



Dear employees of Preh Group,

Since its formation in 1919, Preh Group has gained the reputation as a reliable and fair partner. These values combined with innovative top quality make Preh a respected automotive supplier around the world. We would like to maintain and develop this position also in future.

In order to fulfill this task, the Compliance regulation should act as our ethical and legal compass. It contains the fundamental rules of our conduct within Preh Group as well as towards our business partners and the public. The Supervisory Board expects every employee and, to a larger degree, the management, to strictly adhere to the Compliance regulation. In this way, we want to maintain and strengthen our reputation, which is linked to our international leadership position in the automotive supplier industry, among experts and the public.

Definition and scope

The term compliance stands for the adherence to legal provisions, valid rules and guidelines and the observance of and abidance by further essential ethical standards and requirements set by the company and corporation. This regulation includes the area of so-called corporate compliance, in other words observance of these rules and standards on corporation level.

This regulation applies to all employees and board members of the Preh Group, hereinafter called "employees".

The employees orient themselves in the field of Business Ethic Management on the OECD Guidelines for Multinational Enterprises 2011 Edition Part 1 VII Combating Bribery, Bribe Solicitation and Extortion.

Duty to inform

Every employee must inform themselves about the laws, directives and internal instructions that apply to their sphere of responsibility. If there is any doubt, advice should be sought from the legal department in Bad Neustadt (Germany) or the relevant department.

General requirements of conduct, lawfulness and integrity

Every employee is obligated:

- to comply with laws, directives and internal guidelines made available in the Preh-Portal as well as instructions valid in their sphere of responsibility and the associated legal order;
- to behave in a fair, respectful and trustworthy manner towards all people they come into contact with when performing or in connection with their work. This applies to all tasks and business relationships without regard to ethnic origin, color of skin, culture, religion, age, disability, sexual identity or orientation, world view and gender;
- to respect and promote the reputation of Preh Group;
- to avoid conflicts of interest between business and private matters;
- not to give themselves or others unlawful benefits;
- to comply with the provisions on occupational safety, environmental and data protection;
- to report breaches of Compliance to the Compliance Officer (point 15) immediately.

In addition, every manager is obligated:

- to comply with the Code of Conduct for employees of Preh Group;
- to only judge employees by their performance;

- to ensure compliance with this regulation within their sphere of responsibility.

Social responsibility, non-discrimination

Preh Group assumes social responsibility and is committed to the internationally accepted human rights and social compliance. Preh Group regards this as an essential factor for a sustainable company success.

- Preh Group rejects any form of human rights abuses including human trafficking, forced labor and child labor within our business operations and supply chain.
- Preh Group provides fair compensation in terms of wages and benefits to all employees in accordance with applicable laws and regulations. Working hours and time off are defined in accordance with applicable laws and regulations.
- Preh Group recognizes the rights of employees to form, join, and be active in trade unions and employee representative bodies in accordance with applicable laws, collective bargaining agreements, and local customs. Preh Group does neither allow preferential treatment nor any discrimination of employee representatives.
- We want to enable our employees to master their tasks in the operational work processes efficiently and successfully and to face new challenges with motivation and self-confidence. For this reason, we offer our employees a wide range of entry and promotion opportunities as part of our personnel development program.
- Discrimination on the grounds of ethnic origin, color of skin, culture, religion, age, disability, sexual identity or orientation, world view and gender are strictly forbidden. This does not only, but especially, apply to contact with colleagues, employees and business partners but also when hiring, promoting or firing employees.

Contact with business partners and third parties

Prohibition of bribery and corruption

It is strictly prohibited:

- to offer, promise or grant local and foreign officials a personal benefit for providing or refraining from an official act,

- to offer, promise or grant employees or representative of local or foreign companies unlawful personal benefits,
- to have others offer bribes, for example relatives, friends, agents, consultants, planners and middlemen,
- to support unlawful acts by other persons.

Avoiding conflicts of interest

Every employee must strictly separate their private interests and the interests of Preh Group. Even the semblance of a conflict of interest should be avoided. Not permissible are, in particular:

- orders to affiliated persons (such as spouses, relatives, friends and private business partners),
- orders to companies or consulting firms where affiliated persons work,
- orders to companies or consulting firms in which affiliated persons have a 5% or larger shareholding,
- part-time work for competitor companies,
- part-time work for business partners.

Exceptions may only be granted by the responsible managing director.

Employees who directly or indirectly hold an interest of 5% or more in a competitor company or who are already involved already have an interest, must report this to the respective Commercial Director / CFO. It will be examined to determine whether there is a conflict of interest.

Combating money laundering

Preh Group only works with serious business partners that act in accordance with the laws and do not use any illegal financial resources. Every employee must adhere to the laws on money laundering and shall immediately report to the respective Chief Financial Officer (CFO) any suspicions that point to money laundering.

Cooperation with customers and suppliers

Preh Group expects its employees, customers and suppliers:

- to comply with all valid laws,
- to refrain from corruption,
- to observe human rights,
- to comply with the laws against child labour,

- to observe the legal directives of international economic transactions,
- to comply especially with bans on export and import as well as embargo regulations,
- to protect the health and safety of all employees,
- to comply with the relevant national laws and international standards with regard to occupational safety, environmental protection and data protection,
- to ensure that these points are also implemented and complied with within their own supply chain

Conduct toward competitors

The name “Preh” stands for fair competition. Therefore, the employees of Preh Group are obligated

- to observe the competition laws and the anti-trust laws,
- not to coordinate prices, quantities and conditions with competitors,
- not to agree on an allocation of customers with competitors.

It is often not easy to categorize business conduct according to competition and anti-trust laws, and this can lead to different results from one State to another. In case of uncertainty in this regard, every employee of Preh Group has the opportunity to approach their responsible managing director.

Confidentiality, information and records

Handling trade secrets or internal confidential or protected information requires absolute secrecy towards the outside. Disclosing such information to a contract partner, development partner or other partner is only permitted after a confidentiality agreement has been concluded, which bindingly obligates the partner to secrecy.

Confidential information is understood to be, in particular but not exclusively, all technical, commercial and other information that a Preh employee intends to disclose to a partner, either in writing, orally, optically, in the form of models, components or in other forms.

All business dealings, transactions and other financially relevant procedures must be recorded completely, correctly, traceably and on time. Within the framework of regular audits, Preh Group must be able to comment comprehensively on all business transactions or - in

individual cases - to report on the respective course of events.

Invitations, gifts and other personal Benefits

In principle, employees may not ask for, be promised or accept personal benefits, neither for themselves nor for persons affiliated to them. Employees may only accept personal benefits (such as invitations to restaurants or sports events or gifts) if this does not create the impression that a reciprocal favor is expected. The benefit must be within the framework of commonly used business practices and must not contravene any laws. In Germany, gifts to business partners up to a total value of 35 Euro per person and year are permissible and can be claimed as a business expense (Art. 4 (5) No. 1 EStG). In addition, small promotional items the procurement or manufacturing cost of which is less than 10 Euro may be given to business partners.

Donations

Preh Group makes monetary and material donations for non-profit and charitable purposes such as education, science, art, culture and social issues.

Donations may only be made after prior written permission from a member of the Board.

Political donations fully comply with public disclosure obligations.

Protection of health, the environment, data and company assets

Occupational safety, environmental protection and data protection

In the interest of the health and safety of all employees and visitors, every employee must comply with the applicable laws, directives and standards of occupational safety at their work place.

Every employee is co-responsible for protecting the environment in their work area and undertakes to comply with the laws, directives and standards of environmental protection. For avoidance of imminent environmental damages the instructions of delegated persons for environmental protection have to be followed.

Personal data may only be collected, processed and used in accordance with valid data protection laws. Company and business-related data must be treated confidentially and may only be used within the context of the field of activity.

All employees are obligated to comply with the currently valid data protection guidelines of Preh Group. This also includes rules regarding data security such as the “password guidelines Preh Group”.

Protection of company assets

Every manager must create organizational structures within his sphere of responsibility that protect the company assets and/or resources of Preh Group against loss and misuse. Company assets / resources may not be used for private purposes or illegal activities.

Creating records, files, image or sound documents or copying these is only permitted if this is necessary for the occupational activity.

The buying and selling of company assets must be transparent, traceable and cost-efficient and at fair market value. Personal interests of individual employees must not influence decisions on economic transactions.

Breach of this regulation / Compliance organization

Consequences of Compliance breaches

Breaches of Compliance can have the following consequences for employees:

- Warning
- termination
- claims for compensation by third parties
- monetary fines
- imprisonment.

Breaches of Compliance can have the following consequences for Preh Group:

- Claims for compensation by third parties
- cost-intensive court proceedings
- monetary fines
- loss of orders
- loss of standing/reputation.

Compliance responsibility

The managing directors of the respective Preh entity are responsible for compliance matters of that entity.

Contacts; reporting incidents

If you have concerns or questions:

- Speak to your manager or the responsible department, for example to the personnel department for topics regarding employment contracts.
- If clarification with the manager or the responsible department is not possible or if concerns remain you may revert to the next higher management level.

If you become aware of breaches of Compliance, you are obligated to inform the company immediately via the reporting channels described in the Preh guideline “Reporting Compliance Incidents”. This may be done anonymously.

sgd. Zhengxin “Charlie” Cai

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sgd. Rui Marques Dias