

ANTI- CORRUPTION POLICY

INTRODUCTION

The **HELLA Code of Conduct** clearly states the prohibition of corruption within the Group's companies. HELLA Group considers any act of corruption in dealing with third parties, both public officials and private sector companies, to be extremely serious and will have zero tolerance in this regard. Transparent and correct business practice is mandatory and always possible.

This Anti-Corruption Policy re-affirms this principle, with the specific objective of enabling all of the Group's managers and employees worldwide to:

- **familiarize themselves with the basic principles of the prevention of corruption.**
- **resist attempts at corruption by providing them with concrete examples of risky situations and reminding them of how to conduct themselves.**
- **protect them, the HELLA Group and its subsidiaries, from the risk of prison sentences and fines, and preserve their reputation and integrity.**

Any infringement of this Policy may have serious legal and financial consequences and may cause long-term harm to HELLA Group's reputation. Any infringement of this policy may also result in disciplinary actions, up to the termination of their employment contract, and criminal / civil liability for the employee.

This Anti-Corruption Policy applies to all employees of HELLA companies which are, directly or indirectly, wholly owned or solely controlled by HELLA GmbH & Co. KGaA (HKG).

HELLA Group therefore counts on each of its employees, including and notably the line management in view of their role model function, to respect the principles and rules of this Policy. In addition to this Anti-Corruption Policy, there is a body of rules relating to how the Policy should be applied (HELLA Anti-Corruption Guidelines). All HELLA employees shall refer to these Guidelines.

This Policy sets forth the basic principles for what is prohibited and what is permissible. It does not provide guidance for all situations. Use your judgment and common sense to follow the letter and spirit of the principles, clarify with your Line Management, and seek guidance from your Compliance Officer where necessary.

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I. What is Corruption?



I. What is Corruption?

HELLA Group has a zero-tolerance policy regarding corruption – this applies to both the public and private sector.

CORRUPTION is defined as an act whereby an individual offers or gives, at his / her initiative or after solicitation, a gift, promise, advantage or something of value ("**bribe**") to:

- » A public official or a person holding a private sector function in order to carry out, obstruct or abstain from performing an act pertaining directly or indirectly to his / her function.
- » Any individual to use his / her influence, whether real or supposed, in order to obtain from a public official or a person holding a private sector function, jobs, contracts or any other favorable decision.

The term public official refers to a person holding public office or executing a public service function¹ or an electoral mandate.

Corruption can be **active** or **passive**:

- » It is said to be active when the person (the corrupter) offers a bribe, even if it is not at his / her initiative.

Example:

"I will give you the requested €100 in cash / gift card so that you can make progress with my case."

- » It is said to be passive when the person (the corrupted person) solicits or accepts a bribe.

Example:

"I can make progress with your case if you give me €100 in cash / gift card."

The corrupter (active corruption) would be the one giving €100 in cash / gift card and the corrupted person (passive corruption) would be the one receiving the €100 bribe and making progress with the case of the corrupter.

¹ This may notably, but not exclusively, include anyone:

- holding a position in a public service, authority, agency or any other national, regional or local entity or working for an international public organization;
- working for state-owned / controlled companies;
- and/or although working in a private sector company, carrying out a public service mission or duty for authorities.

I. What is Corruption?

Corruption can be direct or indirect. It is said to be indirect when a bribe is paid by a third party working on the company's behalf.

Corruption, in the wider sense, is prohibited in all its forms, whether it be active or passive corruption or whether it is direct or indirect corruption

The bribe offered or accepted may take various forms:

- Monetary advantage: cash, gift voucher, price reduction, etc.
- Personal benefit: gift, invitation, free service, service rendered, etc.

The bribe may be hidden in various ways, which are sometimes complex and difficult to trace, for example:

- » *"It would be too risky for me to directly take this €5,000 you are offering me for signing. So, I'd prefer that you appoint an intermediary (one of my friends, of course) from whom you would commission a "technical study" for which you will pay €5,000."*
- » *"Give me 10% of your margin, I will make sure you win the bidding with your price offer. Since I am the head of the logistics sourcing committee, I have the power to choose the freight vendor. I will provide you with my private bank accounting details to your private E-Mail address."*

To contribute to ensuring that HELLA business transactions do not involve corruption the following Mandatory Principles must always be respected.

Transparency: All business transactions must be carried out in a transparent manner (internally and towards the business partner).

Documentation: All business transactions must be documented in writing (in particular services rendered and payments made); this requires true, complete and timely internal documentation (record keeping).

Non-cash: Payments must never be made in cash – only by bank transfer. Ensure that the recipient's account is not with an offshore bank (i.e., a bank located in a so called "Tax Haven").

Separation of interests: HELLA employees must not use business connections to their own advantage or that of a family member or a third party.

II. What are the risky situations?



II. What are the risky situations?

1. Gifts and Hospitality

In principle, the offer and acceptance of gifts and hospitality (for example, invitations to meals, business, sporting or other entertainment events) may be authorized so long as they are:

- for a reasonable value (and therefore capped),
- connected to your professional activity, and
- without the expectation of an undue advantage in return.

Here are some examples of **appropriate** practices:

- » *“I must comply with our Gifts and Hospitality Guideline and ensure that the gifts and hospitality offered / received always remain within the limits of what is reasonable and acceptable.”*
- » *“To show our appreciation of the visit to our company I give a box of chocolate (at a value of €25) to my business partner.”*
- » *“I need to make sure that my business partners are familiar with our Gifts and Hospitality Guideline. In the same way, I need to be aware of the gifts and hospitality guidelines of my business partners.”*
- » *“If I am aware that the gifts & hospitality rules of my business partner only allow for gifts of max. €50 value, I respect such rules and limit the value of the gift I intend to give.”*
- » *“In case of doubt on the appreciation of the value of a gift or a hospitality, I need to consult my manager or the Compliance Organization.”*

Here are some examples of **prohibited** practices:

- » *“There’s a 3-Star restaurant I haven’t had the opportunity to try. Invite me to a meal there. It might convince me to buy your new products.”*
- » *“I am planning a family trip to Las Vegas. Can you help me with the hotel and accommodation and take care of ‘organizing’ it for my trip? The recent project you are bidding on at the moment has reached the final stage, I will consider you for this opportunity.”*
- » *“Please take this box of caviar as my blessing of the New Year Festival, I got them for a very cheap price but with good quality, only €1,000 / gram. By the way, thank you so much about the last project, we couldn’t make it without your help.”*

Please be extremely cautious with regard to any Gifts & Hospitality towards public officials: severe regulations apply to ensure impartiality of the public services.

In this regard, you should refer to our **Gifts and Hospitality Guideline** (COD-COR-003, available at the HELLA Intranet / NormMaster).

Employees must refuse offering / accepting gifts or hospitality if they do not comply with the **COD-COR-003 Gifts and Hospitality Guideline**.

Regarding reimbursement of individual expenses for gifts & hospitality, please consider the **HELLA Travel Guideline** (HN10005, available at the HELLA Intranet / NormMaster).

II. What are the risky situations?

2. Facilitation Payments

Facilitation payments are small sums or gifts aimed at civil servants with a view to accelerating an administrative formality /routine to which HELLA may legally be entitled.

Facilitation payments are prohibited at HELLA, even if they are legal or tolerated in the country concerned. Employees solicited for such payments must turn down the requests.

They may be authorized in exceptional situations, in particular if the safety and / or physical integrity of a HELLA employee is threatened. In such circumstances, the management or the Compliance Organization must be informed as soon as possible.

Here are some examples of **appropriate** practices:

- » *“While facing a request for a facilitation payment, I need to consult my manager or the Compliance Organization before accepting the request ...”*
- » *“When dealing with a request for an additional fee to accelerate a public service based on the official fee catalogue of the public authority, I must preserve the supporting documentation (e.g., proper invoice receipt) to ensure the transaction is recorded properly in the HELLA books.”*

Here are some examples of **prohibited** practices:

- » *“Your visa would be issued faster with a €50 note.”*
- » *“I have so many applications for operating permit renewals and I really like French champagne.”*
- » *“Pallet container is stuck at customs. I know someone who could help, but he’s asking to keep one of your pallets for this service.”*

II. What are the risky situations?

3. Charitable Donations and Sponsorship

Charitable donations and sponsorship are in principle legitimate. However, before making such contribution, it is important to make sure that the receiving entity (including managers and beneficiaries) is trustworthy and reputable.

Charitable donations are prohibited, even if the aim pursued by the charity is legitimate, when they are made with a view to, or could be perceived as being made with a view to, encouraging inappropriate behaviour or in exchange for obtaining an undue benefit.

In any case, a charitable donation or sponsorship must never be paid in cash or to accounts opened in the name of individuals.

Here are some examples of **appropriate** practices:

- » *“I should preferably contribute to worldwide renowned organizations.”*
- » *“Charitable donations and sponsorship should be accurately and transparently recorded and documented.”*

Here are some examples of **prohibited** practices:

- » *“To thank me for signing with you, could you make a donation to the Animal Foundation charity? I know this foundation very well. It’s run by a friend who will know how to thank me in return.”*
- » *“In order for us to buy your products, you must sponsor the internal sporting event we are organizing. You like sports as much as we do, don’t you?”*

In this regard, you should refer to our Donations and Sponsorship Guideline (COD-COR-004, available at the HELLA Intranet / NormMaster).

Employees must refuse to participate in sponsorship deals or charitable donations if they do not comply with the stated policy.

II. What are the risky situations?

4. Conflicts of Interest

Conflict of interest refers to a situation in which you have a personal interest likely to influence or appear to influence your activities in your function. The interest may be direct or indirect and concern you or your close relations. This interest may be very diverse (financial, economic, professional, political, personal, etc.).

Here are some examples of **appropriate** practices:

- » *“I must inform my management or the Compliance Organization of any potential direct or indirect conflict of interest, and refrain from participating in discussions and decision-making processes on the concerned matters.”*
- » *“In case of doubt about a potential conflict of interest, I must consult my manager or HR management or the Compliance Organization.”*

Here are some examples of **prohibited** practices:

- » *“I’ll buy your products if you ensure that HELLA hires my child.”*
- » *“My wife’s warehouse company is quite close to our customer. Please rent the warehouse service for the products we purchase from you. I will find a way to over-compensate this in the purchasing contract we will conclude with you.”*
- » *“In addition to my job as engineer at HELLA I work as freelancer for a competitor.”*

In this respect, you should refer to the (future) Managing Conflicts of Interest Guideline (available at the HELLA Intranet / NormMaster once adopted) and comply with it.

II. What are the risky situations?

5. Assessment of Third Parties

a. Use of Intermediaries

The use of intermediaries such as consultants, agents, lobbyists, or any other business intermediary contracted to provide support, mediate, negotiate or conclude business transactions or to obtain permits, licenses etc. carries a high risk of corruption, in particular in certain countries.

It is therefore essential to check the reputation and background of intermediaries by carrying out due diligence. Depending on the information obtained, it may be decided not to initiate relations with this intermediary.

Regular monitoring of the work carried out by intermediaries must take place. Certain signs such as a poor business reputation, a lack of transparency, a disproportionate remuneration level of the intermediary and a demand for a payment to be made in cash should lead to closer analysis.

In this respect, you should refer to the (future) Managing Conflicts of Interest Guideline (available at the HELLA Intranet / NormMaster once adopted) and comply with it.

Here are some examples of **appropriate** practices:

- » *“I must ensure that contracts concluded with intermediaries include provisions relating to the prevention of corruption and the possibility of rescinding contracts concluded in the event of these obligations not being respected.”*
- » *“I must conduct the appropriate level of due diligence in selecting and engaging intermediaries.”*

Here are some examples of **prohibited** practices:

- » *“If you want to do the deal, I suggest that you pay an additional \$10,000, that will also allow us to do the paperwork.”*
- » *“For my remuneration as an intermediary, I ask that you pay in cash or pay the money to my brother’s account in Panama.”*
- » *“HELLA intends to purchase real estate owned by the local government to build a new plant. A real estate broker tells me that he will arrange for the sale using his good connections to the local government if I pay him a commission of 30 % of the transaction value via bank transfer.”*
- » *“I consider hiring a sales agent who requests the payment of an “administration fee” of 10,000 Euro and an additional 15% commission on any signed contract. The sales agent lacks experience in the automotive sector but is well known as someone who gets things done quickly and easily”.*

II. What are the risky situations?

b. Merger & Acquisition Projects, Minority Investments or Strategic Partnerships

As with intermediaries, you should ensure, for certain types of transactions involving the acquisition of companies, minority investments, creation of joint ventures or strategic partnerships, that you implement the due diligence verification procedures necessary for the identification of corruption risks linked to the transaction planned.

HELLA may be held liable for the actions of its associates within partnerships, and have its liability committed within the framework of mergers or acquisitions according to the terms of the acquirer's liability. This may apply to acts of corruption prior to the acquisition. It is therefore essential to carry out an in-depth investigation into the reputation and history of all targets in operations involving mergers & acquisitions or potential strategic partnerships.

In this regard you should refer to the (future) Third-Party Compliance Due Diligence Guideline (available at HELLA Intranet / NormMaster in future once adopted) and comply with it.

6. Political contributions

The payment of political contributions is prohibited in the name of, and on behalf of, HELLA.

III. What to do in case of difficulties?



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In case of doubt or a concern about a potential violation or about any subjects covered in this Policy, HELLA employees can consult:

- their supervisor or management,
- the HR Manager; or,
- the Compliance Organization.

HELLA employees may also use the reporting portal "**tellUS!**" (<https://hella.whistleblownetwork.net/>) to report serious violations.

The identity of a reporting person will be kept confidential.

In this respect you should refer to the (future) **Speak Up Guideline** (available at the HELLA Intranet/ NormMaster in future once adopted) and comply with it.

IV. What are the sanctions in the event of a breach?



IV. What are the sanctions in the event of a breach?

Any infringement of this Policy may have serious legal, financial and reputational consequences for HELLA.

Any infringement of this Policy may also leave the employee liable to disciplinary actions, up to the termination of the employment contract, without prejudice to any civil and criminal sanctions. notably prison sentences and heavy fines.



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