.



All employees have the right and the responsibility to resolve doubts or uncertainties about ethical questions or compliance with the law. To resolve any ethical or legal issue, an employee should first contact his or her immediate manager or supervisor for guidance prior to taking any action. We also strongly encourage an 'open door' policy to bring any such queries, if necessary, to a higher level of management.

Control procedures must exist so that all declarations to government accurately represent local data and, where applicable, that of the Group.

In certain areas the relationship with affiliates may preclude companies from tendering for certain government contracts or making certain types of grant application. Care must be taken to avoid infringing these rules.

### **Ethics in the Marketplace**

The truth, properly told and presented, should be the objective of all promotional activity. Customers shall be treated with respect and competition with peer companies should be fair and ethical. The following lists some of the major issues regarding ethics in the marketplace:

- Nothing is to be gained through misrepresentation, exaggerated claims or other forms of false advertising. Our products and services must stand on their own merits and their quality.
- Collaboration with competitors to establish or maintain prices or to unlawfully restrain trade will not be allowed.
- Customers should be given factual information about prices, schedules, services and other terms of business. Suppliers, subcontractors, advisers or representatives also deserve to be treated fairly, honestly and in accordance with agreed terms.
- From time to time, customers, suppliers, advisers or representatives may divulge confidential information to you. It is our duty to respect these confidences in accordance with applicable contractual and legal requirements.
- Any complaints from customers, suppliers, subcontractors, advisers or representatives should be dealt with promptly and fairly.
- Although we should strive to know and understand our competitors so that we can perform in the market, industrial espionage is not permitted.
- It is not Company policy to knowingly infringe on the copyright, trademarks, patents or other properly registered intellectual property of others.
- Management should have due regard as to how contracts or arrangements with new suppliers etc will reflect on the reputation and ethics of Spirent.

### **Political Contributions**

Spirent's policy is that it does not use corporate funds, whether in cash, goods, services, equipment etc, to make contributions to political candidates, political parties or committees, or political entities.

## **Bribes or Other Payment to Influence Business Transactions**

The giving or receiving of any such payment is indefensible. No bribes of any sort may be paid to or accepted from customers, politicians, government representatives, advisers or representatives. It is not permitted to establish accounts or internal budgets for the purpose of facilitating bribes or influencing transactions (slush funds).

Violation of governing laws leads to significant risk that could result in fines, penalties and damaged reputation. Although laws vary, the following general guidelines should be followed when dealing with any governmental agency:

- **NEVER** discuss or offer employment or business opportunities to contracting officers or governmental officials who may influence an official act or decision affecting Spirent or its business.
- **NEVER** offer or give gifts or favours to anyone in connection with any government contracting activity, including "kickbacks" to any customer who is a prime contractor with a government entity.
- **NEVER** offer or give bribes or other questionable or irregular payments (whether in the form of cash, goods or other property) if you know, or have reason to believe, that such payments will be used to influence foreign officials or their representatives to facilitate official acts or decisions involving Spirent. This rule applies even if such payments are considered customary or legal in the countries in question.

## **Gifts and Entertainment**

Special care must be taken in accepting or giving gifts and entertainment. These are not permitted if it would create a real or perceived conflict of interest. The exchange of social courtesies is acceptable when there is a clear business purpose and they remain within good taste. Neither the receipt nor the giving of excessive entertainment, substantial gifts or favours is acceptable.

Provided they are:

- 1) consistent with Spirent business practices,
- 2) do not violate applicable laws, and
- 3) public disclosure would not embarrass Spirent.

The following are examples of gifts or favoured treatment that may be accepted or given by Spirent employees:

- coffee mugs, pens, calendars, paper weights, clothing or items of similar value displaying a company logo
- bouquets of flowers, fruit baskets, confectionery
- product samples of nominal commercial value
- modest refreshments or meals

- the provision of reasonable travel facilities
- modest hospitality, e.g. a music concert, a theatre show or a sports event
- modest gifts (such as a bottle of wine, a food hamper, etc.) given to mark an event such as Christmas or Thanksgiving, etc

There may be cases where refusal of a gift would cause embarrassment to the person offering it, particularly if you are a guest in certain countries. Guidance on local customs and behaviour should be sought before going on a business trip. Employees should politely refuse excessive gifts/entertainment, explaining to the offeror that Company policy prohibits the receipt of such gifts/entertainment.

The giving of gifts/entertainment must be properly authorised and accounted for.

If you are in doubt as to whether gifts and entertainment are appropriate, you should raise your concerns with local management prior to accepting or giving any such gift or entertainment.

Adult entertainment is not regarded as appropriate business conduct and no associated business expenses will be reimbursed.

### **Safeguarding against fraud**

Spirent requires all employees at all times to act honestly and with integrity and to safeguard the resources for which they are responsible.

The term “fraud” is used to describe acts such as theft, deception, bribery, forgery, corruption, false accounting and conspiracy to commit these offences. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. Fraud is an ever-present threat to Spirent’s resources and therefore must be a concern to all employees.

Executive Management is responsible for:

- Developing and maintaining effective controls to prevent fraud;
- Carrying out vigorous and prompt investigations if fraud occurs;
- Taking appropriate legal and/or disciplinary action against perpetrators of fraud; and
- Taking disciplinary action against supervisors where supervisory failures have contributed to the commission of the fraud.

Managers should be responsible for:

- Identifying the risks to which systems and procedures are exposed;
- Developing and maintaining effective controls to prevent and detect fraud; and
- Ensuring that controls are being complied with.



Individual employees are responsible for:

- Acting with propriety in the use of resources and in the handling and use of corporate funds whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers; and
- Reporting details immediately to their line manager or next most senior manager if they suspect that a fraud has been committed or see any suspicious acts or events.

All frauds should be reported to both the Company Secretary & General Counsel and the Head of Risk & Internal Audit as soon as is practical after discovery. Alternatively, you may report the matter via our Whistleblowing hotline: <https://inside.spirent.com/safecall-country-numbers>

### **Conflicts of Interest**

Whether it is actual or apparent, conflicts of interest must be avoided. Actions taken by employees should be objective and based on the best interests of the Company. There are too many instances where such conflicts may arise to list, but the following list may prove helpful:

- Accepting personal payments from suppliers etc which may influence your business decision.
- Employees shall not directly or indirectly work or consult for a competitor or engage in activity that is competitive with Spirent business interests (including working for a Spirent vendor). It is never acceptable for an employee to utilise Spirent customer lists or contacts to market their own or third-party goods and services, even if they are not competing with Spirent products or services.
- Potential conflicts between personal and professional relationships.
- You should declare to your General Manager or Executive Vice President, (and notify your line manager) any interest you or a close member of your family may have in a business that Spirent is, or may have, dealings with (ignoring a shareholding in a major company, so long as such investment does not create a conflict of interest).
- Prior written approval must be obtained from your General Manager or Executive Vice President (with notification to your line manager) prior to employees accepting a second job, consultancy etc, to ensure this will not conflict with other interests of Spirent.
- Undertaking any private work which might generate intellectual property is generally prohibited, since it can be difficult to distinguish this from Company work.
- It is illegal for anyone to buy or sell shares in Spirent Communications plc based on knowledge of material information which may affect the share price, if that information (price-sensitive information) is not available to the public. Notwithstanding an employee's duty to his/her employer to keep price-sensitive information confidential, it may also be a civil or a criminal offence to pass such information on to an unauthorised third party. The Company's Groupwide Dealing Policy provides

additional guidance on this matter and if in doubt, you should contact the Company Secretary & General Counsel for further guidance.

- Prior written approval must be obtained from the CFO before any Spirent employee accepts an appointment to the board of any other company.

If you do suspect you have a conflict of interest, whether actual or potential, please raise your concerns immediately with line management. You should take no part nor seek to influence a business decision which may result in a conflict of interest arising.

### **Involvement in the Community**

Spirent aims to be a responsible partner within the local communities in which it operates through the support of community initiatives and local charities. Each business unit is encouraged, through the Company's Charitable Donations Policy, to support reputable initiatives which address the needs of their local community.

### **Employee Shareholders**

The Board supports the concept of employee shareholders. It is essential, however, that employee shareholders observe the guidelines laid down in the Company's Groupwide Dealing Policy, copies of which are available from the Company Secretary & General Counsel of Spirent Communications plc or from the Spirent corporate website. Financial advice involving investment in the Company must not be given by or to employees.

### **Spirent Proprietary Information**

Trade secrets, technology, ideas, customer lists, unannounced financial data, marketing and pricing strategies, and business plans are, among others, Spirent's most valuable business assets and protecting their confidential and proprietary nature is the ethical duty of every Spirent employee. This information must not be disclosed to anyone without proper authorisation. By law, our trade secrets are our property and we all have obligations to protect that property. In the course of your employment you may be given or come into contact with information that is commercially sensitive, or which is provided for your information so that you may gain a better understanding of the business, for example at staff briefing meetings. This type of information must not be divulged outside the organisation via any route (e.g. verbal, oral, internet chat room or to the media). Breach of this obligation may result in disciplinary proceedings. When in doubt, contact the Contract Management department.

In addition, no employee must ever attempt to obtain or use another company's proprietary information for Spirent's benefit or otherwise in violation of law or any applicable agreement.



## **Information Security**

Information is vital to Spirent's continuing success. Inadequate protection or misuse of Spirent's information assets could give the company's competition an unfair advantage, diminish the quality of our products and services, increase the risk of litigation, or otherwise harm the company. All Spirent employees share a responsibility to our customers, shareholders, and each other to protect Spirent, customer, and vendor information assets from unauthorised access, use, modification, destruction, theft, or disclosure and must treat such assets in accordance with any information handling policies issued by Spirent.

## **Trade Regulations**

Trade laws and regulations in the U.S. and elsewhere around the world are intended to foster ethical competition in the marketplace and to limit activities that restrain trade. Accordingly, employees must never discuss or enter into any arrangement or understanding with a competitor regarding the pricing of products, favouring or withholding business from particular customers or vendors, or any other activity that may have antitrust or anti-competition implications. Any questions regarding trade or competitions laws or how they might affect the way employees, or the company, conduct business should be referred to the Company Secretary & General Counsel.

## **Corporate Criminal Offence (CCO) of failure to prevent the facilitation of tax evasion**

Employees should all make themselves aware of their obligations under this piece of legislation. More details can be obtained from the VP, Taxation.

## **Communication with the Financial Community and/or Media**

Employees who are contacted by a member of the financial community or media are not authorised to provide information regarding Spirent or its business without prior approval. Financial calls should be referred to the CFO; calls from industry analysts or the media should be referred to the Marketing Department.

## **Whistle Blowing**

All employees have the right and the responsibility to question possible wrongdoings and are encouraged to remain vigilant against such possible actions. If an employee suspects wrongdoing (whether or not the suspected act has actually occurred), he/she should immediately report the matter in accordance with the Whistleblowing Policy, using the hotline on <https://inside.spirent.com/safecall-country-numbers>

## **Disciplinary Action**

Any employee who violates our ethical standards is subject to disciplinary action which can include oral reprimand, written reprimand, suspension or termination of employment.

## Frequently Asked Questions

**Q. How should I respond to a potential issue which isn't covered by the Policy?**

A. An ethics policy cannot cover every circumstance where an employee needs to consider his/her conduct. Ethical responsibilities may also go beyond the specific situations described in this Policy; they may include the way we treat fellow employees, how we behave in the community, how we react to local and national government and how we adhere to other Company policies and guidelines. Employees are asked to consider these issues before taking certain actions. If in doubt, seek advice, normally from your line manager.

**Q. Can I give a copy of this Policy to a supplier/customer etc?**

A. Yes. This Policy may be freely distributed to any interested third party and is also available on the Spirent website at [www.spirent.com](http://www.spirent.com)

**Q. A new law or legislation has been introduced and I'm unsure as to whether this will affect certain current business practices. What should I do?**

A. Firstly, you should seek guidance from line management. Senior management may require advice from a qualified external third party if it cannot be obtained from internal sources.

**Q. I've already accepted a gift from a supplier, which, now that I think about it, may appear excessive. What should I do?**

A. Only if it is too late to return the gift, you should immediately declare the gift to your General Manager or Executive Vice President (with notification to your line manager). The gift should be given to the Company so that you are beyond suspicion of making a personal gain to influence a business decision.

**Q. My line manager has asked me to do something which I suspect is unethical – should I refuse his/her request?**

A. You should raise your concerns immediately with your line manager and if you are not satisfied with the response with a higher level of local management or with Company Secretary & General Counsel. Alternatively, you can report your concern in accordance with the Company Whistleblowing Policy. If the request would result in unethical behaviour, your manager is not authorised to require you to perform any unethical task and you should refuse, clearly explaining your reasons, in writing.

**Q. I've noticed some behaviour which is unethical, but I would rather not get involved – is this OK?**

A. No – it is every employee's responsibility to remain vigilant against unethical acts and to protect the mutual interests of their colleagues and the Company. Also, line management who decide to "turn a blind eye" in areas for which they are responsible may find themselves subject to disciplinary proceedings when the unethical acts are eventually reported.

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