

Code of Conduct

of the Borgers Group



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To improve the readability of this document, we do not make a difference between the gender forms. The corresponding expressions apply to both genders. The short form does not include any valuation.

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Introduction – Why do we have a Code of Conduct?

The Borgers Group has an excellent reputation, which is based on our high-quality products, our power of innovation, entrepreneurial spirit, customer orientation, but also on our social conduct, oriented towards people. Though it took decades to achieve this reputation, it can irrevocably be destroyed in a moment by a single action against the rules.

It is essential to prevent this. By his day-to-day behaviour, each employee affects the reputation of our company. For this reason we expect our staff to show an ethically sound and lawful behaviour in business life. The now formulated Code of Conduct forms the basis of all our decisions and actions. It serves both as guidance and management tool and is part of our corporate culture.

**“Few things are harder to put up with than the annoyance
of a good example.”**

Mark Twain (1835–1910)

Fundamentally, the reputation of our company, as well as the confidence which customers, suppliers, business partners, shareholders, employees and our families have placed in us, depends on the honest and responsible behaviour of all employees.

For this reason every employee of the Borgers Group is required to comply with the valid legal regulations, other mandatory rules and the Code of Conduct. If required, the Code of Conduct will be amended by specific guidelines and regulations for areas, departments and situations.

Acting in honesty is a matter of course. The Code of Conduct at hand should provide guidance and assist in avoiding any misconduct. The specified requirements concerning behaviour are binding for all managers and employees of all companies within the Borgers Group.

1. Basic principles of conduct

Lawful conduct

We expect compliance with the law and regulations. All employees are obliged to know, respect and comply with the laws relevant to them. Compliance with existing law takes precedence over any conflicting instruction given by a superior. In case of violation of laws the person responsible and/or the company may be sentenced to imprisonment or fined.

Furthermore, every employee guilty of a violation – regardless of the sanctions provided by law – will have to face disciplinary action because of the violation of his employment obligations.

Fairness and mutual respect

Motivated and competent employees are a feature of our family enterprise. We show respect to everybody as an individual, irrespective of his ethnic origin, skin colour, ideology, religion, nationality, sexual orientation, social background, gender, age or possible handicaps. Every employee is obliged to refrain from any kind of discrimination (e. g. disadvantaging, harassment, bullying) and to facilitate a respectful and fair cooperation.

Management culture and cooperation

Every superior is responsible for his staff. He is a role model and notably has to adjust his behaviour to the Code of Conduct. The superior has confidence in his staff and gives them as much personal responsibility and freedom as possible. The superior is obliged to inform his staff about the contents of the Code of Conduct and make them aware of its meaning. He is required to ensure that it is followed in his area of responsibility.

A trusting and good cooperation becomes evident in mutual and open information and support. Superiors and employees inform each other about facts and corporate relations to such an extent that they can take measures and make decisions. Employees and especially superiors make sure that information is exchanged quickly and without problems. In line with the authority given, knowledge and information have to be passed on without alterations, promptly and completely in order to support cooperation.

2. Avoidance of conflicts of interest

Situations which may result in conflicts of interest or which may influence the decisions of employees and their work for the company have to be avoided. Private interests and those of the Borgers Group have to be strictly separated.

All employees have to act in the best interest of the Borgers Group and exclude any personal advantage when they are dealing with existing or possible customers, suppliers, contractors and competitors.

All employees are required to fully disclose situations in which off-duty activities, personal or financial interests may be in conflict with the interests of the Group.

If employees get hold of materials or services for private purposes from suppliers, traders or customers, they have to pay the market price and keep records of the payment.

It is not allowed to ask suppliers, traders or customers for payments, loans or any other kind of financial services or accept them for personal benefit.

Every employee is required to offer his labour and perform the duties assigned to him to the best of his knowledge and ability. Secondary activities which influence the fulfilment of these tasks are strictly prohibited. We generally support and promote honorary activities of our employees.

The management has to be informed in writing and without request about participations and shareholdings in companies which have business relations with the Borgers Group, work or provide services for it. In case there is a danger of conflicts of interest, these participations and shareholdings have to be abandoned.

3. Dealing with business partners and third parties

When we deal with business partners and third parties, this is also based on confidence and fairness. The quality and value for money of our innovative products are convincing in the market. In our opinion the principle of fairness also applies to competition for market shares. We support fair and undistorted competition following the competition and antitrust law.

Every employee is required to follow the law, especially the regulations of the competition and antitrust law. We also oblige our domestic and foreign business and sales partners, especially sales agents, consultants and representatives, to obey these basic rules. We choose our sales agents according to a standardized procedure on the basis of objective criteria, e. g. expertise, experience and specialist know-how. Payments to our sales agents are only made on the basis of written contracts on payment of contractual services.

In particular, agreements with competitors as well as coordinated dealings which prevent or restrict competition are prohibited. This includes market-relevant agreements on prices, quotations, terms and conditions, and capacities, but also the distribution of customers, areas or production programmes. Not only formal agreements are prohibited, but also coordinated dealings, e. g. informal discussions or gentlemen's agreements, which can aim at or cause such a restriction of competition.

When dealing with business partners and third parties, benefits may only be accepted or granted if the mere impression of an intentional or actual manipulation of decision-making processes has been ruled out.

In particular, the following stipulations concerning presents, invitations for meals, events etc. have to be met:

Neither invitations for lunch/dinner or events nor presents, other benefits, personal services or favours may be asked for.

Invitations for events or business meals may only be accepted if the invitations were given on a voluntary basis, serve a legitimate business purpose or take place in connection with the usual cooperation (e. g. lunch during a seminar or a meeting, a reception and/or dinner after an event), if they are not of an unreasonably high value and if they exceed neither the limits which are common practice in the market nor the standard of living of the persons involved.

Business partners shall not pay expenses for travelling and overnight accommodation. In case the business partner pays for overnight accommodation or in case of staying at the business partner's premises, the standard market price has to be ascertained, paid to the business partner and the internal reimbursement of the cost has to be arranged.

An invitation for sport events or the visit of sport events, shows or other events of one and the same business partner has to be approved by the superior and, regardless of this approval, is generally permitted only twice a year. It is assumed that a representative of the host company is present, too.

It is prohibited to directly or indirectly offer, grant, demand or accept presents, benefits, or any other unjustified advantage of value in connection with our business activities.

This does not apply to occasional presents or benefits of low financial value, which correspond to regular business procedures, provided that no laws or legal provisions are broken and that any influence whatsoever on the decision of an employee, a business partner or an authority can be excluded from the very beginning.

In any case, offering, granting, demanding and accepting money for personal purposes or enrichment are definitely not permitted.

4. Handling of information

We are committed to protecting confidential, secret and especially personal data of our employees, of our own company as well as of our business partners and other groups of people.

Personal data will only be collected, processed or used if this is required for fixed, clear and legal purposes. We make sure that personal data is safeguarded, that its use is clear to the persons concerned and that their right to information and rectification as well as perhaps to objection, blocking and deletion is protected.

Every employee is required to respect the data protection legislation as well as regulations regarding information security and not to divulge business and company secrets as well as personal data that have been confided or otherwise become known to him in connection with his operating activities or elsewhere. In particular, all documents and information on internal matters of the Group, the disclosure of which may harm the Group, have to be treated confidentially. They may not be disclosed to third parties and have to be protected against any kind of unauthorized use, especially against access by outsiders. Confidential information includes all strategic, financial, technical and business information. Among others, this includes administrative procedures, topics of organization, technical know-how, business and financial plans, cost overview, product development, information on employees, customers, suppliers, marketing strategies, sales information and prices. This also applies to documents and information which were confided to the Group by third parties.

Confidential information may only be disclosed if it is prescribed by law or approved for business purposes. In any case, before disclosure the employees have to get the permission of the management and/or the person put in charge by the management. Depending on the importance of the information, additional safety measures, e. g. secrecy agreements, have to be taken.

5. Work and health protection

We are responsible for the safety and health of our employees. In compliance with all statutory requirements and official regulations, our production plants are designed and operated in such a way that risks in connection with the operating process are reduced to a minimum.

Every employee contributes to the protection and the promotion of his health and respects the regulations concerning work and health protection in order to avoid health risks. As a matter of routine, the conditions of the workplaces are checked and improved in order to guarantee safe and healthy places of work. Possible accidents, breakdowns or other dangerous working conditions have to be reported to the responsible department in our company in order to be able to quickly avert possible dangers and limit damages.

6. Environmental protection

Since Borgers' foundation, active environmental protection is an inherent part of our values – and of our day-to-day business.

We are aware of the fact that long-lasting success – particularly in the automotive industry – is only possible with an intact environment, since natural resources are the basis of our existence. Therefore preserving these resources is the leitmotif – in our daily work as well as when developing new products and processes.

We are trying to utilize resources as efficiently as possible and to reduce the consumption of energy, water, raw and operating materials.

We assume responsibility for the conservation of nature by reducing emissions to a minimum and by using renewable and recycled materials in a resource-saving production, thus making a considerable contribution to preserve the environment.

Every employee makes a contribution by his own behaviour in his own area of work.

It is part of our company's policy, with regard to DIN EN ISO 14001, to comply with the legal stipulations, in particular those concerning environmental protection, as well as to continuously improve our capacity in this field. The permanent monitoring of the risks of current activities, regular checks and audits are part of our active environmental policy. We have an active and open information policy, on the one hand demanding all necessary information on environmental importance of our products from our suppliers and on the other hand making this information available to the responsible authorities as well as to our customers.

7. Dealing with company property

Every employee is responsible for the protection and careful and proper use of company property. Generally, work equipment and other company property may only be used for company-related purposes. It has to be protected against loss, theft, damage and improper use.

All employees who have been entrusted with company assets which belong to the Borgers-Group or are controlled by the Group – regardless of whether they are material or immaterial assets – are responsible for ensuring that these assets are carefully used, protected and managed.

Investments keep and improve our competitiveness. Expenditures and financial means have to be carefully dealt with. All employees are required to avoid damages, unnecessary costs and other disadvantages and to not misuse company property.

8. Application of the Code of Conduct

Every employee is responsible for getting information about the laws, regulations and Code of Conduct relevant to him.

All superiors are responsible for guaranteeing efficient communication and for supervising compliance with the Code of Conduct. In all business situations in which the legal stipulations or the Code of Conduct do not seem to be complete or clear the employees have to use common sense. In case of questions and/or uncertainties regarding the Code of Conduct the superior is the first point of contact.

All employees are required to not only respect the Code of Conduct formally, but to adhere to the spirit as well as the content of the Code and to act accordingly. No employee will be disadvantaged if he respects the Code of Conduct.

Violations of the Code of Conduct will not be tolerated. Every employee who does not conform to the rules has to face the consequences according to the company and legal provisions, which may extend to the termination of the employment contract and a claim for compensation.

Every employee is required to inform his superior or the management in case of violations of the Code of Conduct. The reports are treated confidentially. There will be no reprisals against employees who report violations. This also applies if the content of a report proves to be untrue, provided that the information was given in good faith. Attempts to prevent employees from making such reports will not be tolerated.

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