

# CODE OF BUSINESS CONDUCT

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## Message from the Chief Executive Officer



*Dear all,*

*The economic world in which we operate is becoming more complex, more regulated and more global. Due to this change, some situations cannot always be obvious, especially when they involve cultural issues.*

*To provide guidance on the main ethics and compliance issues related to our activities we have developed this Business Code of Conduct, which also reaffirms our commitment. Aligned with our management principles and our history, it is applicable to everyone within the Group.*

*This document constitutes a guidance to help you to make the right decisions. It explains what is expected from you as an employee of Chassis Brakes International.*

*I am counting on each of you to read, respect, apply and promote in your daily activities our guiding principles and our Business Code of Conduct.*

*By doing this, we will be able to continue to demonstrate our strong corporate culture, enhancing confidence and sustainability as well as creating value for us and for our stakeholders.*

*Sincerely yours,*

*Thomas Wünsche  
Chief Executive Officer of Chassis Brakes International*

## Our values

The Group identifies five values that reflect how we conduct our business activities in our everyday activities. These principles have to be followed by every employee and constitute the base of our corporate culture. They provide guidance how we act and help us to achieve our objectives, enhance our position as a global leader and create long-term value.

### Trust

We value positive relationships and respect

### Creativity

We are empowered to test ideas and learn from our experiences

### Agility

We are dynamic, enthusiastic and flexible

### Accountability

We have a constant sense of ownership and responsibility

### Excellence

We are committed to achieve high standards of performance



## Why a business code of conduct?

### Objective

Our Business Code of Conduct is the main common reference document within the Group regarding our ethics and compliance standards. It defines how we shall conduct our daily activities, in line with our guiding principles and the current best practices in place.

It explains also the responsibility of each one of us to the Group and to third parties (e.g. clients, suppliers, stakeholders, governments, public society, etc.) and provides us guidance to all our business activities.

The English version of our Business Code of Conduct is the reference document and it is translated in the main languages of the countries in which we operate.

### Intended users

All Chassis Brakes International's locations, entities under the control of the company and any permanent or temporary employees (e.g. trainees, apprentices, etc.) must respect and comply with this Business Code of Conduct, our values and all other internal policies, procedures and/or regulations within their area of responsibility.

Supervisors and managers have a clear responsibility regarding the implementation of our Business Code of Conduct. They are expected to lead by example and encourage an environment of open and honest communication where employees feel comfortable to raise their concerns. In addition, they are responsible for ensuring their team members are trained on ethics and compliance issues, and that no violations of the law and/or our Business Code of Conduct occur in their area of responsibility, which could have been prevented or impeded by appropriate supervision.

Moreover, all suppliers, intermediaries, business partners, entities over which we have no control and other third parties are expected to act consistently with our Business Code of Conduct when they act both on behalf or in the name of the Group, and when it is not the case, are expected to apply, at least, equivalent standards. That is why we encourage our employees to share our Business Code of Conduct with them.

### Compliance with the code of conduct

All of us, as employees of the Group, are personally responsible to respect and comply with this Business Code of Conduct and applicable laws and regulations in countries where the Group entities operate.

Any violation of our Business Code of Conduct, internal policies, procedures and/or applicable laws and regulations may have consequences for the Group and for each employee involved, including disciplinary actions up to and including termination of employment, as well as civil and/or criminal actions.

Supervisors must make it clear that violations of the rules as set out in this document are prohibited and will lead to disciplinary action, irrespective of an employee's position in the company.

## **Protection and respect of people**

The protection of employee's rights is of great importance to us. Chassis Brakes International is committed to protect, respect and maintain all components of personal dignity, privacy, working conditions and Human Rights of every employee, wherever they are working, and every external working in our offices.

### **Working conditions**

As a global company, we are engaged in respecting and protecting all legal requirements and social regulations regarding working conditions, such as compensation, right of representation, salary, working hours or minimum age in the countries where we operate. We promote a healthy and safe workplace for all of our employees. We are committed to maintain a work environment ensuring protection against physical, emotional, occupational, psychological, environmental or other types of consequences of failure, damage, error, accidents and harm, in accordance with applicable laws and regulations in the countries where we operate.

A secure and safe workplace is one of the most important conditions to encourage engagement, well-being and commitment of employees.

### **Avoiding harassment and discrimination**

We are engaged in providing a workplace free from discrimination and harassment. We will not accept any type of discrimination whether based on origin, nationality, religion, race, gender, age or sexual orientation, nor tolerate any kind of verbal or physical harassment based on any of the above or any other reason.

Uncivil treatment, including any sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers will not be accepted. In such situations, the executive management responsible will take appropriate measures.

### **Equality, diversity and fairness**

We are particularly attentive in creating a safe environment in our facilities and offices, protecting and respecting dignity, freedom of association and collective bargaining, diversity, equality and fairness.

Our employees will be treated fairly and in accordance with applicable laws, regarding promotion, mobility, training courses, salary, compensation and/or termination. We make all efforts to ensure diversity and equality are also promoted in all our facilities or offices. Promoting and respecting everyone in the same way is a key component of a strong, impartial and sustainable corporate culture.

### **Respect of human rights and privacy**

As a global actor, we engage ourselves in respecting and protecting Human Rights in all our offices or facilities in countries where we conduct our business activities. In line with the Universal Declaration of Human Rights published in 1948, we ensure our activities prohibit child and forced labor, any kind of violence against people, or any form of harassment or discrimination.

Employees are expected to respect all Human Rights recognized internationally and have to require the same respect from suppliers or other third parties they engage with their work.

We also respect everybody's privacy. As required by local laws and regulations, we give our employees access to certain personal information in order to verify if they are true and/or correct. We engage to not communicate personal information outside the company, in breach with applicable data privacy regulations.

### **Occupational health, security and safety and safety, fire and environmental protection**

Chassis Brakes International believes that everyone is responsible for keeping their workplace and our products safe. We commit to continuous improvement of the safety and the environmental performance of our operations and to preventing accidents and injuries linked with or occurring at Group premises or locations. Applying and respecting internal standards and external regulations dealing with health, security and safety obligations in our daily activities has to be one of our main priorities. Every employee must understand and apply these standards in his/her professional activities and be vigilant that colleagues do the same.

As a global actor, we also take particular care to treat our resources and our impact on the natural, economic and social environment responsibly. We incorporate social, economic and environmental concerns into our strategy, to encompass as far as possible the requirements of all our stakeholders.

### **Product quality and safety**

Quality and safety policies drive every step of product design, manufacturing and marketing across our businesses, and preventing defects is a top priority for the Group. We care for our customer's satisfaction by high quality and safety standards.

## Business with third parties

The Group conducts its business activities with third parties in compliance with applicable laws and regulations in countries where its entities operate, but also in accordance with the best standard of integrity, honesty, fair dealing and transparency. Acting in a non-ethical or a non-compliant way may severely affect the assets of the Group, its reputation and therefore its activities on a long-term view.

### Antitrust and fair competition

We believe in the importance of free competition. Therefore, we all have a duty to observe the rules of fair competition as defined by applicable laws and regulations. In particular, anticompetitive conduct such as exchange of information with competitors, written or oral agreements or meetings regarding prices, components of prices, terms and conditions of sale and warranty, customers, market strategies, territories and investment strategies will not be tolerated and may have huge consequences for the Group.

All employees, especially those who are in regular contact with competitors (e.g. marketing, sales and purchasing), have a responsibility to strictly follow the principles of fair competition in their daily work. The company is committed to provide training courses in this respect.

Anti-trust violations are not acceptable. In such cases, we prefer to abstain from the business and maintain our integrity while still reaching our goals instead of infringing any law.

### Anticorruption and bribery

#### What is corruption?

We consider the fight against corruption and bribery as a crucial issue regarding our business activities. Corruption could involve all kinds of public or private individuals, associations, entities or groups of entities. It is defined as the fact to offer, promise, give, authorize or receive any form of value (e.g. gift, donation, entertainment, cash, specific service, etc.), directly or indirectly, to or from a private person or a public official, regardless the location where the bribe occurs. It constitutes a crime and could have serious consequences and damages for the Group, but also for employees involved if this kind of act occurs.

Corruption could have various forms:

- Public, when it involves foreign or national public officials,
- Private, when it involves only private individuals and / or companies,
- Active, when it involves giving of offering a bribe,
- Passive, when it involves receiving or soliciting the bribe,
- Direct, when the briber performs directly the act of corruption,
- Indirect, when the briber uses an intermediary to corrupt someone else.

All national and international anti-corruption laws could impact our operations, especially those in countries where we operate, but also some other legislation with an extraterritorial effect, such as the *Foreign Corrupt Practice Act* (FCPA) of the United States of America, UK Bribery Act of the United Kingdom (UKBA) or *the Clean Company Act* of the Brazilian government.

All our employees, no matter their activities and position within the Group, must respect the worldwide anti-corruption principles, as well as all intermediaries working for us. We have a zero tolerance principle regarding any corrupt act or violation of our anti-corruption standards.

We also prohibit any kind of “facilitation payments” or “petty money”, generally made to accelerate or obtain a routine governmental action.

Agents or other intermediaries engaged by the Group in order to acquire orders or permits must enter into a contractual obligation in order to prevent the offer or acceptance of bribes. Respective contracts shall include a clause providing for the right of termination without notice in cases of bribery or corruption or attempts of the same.

Attempts of bribery or corruption by suppliers or customers to unfairly influence our decisions must be reported to Management or the Corporate Compliance Officer who will take immediate and appropriate action.

### Gifts and Hospitality

Offering gifts and/or hospitality is usually common in business relationships all around the world, and especially in several cultures. They can represent a form of respect. Prohibit or authorize them is an independent question and it varies across companies.

Within the Group, offering or receiving gifts and/or hospitality is not forbidden, but we have to follow several basic principles to ensure that we are always acting in a compliant way:

- Use common sense. Before accepting or offering a gift, an invitation or any other kind of hospitality, ask yourself if this can have an influence on the decision-making process ongoing. If yes, do not accept nor offer it.
- Always refuse cash or equivalent,
- Accept only occasional gifts or hospitality related to professional actions (e.g. promotion or demonstration of a product or service, execution or performance of a contract, etc.), with reasonable value.
- Ensure it is not offered or accepted during a private or public tender.

However, in order to avoid any risks, gifts and/or hospitality to a foreign or national public official are strictly forbidden. We consider as public official any individuals holding a legislative, executive, administrative or judicial position in governments, political parties, any individuals working for a State company, holding any kinds of public functions and any other individuals defined locally as “public official”, whether paid or not, no matter he/she has a temporary or permanent function.

In every situation, offering a gift or hospitality has to receive prior and formal authorization from the executive management responsible, and each employee receiving a gift or hospitality has to inform his/her managers.

In case of a doubt, do not hesitate to contact your managers, your local Legal Department or the Corporate Compliance Officer.

### Donations and sponsorship

Donations or social contributions are participations of the Group given for a charitable purpose, cause or action without any commercial return. It could take many forms such as products, services, payments, specific humanitarian aid or development support.

The allocation of donations must not be motivated by self-interests and shall be clearly distinguished from sponsorship. They always have to receive prior approval from the executive management responsible and respect all legal requirements applicable to such promotion activities.

The rules governing the award of donations or sponsorship are established exclusively by the Board of management of the Group or the executive management of the operating units.

### Political activities

As a global company, we do not support any political party in any country where we operate and maintain a strong neutrality principle regarding political contributions.

As individual, employees have the right to exercise a political activity after working hours. They have to expressly mention that they do not act as representative of our Group and take all appropriate measures to prevent conflict of interest regarding this situation. If some employees run a specific public or political function, they have to inform immediately the Legal Department and the Corporate Compliance Officer to avoid any situation of risk.

## **Financial security**

### **Money laundering and terrorism financing**

Regarding the evolution of the global context during the last decades, financial and non-financial entities have to prevent misuses of money in their business activities. In that way, several laws and international regulations explain that individuals and entities have to prevent money laundering and terrorism financing in their activities. Money laundering could be defined as the fact to introduce illegal money, obtained from criminal activities (e.g. drugs or weapons trafficking, fraud, terrorism, corruption, etc.), in the legal financial system to reuse it as legitimate money in routine business, transactions and/or operations.

We are vigilant on the prevention, detection and correction of irregularities. All expenses or transactions must be fully recorded, complete, and transparent in our systems. We verify that they are always associated to a contract, an agreement or an invoice properly signed and approved. We also conduct appropriate diligence on our third parties.

### **Export controls issues**

Being an international company implies that we sell and buy goods and services all around the world, dealing with various third parties. However, we have to be careful of these transactions because some goods, individuals or entities could face some economic sanctions and/or specific restrictions governing import and export activities that can limit our business activities. They can be different regarding the countries, the geographic area and the scope.

Economic sanctions can, for example, target individuals or groups of individuals as well as specific business sectors, companies or organizations because they might have a direct or indirect link with terrorism activities, drugs traffics, money-laundering, violations of Human Rights or other political and/or economic international issues. A country or an international organization such as the United Nations, through an embargo against another country, can also impose economic sanctions.

We engage to respect all of these economic restrictions in our day-to-day work and to obtain the required authorizations and/or licenses when the local legislation requires it. Do not hesitate to contact your legal team and/or the Corporate Compliance Officer in case of doubt or question about economic sanctions.

## **Dealing with third parties**

Third parties must be selected by respecting the competitive merit, based on a comparison of the price, quality, performance and sustainability of the products or services offered. Business with third parties (e.g. customers, suppliers, intermediaries, etc.) should always be documented through a formal agreement. Arrangements such as bonus payments or cost subsidies for advertising and sales promotion must also be formally contracted. All employees must comply strictly with the internal regulations governing the application of the principle of double signature (four eyes principle) and the separation of functions.

## **Conflict of interest**

### **Principles**

#### **What is conflict of interest?**

A conflict of interest occurs when the personal interest of an employee can interfere, or can appear to interfere with the Group's interests. In such situation, every employee shall declare the conflict of interest to their executive management responsible, in order to avoid any risk. Conflicts of interest can take various forms and involve different stakeholders.

#### **Family and relatives**

If an employee, his/her husband, spouse or partner, or a close family member or close friend holds an interest or serves in a senior position in another company and is likely to be in a position to influence the business relationships between our Group and that company, there is a potential conflict of interest. In such cases, transactions with that company should not be conducted by this employee without the prior written consent of the responsible executive management.

The principle of fair employment applies to all aspects of the employment. Therefore, immediate family members and partners of employees may be hired as employees or consultants only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the employee and his or her relative or partner. However such recruitment should be avoided.

#### **Shareholdings, secondary employment and other outside activities**

In most countries, secondary employment is allowed by the law. In order to guarantee there is no conflict of interest, employees have to inform the executive management of their secondary employment and his/her Human Resources Department.

Furthermore, employees must not engage in sideline activities for or invest in companies (except buying shares in listed companies) that are competitors, suppliers, or customers of our Group unless they obtain the prior written consent of their executive management responsible.

#### **Engaging business partners for private purposes**

If employees' work entails direct involvement in the awarding or settlement of orders, and there is consequently a potential for a conflict of interest, they must obtain the prior written consent of the executive management responsible before engaging the services of a Chassis Brakes International's business partner for private purposes. This provision does not apply to goods and services generally available.

## **Accounting accuracy**

### **Transparency**

We have a responsibility to ensure that any book and financial record such as quality reports, time records, and expense reports are updated accurately and timely. Employees with financial reporting responsibilities shall provide information that is accurate, complete, objective, relevant and understandable, according to our accounting standards.

This allows us to maintain appropriate internal controls, prevent fraud and reflect the entire liabilities, assets, operations and transactions of the Group.

Books and records have to be retained in compliance with applicable standards and regulations. Destruction or alteration of information is strictly forbidden. This is essential to maintain transparency with our stakeholders, credibility and future perspective of development.

### **Company assets**

We provide sufficient protection to our company assets, brands and innovation to maintain our competitive advantage and our continuous improvement process. We use all legal requirements, options and rights to protect them, especially by using industrial and intellectual property rights.

Any offenses committed by a third party can lead to a legal prosecution, for counterfeit or unfair competition for instance.

### **Communication with authorities**

We communicate timely and on a basis of mutual trust with authorities when it is required by the local laws and regulations, or specific procedural requirements. We fully cooperate and ensure to always be transparent.

## **Confidentiality**

### **Respect of confidentiality**

#### **Disclosure to outsiders or insiders**

Confidentiality is a key component of sustainable business relationships. Confidential information is understood as non-public information, known by a specific number or category of actors. It can relate to goods, services, strategy, clients, suppliers, specific projects or data, financial information, property rights, etc.

Confidential information should only be communicated to individuals or entities that receive prior permission. Employees must protect and maintain secrecy of company's non-public information at all times, including outside of the workplace and working hours. This obligation shall remain effective even after termination of the employee's employment.

Non-public information should not be disclosed to others inside the Group unless these specific stakeholders have a business reason to know, and communications have been classified according to the Information Protection Guideline applicable within the Group.

#### **Third parties' information**

We respect third parties' interest by protecting their confidential information. Therefore, third parties' shared confidential information with us is protected as our data. Employees shall also protect confidential information obtained during their previous employment.

### **Personal data protection**

Regarding our activities, we collect, use and process important quantity of personal data. We follow the common standards of data privacy to guarantee a sensitive and sensible handling of all data.

We provide sufficient safeguards to comply with European and local applicable laws, respecting fundamental rights of each individual regarding his/her own personal data.

We retain personal data only as long as necessary in response to a specific objective and we correctly delete after this time.

## Reporting of non-compliant acts

We are all responsible for ensuring that our Business Code of Conduct is fully understood, respected and applied in all our entities.

We also understand that sometimes employees may require advice about a subject or current situation related to our Business Code of Conduct, or need to report a non-compliance situation that occurred.

All employees must feel free to report to their managers, superiors, Legal and/or Human Resources Departments or to the Corporate Compliance Officer any concern, indication of non-compliance or question about the respect of our Business Code of Conduct.

If employees feel more comfortable, they can also use our dedicated and confidential internal platform to raise a concern.

<https://report.whistleb.com/chassisbrakes>

We will not tolerate any form of retaliation against an employee that raised a concern in good faith.

Every instance raised shall be investigated by the Corporate Compliance officer and other internal departments, if need be, and, where appropriate, remedial and enforcement action shall be taken, unless legal stipulations or works agreements regulate otherwise.

[www.chassisbrakes.com](http://www.chassisbrakes.com)