

# ***Code of Conduct for the Hella Group***



***Ideas today for  
the cars of tomorrow***

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## Introduction from the Management of Hella KGaA Hueck & Co.

Our company's reputation has grown continuously over the 100 years it has been in existence. Our customers, suppliers and business partners base the trust they place in us on a reliable partnership developed over many years and the strength of an independent family company which evolves dynamically and always seeks to improve itself. The specified aim is the corporate vision "Top Company – Second to none": we want to be the best and not be surpassed by anybody.

To allow this vision to become reality, we regularly define new specific aims and implement them in a sustainable way. The teamwork within the company and our working relationships with customers, suppliers and business partners are based here on our set of values. Under the slogan "Professionalism and cooperation between people", we have defined the values of "entrepreneurship, cooperation, sustainability, performance, innovation, integrity and being a role model" as the basis for the company's enduring success.

This set of values is an expression of the mature, unique corporate culture at Hella: "Professionalism and cooperation between people" are mutually dependent and shape the specific conduct of every single person who works in the Hella Group. The values give rise to basic rules of conduct which we have defined in this Code of Conduct. They are globally binding upon all employees within the Hella Group. The Code of Conduct is intended to help people cope with legal and ethical challenges in their daily work. It reflects our own wish to meet our company's responsibility to the shareholders and to society and to constantly live up to the expectations of our customers, suppliers and business partners by conducting ourselves in an exemplary manner every single day.

Lippstadt, June 2007

Management



**Dr. Jürgen Behrend**



**Dr. Rolf Breidenbach**

## 1. Objective

- The prerequisite for doing business successfully based on our values is to comply with all voluntary measures, supervisory measures and measures prescribed by law.
- This Code of Conduct summarizes the basic rules which apply in the Hella Group concerning how to behave towards one another ethically and in accordance with the law, and also in relation to business partners, authorities and other third parties.

## 2. Area of applicability

- This Code of Conduct applies to all organizational units and holding companies in which Hella KGaA Hueck & Co. directly or indirectly holds shares of more than 50 % (Hella Group).
- The Code of Conduct is binding on all employees in the Hella Group (Hella employees).
- In the case of minority shareholdings and memberships in organizations, those Hella employees who represent the Hella Group on the respective decisionmaking bodies are obliged to do everything they possibly can to work toward ensuring that the basic rules laid down in this Code of Conduct are complied with.

## 3. Conduct in connection with business activities

### 3.1 Complying with laws and regulations

- All business matters at the Hella Group must be conducted and all business processes must be designed in such a way that they comply with all applicable laws and official orders, voluntary undertakings and other regulations (subsequently referred to as “regulations”).
- Every Hella employee is obliged to comply with the regulations. Instructions which deviate from these regulations and lead to a breach of the basic rules described here in carrying out business activity are prohibited.
- The Group guidelines (HPC) which regulate personal conduct in the Hella Group, management decisions on how to conduct business and the like, which are published on the intranet or in some other way, must be followed.
- Any breach of mandatory statutory provisions such as competition law but also of other provisions, may lead to incalculable financial loss for the company and damage to its reputation. At the same time, this may result in claims for damages against the personally liable partners, the management, those in positions of responsibility and employees who are directly involved. In addition, this may also constitute disorderly or punishable conduct which may result in the relevant authorities launching a preliminary investigation.
- In order to avoid any risks, legal advice should be sought in cases of doubt before a measure is taken which may result in a breach of the applicable law or other regulations.

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## 3.2 Fair competition

- The sale and distribution of our products and the procurement of material and services are subject to national and international provisions, including those of competition law.
- If all participants in the market comply with the competition rules, this ensures equal opportunities on the market for all and is therefore essential. There are also regulations governing what information may be exchanged between competitors. We expect our competitors, customers and suppliers to comply with the competition rules. They can expect the same from the Hella Group and this is also expected from all Hella employees.
- There is therefore a ban in particular on the following:
  - Conversations with competitors during which prices or capacities are discussed.
  - Discussions with competitors about renouncing competition, about submitting false quotations for tenders or about the allocation of customers, areas or production programs.
  - This also applies to informal conversations, informal discussions or types of behavior which aim to achieve or bring about one of the restraints of competition referred to above.

## 3.3 Offering and granting benefits

- Gifts, favors, hospitality or other benefits offered by employees of the Hella Group to third parties with the aim of obtaining orders or inequitable benefits for Hella or other people are not permitted.
- Courtesy gifts which to a certain extent are in line with the general standard practices of business are to be treated in accordance with the respective national law which applies and in accordance with internal guidelines such as purchasing guideline HPC 508. In case of doubt, the relevant manager should be consulted for a decision.
- No employee may use their position or role within the company to demand, accept or obtain personal benefits.
- Occasional gifts of low value may be accepted. Gifts which extend beyond this and other benefits which are offered to an employee and people close to the employee should always be declined. In such cases, employees are obliged to inform their managers about any gifts or benefits they are offered.

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- Any courtesy gifts or hospitality must always be offered and accepted in such a way that the giver does not have to conceal the offer and the recipient does not have to keep secret the fact that they are accepting them, and also in such a way that there is no suggestion of anybody being forced into a situation in which they could be bribed.
- 3.4 Business transactions with family members**
- As a general rule, no business transactions should take place with members of the family of a Hella employee.
  - However, in individual cases they may be approved by the appropriate managing director or the relevant supervisory body (shareholders' committee, advisory board, shareholders' meeting). Family members include spouses, parents, children and other relatives and partners who live in the same household as the Hella employee.
- 3.5 Foreign trade, export checks and terrorism checks**
- All national, multinational and other foreign trade provisions must be complied with. These include customs regulations as well as commercial and production checks. All Hella employees are obliged to comply with the statutory provisions and, in addition, the guidelines issued by the Hella Group as well as the instructions of the authority (customs / foreign trade) responsible for this in the Hella Group.
  - The way that transfer prices are set corresponds to the internationally recognized principles, namely being in line with the arm's length principle.
  - Potential tax evasion by business partners is prohibited.
- 4 Conduct with respect to the company**
- 4.1 Use of tangible company assets and company resources**
- As a general rule, the use of company resources for private purposes is prohibited and must be approved in individual cases. This also applies in principle to the use of telephones, the use of computers including the installation of third-party software and the use of the Internet as well as the sending of e-mails. Company guidelines and agreements which are in place with employee delegations must be complied with in this regard.
- 4.2 Correct reporting**
- All records and reports such as accounting documents, business reports, audit reports and the like which are prepared internally or are outsourced must be correct and truthful. Any recording of data and other records must always be complete, correct, on time, and meet the system requirements.
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### 4.3 Public relations

- Official statements, in particular to the media, may only be made by people who are expressly authorized to do so.
- In respect of statements made by Hella employees in public, the right to express a free opinion applies in all cases. Hella employees must ensure that their appearance in public does not damage the reputation of the Hella Group. When expressing opinions in private, no reference should be made to an employee's role or work within the company.

### 4.4 Secondary employment

- An employee may only engage in secondary employment with prior permission from the relevant personnel department. As a general rule, permission will be granted if the secondary employment does not have an impact on any of Hella's operational interests.

### 4.5 Data protection

- Personal data may only be collected, processed or used within the Hella Group to the extent that this is necessary for defined, clear and legitimate purposes. This shall also apply to the exchange of data between different organizational units and companies in the Hella Group.
- When it comes to the quality of the data and technical safeguards to prevent unauthorized access, a high standard needs to be ensured.
- The use of data needs to be transparent for those affected, and their rights to receive information and be notified and if necessary their rights to oppose, block and delete data must be safeguarded.
- The relevant national statutory regulations must be complied with.

### 4.6 Confidentiality

- All information that has not been made public must be kept secret and may not be revealed to unauthorized third parties either while an employee is employed by the company or after their contract of employment comes to an end. This shall not apply if prior written consent has been provided by an authorized representative of Hella or disclosure is required by a statutory obligation, for example the obligation to testify as a witness in court proceedings. In this case, the relevant authority (senior manager) must where possible be notified in advance about such disclosure.
- The direct or indirect use of confidential business information during and after the termination of an employee's contract of employment for personal benefit, for the benefit of third parties or to the detriment of the Hella Group is prohibited.
- Hella employees are obliged to assist in preventing confidential data from being accessed by third parties in accordance with the existing guidelines.

## 4.7 Protection of third-party rights

- Every employee must respect third-party property rights; they must not be utilized in an unauthorized way. No employee may acquire or utilize secrets from a third party without authorization.

## 5 Basic social principles

### 5.1 Human rights

#### 5.2 Anti-discrimination

- The Hella Group respects and supports the observance of internationally recognized human rights.
- In conducting their business, all Hella employees must respect the rights and the national, cultural and ethnic characteristics of every single person with whom they come into contact.
- Business decisions should be shaped by the matter at hand and the interests of the company.
- Equal opportunities and equal treatment, irrespective of ethnic origin, skin color, sex, religion, nationality, sexual orientation, social background or political outlook, provided that this is based on democratic principles and a tolerance of people with different opinions, are guaranteed.
- Employees are always selected, offered a job and promoted on the basis of their qualifications and skills, provided that national law does not expressly prescribe other criteria.
- These principles also apply if in individual countries types of behavior and business practices contrary to this Code of Conduct are tolerated

#### 5.3 Free choice of employment

- The Hella Group rejects any deliberate use of forced labor, including slavery or forced labor for prisoners.

#### 5.4 No child labor

- Child labor is forbidden. The minimum age at which people can be employed in accordance with the relevant state regulations must be complied with. Their health and safety must not be compromised. Their dignity must be respected.

## 6 Complying with the Code of Conduct

### 6.1 Compliance officers

- The following people act as compliance officers responsible for receiving any information about possible breaches of the Code of Conduct and as points of contact for any questions concerning the basic rules contained within this Code:
  - the managing directors of the companies in the Hella Group;
  - the plant managers,
  - the employees in the company audit team
  - the lawyers in the Hella Group's legal department.
- The compliance officers are entitled and obliged to exercise the necessary diligence in following up relevant information they receive.

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- All information received is always treated confidentially.
  - If there is sufficient initial suspicion that there has been a breach of the principles contained in this Code of Conduct, the compliance officer who has been contacted may also call in other departments in the company, such as the company audit team, to assist in establishing the further facts in the matter.
  - The compliance officers will take the necessary measures.
  - An employee will not be disadvantaged in any way by contacting the compliance officers. This is not the case if employees report themselves; in this case, however, the fact that an employee has volunteered the information will count in their favor.

## 6.2 Responsibility of managers

- All managers must take steps to ensure and monitor that their employees are aware of the information contained in this Code of Conduct. Managers are asked to act as role models by ensuring that their own conduct is in line with the Code of Conduct. In their area of responsibility, managers must ensure that their employees comply with these regulations and any deviations are avoided.

## 6.3 Employees' duty to inform

- Any Hella employee who becomes aware of any breaches of this Code of Conduct must inform their superior(s) or a compliance officer.

## 6.4 Breaches and sanctions

- Breaches of this Code of Conduct may have consequences for an employee's contract of employment and its continued existence, and may also lead to claims for damages.

