

EDAG CODE OF **CONDUCT**



**EDAG – Compliance Management System
Based on our values.**

EDAG CODE OF CONDUCT

Introduction

EDAG is one of the world's leading independent engineering companies for the automotive industry. Besides the development opportunities this opens up, we also face greater challenges and ever-increasing responsibility. More than ever, therefore, one of the most important basic conditions for our success is to combine business activities with ethical principles and act with responsibility in all respects. For our company, unconditional compliance with legal requirements is imperative, and forms an integral part of the EDAG values.



The reputation of EDAG in the business world is one of our most valuable assets, but it can be damaged by even minor irregularities on the part of an individual. The only things that will guarantee the long-term trust of our customers, business associates and the public are our responsible behaviour and unconditional adherence to applicable law.

In order to give all employees guidelines for lawful conduct, the key elements of EDAG rules and practices are summarised in this Code of Conduct. The idea behind this Code of Conduct is not to restrict the freedom of our employees, but to point out possible courses of action in line with laws, regulations and directives. For this reason, we expect each and every employee to feel the same degree of obligation as the executive board and management to comply with the law and contribute to the success of the company by behaving responsibly and honestly at all times.

We trust and expect every one of our employees to meet this requirement by taking the „EDAG Code of Conduct“ and making it the standard for his* behaviour. The rules set out in this Code of Conduct are applicable in the relations between the particular company within the EDAG Group and its employees.

The Executive Board of EDAG Engineering Group AG

May 2019

Handwritten signature of Cosimo De Carlo in black ink.

Cosimo De Carlo
CEO

Handwritten signature of Jürgen Vogt in black ink.

Jürgen Vogt
CFO

Handwritten signature of Holger Merz in black ink.

Holger Merz
COO

PRELIMINARY REMARK

With regard to the company's business activities, EDAG has undertaken to treat its employees, customers, suppliers and competitors with honesty and integrity. EDAG is aware of the fact that legal and cultural requirements can differ throughout the global market. This Code of Conduct sets forth important standards that are to serve as the measure for our business activities worldwide.

The EDAG Code of Conduct stipulates that each and every employee, manager, managing director and member of company management at EDAG Engineering Group AG shall be responsible for his own behavior and conduct, and serves as the company guideline for everyday conduct for the daily routine.

1. Application

The EDAG Code of Conduct applies to EDAG Engineering Group AG and to all of its subsidiaries, including minority interests in companies in which control is exercised by a company in the EDAG Group („EDAG“ or „EDAG Group“ in the following). It also applies to all employees in these legal entities, irrespective of position, function or level of employment, and for each and every member of any of the corporate bodies of these entities.

Should local requirements call for amendments to the present form of the EDAG Code of Conduct, these can be made by the Compliance Department.

2. Responsibility for our actions and behavior

We are personally responsible for all of our actions and behavior, and, when doing anything at all that affects EDAG, always act to the best of our knowledge and belief.

Should employees be in any doubt or uncertainty with regard to instructions they have received from their supervisor, they can contact the Personnel, Legal or Compliance Department and check

whether the instructions conform with the EDAG Code of Conduct.

3. Compliance with laws, regulations and in-house rules

Applicable law forms the binding framework for the wide variety of business activities of the EDAG Group. We abide by all valid laws and regulations of the countries in which we work, and all of EDAG's in-house rules, standards and instructions, including but not limited to in-house specifications and work instructions. It is therefore necessary for all employees to know which legal obligations are relevant to them, and to abide by them.

Compliance with applicable laws and regulations is mandatory. As such laws and regulations can differ from one country to another, it is not possible to provide a complete list of them in this EDAG Code of Conduct.

Any infringement of applicable laws and regulations and consequently of the EDAG Code of Conduct can lead to serious disadvantages for the company, for instance in the form of fines or claims for damages. What is more, violations of the law can result in criminal prosecution and



serious damage to the reputation – not only of EDAG as a company, but also of the people responsible.

Besides having valid legal provisions to abide by, there are also, within the EDAG Group, in-house directives, principles and guidelines that have been approved by the Executive Board of EDAG Engineering Group AG or other competent corporate body, and these must also be complied with.

Examples of this type of EDAG guideline can be found in the Intranet.

4. No discrimination or harassment

We treat our colleagues, potential employees, suppliers and customers and anyone else with whom we do business with fairness and respect, without any form of discrimination, harassment or other inappropriate behavior on account of gender, age, race, skin colour, ethnic or national origin, nationality, religion, religious belief, physical or mental disability, veteran status, sexual orientation or other characteristics protected by law.

We observe the principles of equal opportunities and equal treatment as important cornerstones for fair, impartial and open dealings.

The selection, recruitment and promotion of our employees are based exclusively on their qualifications, their performance, skills and other characteristics in relation to the requirements of the respective job. We expect every employee to contribute to an atmosphere of respect and partnership.

This rule applies to all employees and applicants, and is applicable to all aspects of the employment relationship, including recruitment, appointment, payment, staff training, transfers, and any other conditions of work and employment.

Every manager sets an example with his own conduct, and is expected to ensure that the working environment is free of discrimination and harassment.



5. Honest business conduct

Our dealings with customers, suppliers and business associates of EDAG are fair and honest. The same applies to EDAG's competitors: our aim is to outdo them in a fair and honest way. We undertake to spread no rumours, to make no derogatory comments about competitors and/or their products, and to take no dishonest action with the aim of causing damage to competitors.

6. Compliance with anti-trust and competition laws

The EDAG Group declares its unqualified compliance with the principles of market economy and fair competition. We adhere to every applicable anti-trust law, including but not limited to laws and regulations dealing, for instance, with unfair competition, restrictions on trade and free competition, and relations with competitors and customers.

We are aware of the fact that the infringement of prohibitions under competition and anti-trust law can have far-reaching consequences, e.g. financial penalties or imprisonment, high fines, confiscation of profits and liability claims under civil law.

Whenever there is any doubt as to whether a certain situation is in conformity with anti-trust or competition law, we immediately consult the Legal or Compliance Department.

7. Anti-corruption

Our business relations are governed by integrity, and we strictly observe any and all applicable anti-corruption laws and regulations, including any that deal with bribing people who hold offices.

We reject and refuse to tolerate any form of corruption, bribery, theft, misappropriation or blackmail, illegal payments, including but not limited to any kind of payment or other advantage obtained from an individual, company, international organisation or public institution by infringing applicable laws, in order to unduly influence decision-making processes.

Under no circumstances do we offer, grant, request or accept bribes, illegal payments, inducements, kickbacks, incentives, gifts, hospitality and invitations to events, favours or other advantages, or benefits of value in order to realise business opportunities or in any connection whatsoever with the business activities of EDAG.



When assessing exactly what a benefit of value is, we take the € 35 rule as our guideline, as this is the currently valid tax-free amount.

We are aware of the fact that corruption will damage the reputation of EDAG, and that any infringement of anti-corruption laws can lead to the invalidity of contracts and to sanctions and fines under criminal law.

8. Sponsoring

We are aware of our social responsibility and are committed to supporting education, culture, social or humanitarian concerns and sport through donations and sponsoring activities. The associated measures may not be tied to any consideration for EDAG. At the same time, we also use our activities in this area as a means of strengthening public awareness of EDAG in order to support the achievement of our own corporate goals.

The granting of donations and sponsorship requires the prior written consent of the management. In sponsoring, we pay attention to a transparent approach and ensure complete documentation.

9. Conflicts of interest

In no way whatsoever do our private interests and personal considerations influence our judgement when it comes to acting in the best interests of EDAG. For this reason, we avoid all activities and situations which might lead to a conflict between our personal interests and the business interests of EDAG. Should a potential conflict of interests arise, we report the matter to our supervisor, or to the Legal or Personnel Department.

EDAG respects the right of employees to engage in activities outside of work that are of a private nature and in no way conflict with or have a negative effect on EDAG and/or the company's image. This means that we do not maintain any external business or financial interests or relations – be they direct or indirect – which either conflict with the interests of EDAG or could have an adverse effect on our ability to carry out in full the obligations set out in our contract of employment.

We expect our employees to act ethically impeccably in dealing with conflicts of interest. In the event of a conflict of interest or if an employee is



confronted with a situation that involves or could lead to a conflict of interest, such as family relationships, business partnerships or investments, the employee informs his or her supervisor or the Human Resources, Legal or Compliance Department in order to achieve a fair and transparent solution that is appropriate to the situation.

10. Using company property

When using company property owned by EDAG, we handle it with due care and responsibility. Unless otherwise stipulated in the EDAG in-house guidelines, company property belonging to EDAG is intended for use within the sphere of our business activities.

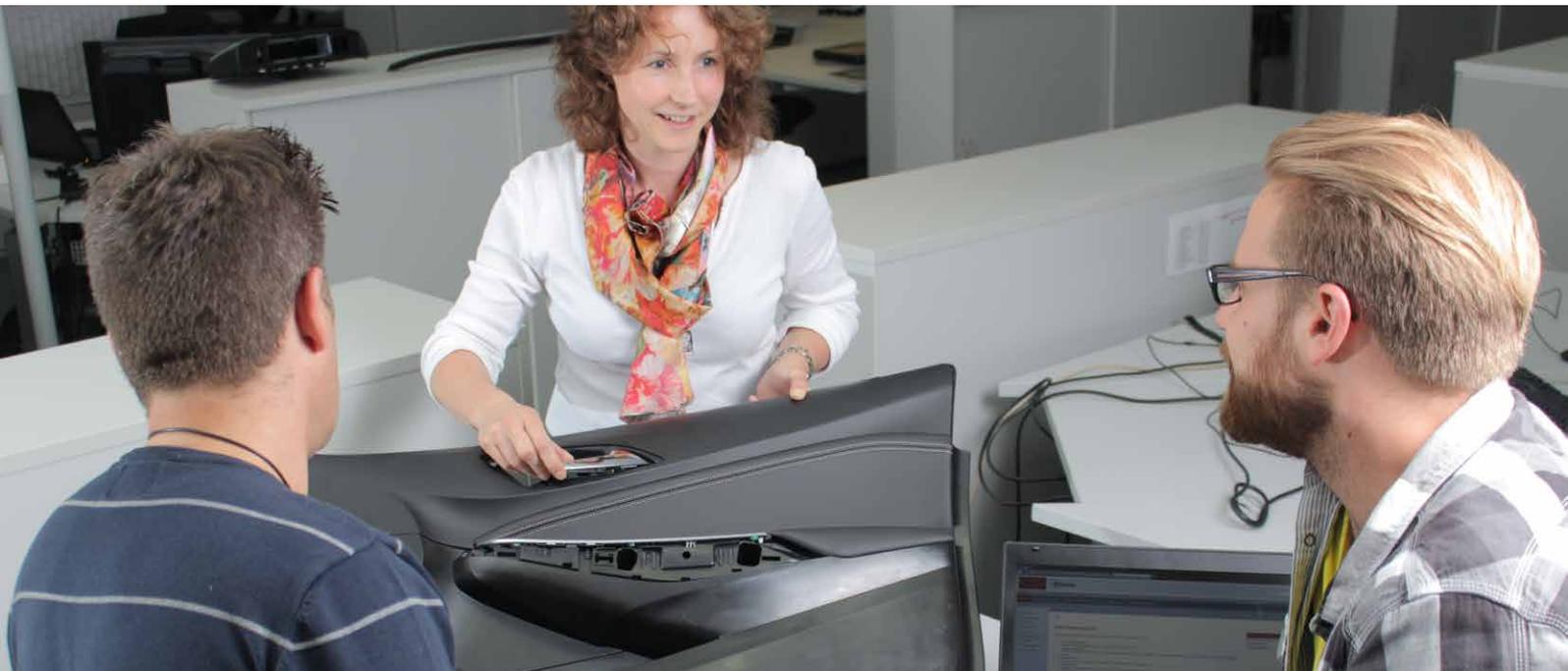
Company property belonging to EDAG includes both physical property, such as products manufactured by EDAG, production and office equipment, tools, systems and vehicles and intangible assets, such as know-how and intellectual property rights.

11. Health, safety, the environment and product integrity

Occupational health and safety and health management have top priority at EDAG.

We undertake to take measures to ensure safety and health protection, to comply with relevant regulations and work instructions, and to use any protective equipment required by law.

We are aware of the responsibility we bear, for both our services and the environment. We undertake to develop safe services and products. We make a significant contribution towards the sustainable use of resources, towards environmental protection, and in particular towards climate protection. We make every effort to save resources by continually adapting our production, the quality of our services and products with a view to their environmental compatibility and by reducing the amount of energy, water, raw and operating materials we use.



12. Data protection and IT security

We abide by all valid laws and regulations, and all EDAG principles and guidelines on IT security. The authorised data protection officer supports the technical divisions in this undertaking.

Personal information is only collected, processed or used if it is legally permissible to do so, or with the consent of the person concerned.

Disregarding IT security and protection measures can have serious consequences, for instance data loss, the disclosure of confidential information and trade secrets, and the theft or abuse of personal data.

13. Confidential information

The protection of confidential business information and secrets („confidential information“) is vital for the protection of EDAG's interests and success. We are responsible for ensuring that all confidential information gained in the course of our business activities is treated as confidential, not abused or disclosed to other colleagues or third parties.

We are aware of the fact that any abuse or disclosure of confidential information can render us subject to disciplinary action, possibly even dismissal, and that this holds true even if we do not profit personally as a result of such disclosure. When we leave EDAG, we neither pass on nor use confidential information, but return property of this type, including but not limited to confidential information, to EDAG without undue delay.

What is more, we treat the confidential information of our suppliers, customers and other interest groups with respect, using it only in accordance with applicable laws and/or contractual obligations.

14. Export and import regulations

We are obliged to comply with all applicable export and import laws, including but not limited to sanctions, embargoes and other laws, regulations, government decrees or directives.

There are situations in which EDAG products, software or technology cannot be shipped or delivered to certain countries on account of licence conditions, embargos or other restrictions.



Should the application of an export or import regulation give rise to any uncertainty or questions, then please contact the Legal or Compliance Department.

15. Securities transactions

As a listed company, we observe the provisions of the Market Abuse Regulation, the German Securities Trading Law and all related legal requirements for securities transactions when buying or selling EDAG shares and other financial instruments.

Any unpublished information that can be regarded as material in an investment decision must be treated with the utmost confidentiality, and must not be used for conducting securities transactions.

We are aware of the fact that a breach of these regulations can result in severe penalties, both for individual employees and for the company. We therefore undertake never to make use of important, unpublished information on the company (inside information) for our own securities transactions, nor to pass on such information to third parties.

16. Reporting violations of the law

We familiarise ourselves with the content of the EDAG Code of Conduct and act accordingly. EDAG ensures that any indications of infringements of laws or internal guidelines are carefully investigated and that any infringements identified are dealt with appropriately in compliance with labour laws. EDAG is equally committed to protecting whistleblowers and those affected.

In the event of questions relating to the application of the EDAG Code of Conduct or uncertainties, all employees can contact their direct superior as the first point of contact. Our managers must ensure that employees are aware of and comply with the requirements of the Code of Conduct. They support the employees in acting lawfully and in accordance with the rules.

If there are concrete, justified indications of serious legal violations or violations of EDAG compliance rules, every employee is obliged to pass these on to the manager or the compliance department.



Under the following link, we provide our employees, business partners and stakeholders with an electronic Whistleblower System that enables them to report potential rule violations to the Compliance Department via a secure online portal.

<https://edag.integrityline.org/>

If this is desired, the report can be made anonymously. The protection of the identity of the whistleblower is guaranteed by the highest security and data protection standards.

In addition, the Compliance department is available at all times to answer any questions on compliance-relevant topics under the following contact details.

**Compliance Department: 0049 611 7375 202,
compliance@edag.com**

We will follow all instructions and, if necessary, take remedial action. Within this process, we do not tolerate any form of discrimination against those who report evidence in good faith.

17. Compliance with the EDAG Code of Conduct

Every EDAG Group employee is obliged to abide by this Code of Conduct, which we acknowledge to be a binding and inherent part of our daily work. We will review our actions in the light of the above principles, and base our conduct on them accordingly.

The EDAG Group managers are obliged to inform their employees of the contents and importance of this Code of Conduct, and, on their own initiative, carry out regular checks to ensure that applicable law is being complied with.

We are aware of the fact that failure to comply with this Code of Conduct can be construed as an infringement of applicable law. In the event of culpable infringements by an employee, disciplinary action is possible, and this might even mean the termination of his contract of employment.

The rules set out in the EDAG Code of Conduct do not cover every problem that might occur, but instead provide binding principles to serve as guidelines for the day-to-day work of employees. Should the EDAG Group have passed more precise guidelines, directives or regulations for certain circumstances, these shall then be binding.

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