

## **ATS Code of Business Conduct**

### **A. Purpose**

ATS has prepared this code to assist its employees, officers and directors (collectively, "Employees") in conducting business dealings in a professional and ethical manner. This code sets out a number of key principles that are to be considered and applied by Employees in the performance of their day to day duties. A document such as this can not be expected to anticipate every situation or scenario that an Employee may face which gives rise to ethical considerations and instead this code is intended to put forth certain guiding principles that Employees can look to in order to assess and evaluate situations that they may find themselves in from time to time. Accordingly, this code is not intended to be exhaustive and Employees are encouraged to conduct themselves both in accordance with the letter and the spirit of this code.

In many places this code will reinforce or be supplemented by various policies and procedures that ATS already has in place or that might be adopted from time to time. This code is intended to be observed by Employees in conjunction with such policies and procedures and in the event that an Employee becomes aware of any potential conflict between this code and any applicable policy or procedure, the matter should be brought to the attention of the local Human Resources department.

When in doubt about how this code applies in any particular situation, Employees are encouraged to discuss the situation with their immediate supervisor or their local Human Resources department and, if appropriate, with the ATS Legal Department at the corporate head office in Cambridge, Ontario. In addition, the process for submitting anonymous reports of violations of this code as set out in Section E below can also be used to submit anonymous questions or suggestions regarding this code.

### **B. Scope**

All employees, officers and directors of the ATS Group of Companies are required to observe this code as a condition of employment. The "ATS Group of Companies" includes ATS Automation Tooling Systems Inc., as the parent company, together with all of its various subsidiary companies and divisions on a worldwide basis and all references to "ATS" or "the Company" when used in this code shall be intended to include the entire ATS Group of Companies.

### **C. Responsibilities**

Management at all levels of the Company are responsible for ensuring adherence to this Code of Business Conduct and to assist Employees to resolve any questions or issues relating to the application of this code. Any amendments to this code will be reviewed and approved by the Board of Directors of ATS and only the Board may grant a waiver of any provision of this code. Any amendments or updates to this code will be brought to the attention of all Employees and will become effective upon such notification unless otherwise specified. Any request for a waiver from the provisions of this code must be requested in writing from the Board of Directors and may be submitted to the attention of

the Compliance Officer, as indicated in Section E, who will then bring the matter to the attention of the Board of Directors.

Employees who violate the Code of Business Conduct may be subject to discipline up to and including termination and depending on the seriousness of the violation, risk criminal charges. Employees may also be subject to discipline for being aware of a violation and failing to report it.

#### D. Governing Principles

##### 1. Conflicts of Interest

***Employees should not engage in any activity that gives rise to an actual or perceived conflict of interest.***

A conflict of interest is any situation where the ability of an Employee to perform his or her duties or exercise independent judgment in the best interests of ATS is impaired or influenced by personal considerations, interests or relationships. At several places in this code, the term “Family Member” is used. The definition of “Family Member” can vary depending on the particular circumstances. At a minimum, spouses, life-partners, children, siblings and parents (including in-laws) would be considered Family Members in all contexts. However, because of particularly close relations, living arrangements or other circumstances, there may be situations in which this code applies where the scope of the definition of Family Members would properly include more distant relatives. Again, the governing principle is to avoid situations that give rise to an actual or perceived conflict of interest and the specific relationship must be considered in that context.

The following are offered as suggestions to help Employees avoid finding themselves in a conflict of interest:

#### **Deal at arm's length with suppliers.**

You must not be associated in any way with agreements between ATS and suppliers or any organization in which you or a Family Member have an interest or which might result in you or your Family Member's personal gain.

#### **Bribery and kickbacks are prohibited**

Unfair business practices such as rebating, bribery or kickbacks are strictly prohibited, without exception, in all circumstances. This applies in all places where ATS does business.

#### **Be careful about gifts**

Offers of small gifts and entertainment are courtesies common among in business dealings. However, offering or accepting gifts, entertainment or other benefits can be mistaken for improper payments. In general, this code does not intend to prohibit the acceptance of gifts of nominal value or business meals and/or entertainment in furtherance of a business relationship provided that the value is appropriate to the business purpose served and if acceptance is consistent with accepted business

practices. Unacceptable benefits clearly include money, goods or services solely for personal use, personal discounts, loans, gifts of non-business related travel or accommodations, personal favours or any other benefit which could be perceived to impair the Employee's impartiality when dealing with a supplier or customer, whether received directly or indirectly by an Employee or a Family Member. In no circumstances should a gift or personal benefit (of any value) be accepted in return for giving favourable or preferential treatment to any customer or supplier.

Again, reference must always be made to the underlying governing principle:

***Employees should not engage in any activity that gives rise to an actual or perceived conflict of interest.*** As a general guideline, the Company believes that any gift with a value in excess of \$50 (USD) would raise the question of a potential conflict of interest and should be declined unless you and your manager have discussed, and are satisfied, that, in the particular circumstances, no actual or perceived conflict of interest would arise.

Similar guidelines apply to the giving of gifts, meals and entertainment to our own customers and suppliers and Employees are required to respect the guidelines adopted by our customers and suppliers regarding such.

#### **Follow Company policy about hiring family**

In some situations, hiring or managing Family Members can lead to conflicts of interest, unethical employment practices and the appearance of special treatment. Individuals must not be in positions that put them under or give them the direct or indirect supervisory authority of another Family Member. This applies to all employment, including full-time and part-time regular, contract and summer student hiring. All hiring within ATS should be conducted by the local Human Resources department.

#### **Invest in an ethical manner**

Directors, officers and employees must strictly follow all laws and regulations affecting investments in ATS and in its suppliers, customers and partners. It is unethical and illegal for directors, officers and employees to buy or sell securities with the benefit of material information that has not been publicly disclosed or to inform another person, other than in the ordinary course of business, of material information that has not been publicly disclosed. Further details can be found in the ATS Insider Trading Policy.

#### **Working for competitors or business partners may jeopardize the Company**

ATS Employees may not work for any organization that competes with ATS or that is a supplier or customer of ATS. This includes serving as a director, officer, trustee, partner, employee, consultant or agent.

#### **Use caution regarding outside positions**

Outside work or financial involvement in external organizations can lead to conflicts of interest. Such involvement could interfere with your ability to give objective, full-time attention to your work with ATS or could damage the image of ATS. You must not engage in any other employment or take any civic, government or political position that

would hamper your performance or your judgment to perform your job duties in the best interests of ATS.

## 2. Protection and Proper Use of Corporate Assets and Opportunities

***All Employees are responsible for protecting the assets of ATS and ensuring that those assets are used solely in the best interests of ATS.***

The assets of ATS range from physical tools and equipment to intellectual property such as patents and trade-secrets and to information and opportunities that become known to Employees of ATS during the course of employment. Ensuring that all ATS assets are used to the fullest extent possible to advance the interests of ATS and protection of those assets from unauthorized use, loss, theft and misuse is expected from each Employee.

Company time, property and services, including assets such as stationery, computers and mail services, may not be used for personal activities, unless you have your manager's specific approval. You may not remove or borrow Company property without permission. Employees are expected to report any misuse of Company assets to his or her manager or the Compliance Office identified in this code. Further details around the use of the Company's information technology resources can be found in the ATS Electronic Data Policy.

## 3. Confidentiality of Corporate Information

***All Employees are responsible for protecting Confidential Information of ATS or of any customer, supplier or business partner of ATS and ensuring that such information is only used for the purpose for which it was provided.***

Employees should treat all information which is not otherwise publicly available as Confidential Information including things such as trade secrets, proprietary know-how, personnel records, business plans and proposals, capacity and production information, marketing or sales forecasts and strategies, client and customer lists, pricing lists or strategies, construction plans, supplier data, business leads, and all information relating to customer projects. Please refer to the terms of the Employee Proprietary Information Agreement and ATS Policy for Handling Confidential Information for further details.

**If you have access to Confidential Information as a result of your job, you must use every precaution to keep it confidential.**

**Use discretion when discussing ATS business in public places such as restaurants and airplanes, or when using public or cellular phones, the Internet and fax machines.**

**If you are required for legitimate business purposes to disclose Confidential Information to any person outside of ATS whether it is information of ATS or of a customer or supplier of ATS, a written confidentiality agreement must be in**

place.

**You have a duty to protect Confidential Information even after you leave your employment with ATS.**

**The customers of ATS expect us to take confidentiality obligations very seriously. Demonstrate that commitment in all dealings with customers and suppliers.**

**Share information responsibly with industry groups.** Memberships in business organizations can increase the effectiveness of individuals, ATS and our industry. ATS encourages membership in such organizations, especially those that strive to improve the industry and recognize that it is a normal part of these memberships to share information. However, we need to ensure that we do not exchange information that could jeopardize the Company's competitive position. We must also take care not to violate the confidentiality that customers, investors, employees, representatives, distributors, suppliers and others legitimately expect.

4. Fair Dealing with Customers, Suppliers, Competitors, Shareholders and other Employees

***All Employees are required to conduct themselves in a fair and even-handed manner in their day-to-day business dealings to ensure that all business partners, including customers, suppliers, shareholders and fellow employees, are treated with high standards of honesty, fairness and courtesy.***

**Avoid misrepresentations.** All Employees must be careful not to mislead customers, investors or other stakeholders about the financial status, products or services of the Company or its competitors.

**Treat everyone fairly and in a consistent manner.** No Employee should take unfair advantage of anyone, including customers, investors, suppliers or competitors.

**Seek to outperform our competitors fairly and honestly.** We seek competitive advantage through superior performance, never through unethical or illegal business practices.

**Stand behind any representations.** Advertising, promotional and sales materials must be factual, easy to understand and based on the principles of fair dealing and good faith. All promotional efforts and discussions or illustrations of products and concepts must be accurate and based on reasonable levels of due diligence.

**Choose suppliers through fair competition.** ATS is committed to fair competition in all its dealings with suppliers. It is important to communicate requirements clearly and uniformly to all potential suppliers. Choose suppliers on the basis of merit, competitiveness, price, reliability and reputation.

**Maintain a healthy, safe and productive work environment by ensuring that all Employees are treated fairly and with respect.** ATS has adopted a number of operating procedures, both formal and informal, in order to ensure that Employees are able to perform their duties in a healthy, safe and productive work environment. These include policies and procedures relating to prevention of harassment, avoidance of discriminatory practices, health and safety procedures and career advancement initiatives. Many of these procedures can be found at the Human Resources section of the ATS corporate intranet.

## 5. Compliance with Laws, Rules and Regulations

***ATS shall comply with all laws and regulations that apply to it wherever it conducts business and no Employee shall, at any time, take any action which he or she knows, or reasonably should know, to be in violation of any applicable law or regulation.***

Employees are expected to make reasonable inquiries to determine whether their activities are in compliance with applicable laws and regulations and to refer the matter to the ATS Legal Department if in question.

**Follow all Health and Safety guidelines.** All Employees are required to follow safe work practices and comply with all applicable health and safety guidelines relating to their work.

**Act in an environmentally responsible manner.** All Employees are expected to conduct the Company's business in an environmentally responsible manner and not to engage in any activity that violates environmental laws or regulations.

**Keep full and accurate records.** ATS needs full and accurate records to meet its legal and financial obligations and to manage its business properly. All ATS books, financial reports, expense accounts, time sheets, administrative records and other similar documents must be completed accurately, honestly and in accordance with ATS procedures. Making false, fictitious or inappropriate entries with respect to any transaction or the disposition of any assets is prohibited, and no Employee may engage in any transaction that requires or contemplates the making of false, fictitious or inappropriate entries. You are responsible for the accuracy and completeness of any reports or records you create or maintain. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Furthermore, all Employees must comply with the Company's records retention policies that may be in place from time to time. These policies describe how long documents and records (whether in printed or electronic form) must be maintained in order to facilitate ongoing operations and to satisfy financial, legal and regulatory retention requirements. These policies also provide directions for the proper disposal of records that have been kept for the required periods. In accordance with these policies, in the event of litigation or governmental investigation, please consult the ATS Legal Department.

**Follow disclosure requirements.** As a publicly traded company, ATS is required to make continuous disclosures on a timely and broadly disseminated basis and without being unduly optimistic on prospects for future company performance. ATS has adopted a formal Corporate Disclosure Policy that outlines the procedures for disclosure of corporate information in more detail. The key principles of continuous disclosure are:

- All materials must be broadly disseminated in a timely manner
- Disclosure must be full, fair, understandable and accurate and avoid any misrepresentation of ATS and its finances
- Disclosure must be accomplished consistently during both good times and bad
- All legitimate requests for information should be treated equally

Employees must refer all inquiries from the financial community, shareholders and media to Chief Financial Officer of ATS.

**Respect copyrighted materials.** Many materials you use in the course of your work as an Employee are protected by copyright laws. A few examples are computer software, books, audio and videotapes, trade journals and magazines. There may also be a copyright on presentation slides, training materials, management models and problem-solving frameworks produced by outside consultants. It is illegal to reproduce, distribute, or alter copyrighted material without the permission of the copyright owner or authorized agent.

You must also comply with the copyrights on software installed on your office computer and on network computer storage areas you control. You may not copy, install or otherwise use software in a manner that violates the license agreement for that software.

#### E. Reporting of Violations of the Code and other Illegal or Unethical Behaviour

A corporate-wide structure has been established to coordinate, implement and oversee compliance with the Code of Business Conduct and with the other corporate policies and procedures which supplement this code. It is the responsibility of every director, officer and employee of ATS to know and understand this Code of Business Conduct and any other policies of ATS relevant to his or her job or position.

Any employee who becomes aware of any illegal or unethical behaviour and/or any violation of this Code by anyone working for ATS, has a responsibility to report his or her knowledge promptly to the Compliance Officer or, in the case of an accounting or auditing matter, directly to the Audit and Finance Committee.

Employees are encouraged to use the Employee Hotline service described below for the reporting of any concerns but may also contact the Compliance Officer under this Code as follows:

**Compliance Officer: ATS General Counsel**

c/o Legal Department

250 Royal Oak Road

Cambridge, Ontario N3H 4R6

Fax Number: 519-650-6520

E-mail: complianceofficer@atsautomation.com

**Employee Hotline Service and Anonymous Reporting**

If you would like to report a suspected violation of laws, regulations, company policies, or the Code of Business Conduct, ATS has set up a telephone hotline service and internet website, which will be monitored on a 24 hour basis by a professional, independent third party service provider who specializes in this type of service.

You will have the option when using the Employee Hotline Service of making your report completely anonymous.

***Contact Details for the Employee Hotline are posted on the ATS Corporate Intranet and are also available from your local Human Resources department or from the Compliance Officer identified above.***

This reporting process can also be used for simply asking anonymous questions or making suggestions regarding the Code of Business Conduct and its application.

All reports must contain sufficient information to permit an investigation of the concerns raised. In some cases it may be necessary for additional or follow-up information to be obtained and, if the initial report is made anonymously, a process will be available to support the gathering of additional information also on an anonymous basis.

All Employees are encouraged to use the Employee Hotline Service in a professional and responsible manner. All filed reports will create a permanent record that can not be altered or changed and the steps taken by the Company in response to the reported matter will also be tracked. In addition, a summary of the usage of the Employee Hotline Service including an overview of the nature of the matters being reported shall be provided to the Board of Directors on a regular basis as part of its evaluation of the effectiveness of this service.

**Receipt of Reports.**

All reports, whether submitted directly to the Compliance Officer identified above or submitted through the Employee Hotline Service will be directed to the following persons for review and investigation depending upon the nature of the report. Upon receipt of reports of suspected violations or irregularities, the Compliance Officer and/or the Chair of

the appropriate Board Committee shall see that corrective action, if warranted, takes place appropriately.

Nature of Reported Issue	Recipient
Accounting and/or Auditing concerns	Audit and Finance Committee Chair, Internal Audit Manager and Compliance Officer
Employee Mistreatment or Harassment	Vice President of Human Resources and Compliance Officer
Other Violations of Code of Business Conduct or General Concerns	Compliance Officer and at least one other officer of the Company as appropriate depending upon nature of issue (eg. CFO, VP – Human Resources, Internal Audit Manager, etc.)
Questions or Suggestions	Compliance Officer

Any Employee who in good faith raises an issue regarding possible violation of law or Company policy will not be subject to retaliation and their confidentiality will be protected to the extent possible, consistent with law and corporate policy and the requirements necessary to conduct an effective investigation. Any supervisory personnel who retaliates against an Employee as a result of such Employee’s report of an alleged violation of law or Company policy shall be subject to disciplinary action, including possible termination and may risk criminal sanctions as a result of such actions.

A mischievous or malicious allegation of a breach of the Code will, itself, constitute a breach of the Code.

**F. Acknowledgements**

All Employees, including the directors, officers and senior management, will be asked on an annual basis to confirm that they have reviewed the Code of Business Conduct and the various company policies that supplement this code. At a minimum, this annual requirement will create an opportunity to re-visit the governing principles upon which the Company expects its employees to conduct themselves on a day to day basis and may also serve as a reminder to Employees of any questions or suggestions that may have arisen in respect of the Code during the past year.

Adopted by the Board of Directors – ATS Automation Tooling Systems Inc. November, 2004