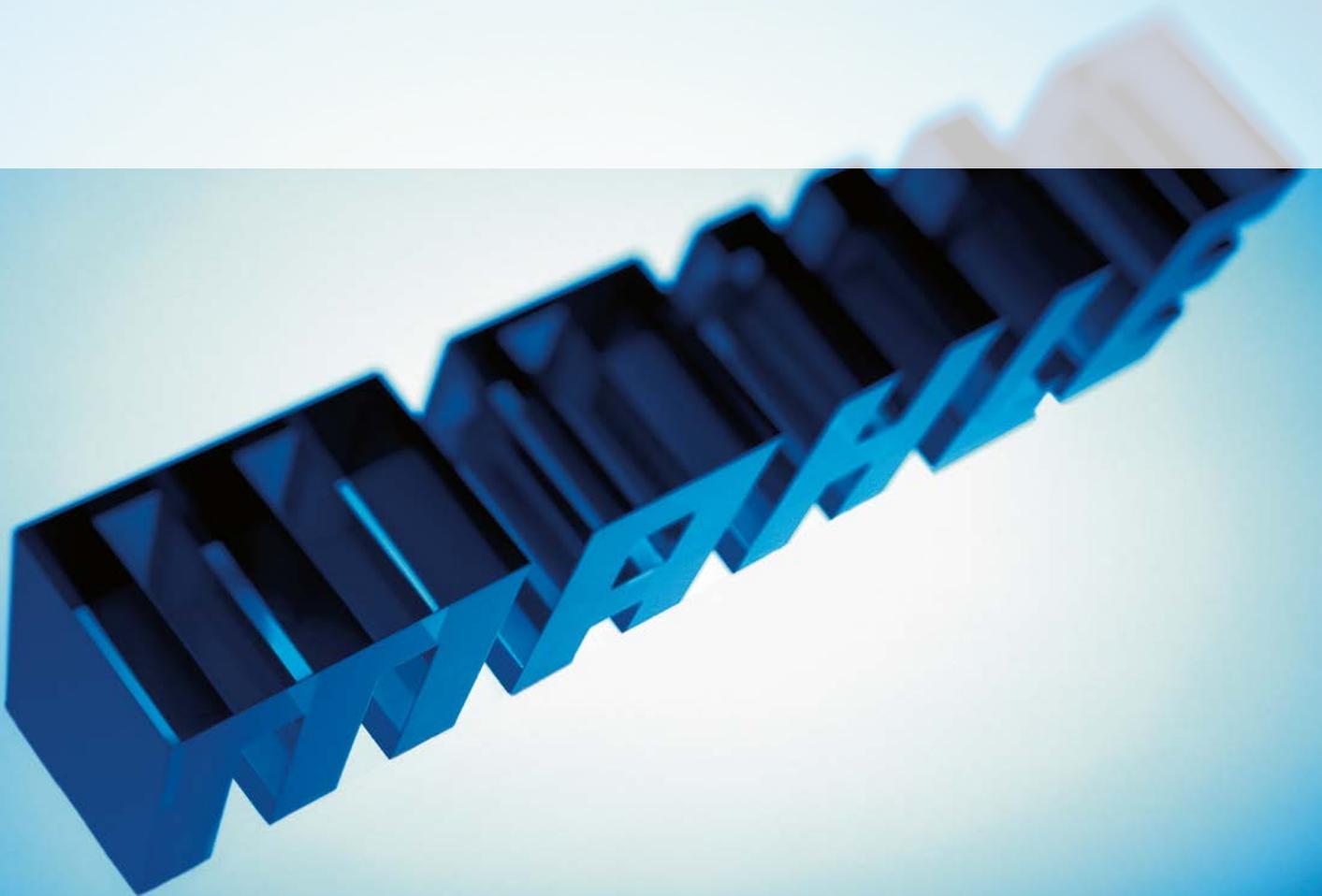


MAHLE

Driven by performance

MAHLE BUSINESS CODE



INTRODUCTION

The name MAHLE stands for performance, precision, perfection and innovation. “Driven by performance” as we are, our primary aims are to maximize customer satisfaction and to improve our competitiveness until we lead the market—true to company founder Ernst Mahle’s maxim that a good product can always be made better.

The pillars of our strategy for success are as follows:

- Global presence,
- Organic growth and selective acquisitions,
- Innovation,
- Product quality,
- System expertise,
- Dedicated employees,
- Cost efficiency and profitability.

As a global player, MAHLE is fully aware of its social responsibility. To ensure compliance with ethical principles and the law within the MAHLE Group¹, we are introducing this Business Code as a way of providing guidelines for all MAHLE Group employees including directors and executives of the MAHLE Group. The purpose of this Business Code is to provide a legal and ethical framework within which all employees must work. For foreign MAHLE affiliated companies this Business Code sets out the minimum standards that they are to adopt and where necessary modify to accommodate local requirements and characteristics.

For joint ventures as well as companies in Germany and abroad in which MAHLE holds a 50% share or a minority share of more than 25% appropriate measures should be taken to ensure compliance with the aims and objectives of this Business Code.

All employees shall encourage third parties to comply with the aims and objectives of this Business Code.

¹ The “MAHLE Group” includes all fully-consolidated MAHLE companies.

1. COMPLIANCE WITH THE LAW AND RESPONSIBILITY

All employees must comply with the laws and regulations as well as internal guidelines that apply to their area of work. Violations of the law and breaches of internal rules are to be avoided under all circumstances.

MAHLE expects its employees to protect and promote the company's reputation in public. When expressing private opinions in public, employees should be sure not to create the impression they are speaking on behalf of the company.

2. PRODUCT QUALITY AND SAFETY

MAHLE products are manufactured according to strict quality standards. Our excellent quality management system and consistent zero-error strategy enable us to achieve our aim of maximum product safety. As a mark of our strong sense of responsibility for the safety of our products, we require strict compliance with all statutory and company product safety rules and regulations. If employees have any safety concerns, they are instructed to inform the responsible departments without delay, in order appropriate steps for protection of our customers can be taken.

3. COMPETITION LAW AND ANTITRUST LAW

MAHLE seeks to uphold the rules of free and fair competition in pursuing its corporate objectives. Compliance with all national and international competition and antitrust legislation is a fundamental principle of our business at all levels of the company. Participation in any kind of anticompetitive practices is forbidden.

3.1 CONDUCT TOWARDS COMPETITORS

Employees may not enter into any anticompetitive agreements or concerted practices with competitors. Even the unilateral disclosure to competitors of sensitive or strategic information such as any kind of price-related information (net prices, gross prices, price lists, etc.), price increases, capacity utilisation rates, incoming orders, future R&D projects may constitute a violation of antitrust law.

Antitrust law prohibits any restriction of competition, i.e. all measures aimed at reducing the risks inherent in free and unfettered competition. Agreeing to prices, allocating markets (based on customers or territory) and agreements between competitors to set their respective market shares are, for example, prohibited.

3.2 CONDUCT TOWARDS CUSTOMERS AND SUPPLIERS

Agreements with customers and suppliers aimed at restricting the freedom to compete are also prohibited. This includes, but is not limited to, restrictions on the freedom of customers to set their own supply terms or prices. Certain forms of exclusive supply obligations, restrictions on clientele, exclusivity agreements, non-compete obligations and restrictions on use can also be forbidden.

3.3 MEMBERSHIP IN TRADE ASSOCIATIONS AND PARTICIPATION IN INDUSTRY MEETINGS

Membership in trade associations and associations of undertakings is often useful, in some cases vital even. It nevertheless brings with it the risk of antitrust violations. MAHLE's competitors are often members of the same associations too and this provides the opportunity for the exchange of market information that is relevant from the antitrust perspective. The same applies to attendance of industry meetings.

Employees must consider the legitimate business need to participate in these organizations. Should other companies taking part engage in an unlawful exchange of information, employees are instructed to clearly distance themselves therefrom by lodging an objection, having the objection taken down in the minutes and leaving the event without delay.

3.4 CONDUCT IN CASE OF A MARKET DOMINANT POSITION

From the antitrust perspective MAHLE can be considered to be in a dominant market position for some product groups. This means that it is subject to the special rules, including antitrust rules, that apply to dominant companies.

Dominant companies are not permitted to abuse their market power. Treating customers differently without legitimate reason, refusing to supply to customers, and granting loyalty discounts can all be considered an abuse of market power.

4. FOREIGN TRADE

When doing business abroad, we comply with all foreign trade, tax and customs legislation in force in the countries in question. All employees must comply with these controls when products are bought, manufactured or put into circulation. Export controls generally apply not only to the delivery of goods, but also to the performance of services and the transfer of technology.

All employees involved in the import and export of goods and other cross-border transactions must comply with the relevant trade control regulations. In keeping with said regulations, any official authorizations required must always be obtained. Arms export control legislation is also to be observed.

5. PREVENTION OF CORRUPTION

MAHLE is committed to meeting high ethical standards in its business. MAHLE will not tolerate unfair practices by employees and business partners.

5.1 UNFAIR ADVANTAGES WILL NOT BE ACCEPTED FROM OR GRANTED TO BUSINESS PARTNERS

Unfair advantages may not be sought, accepted, offered or granted. 'Advantages' are any kind of gratuity that the beneficiary has no claim to and which objectively improves the beneficiary's economic, legal or personal situation. This includes not only cash payments, but also all kinds of gifts, invitations to events and other benefits of a private/personal nature. 'Advantages' also include gratuities granted to closely associated persons such as spouses, partners, friends and relations.

An advantage is unfair when it is not customary and inappropriate in light of all the circumstances of the particular case, in particular the occasion for accepting/granting the advantage and the personal position of the beneficiary. This is the case, for example, if an advantage has the aim of influencing business decisions.

Accepting and granting gifts or other similar advantages is permitted provided their value does not exceed EUR 50 and the advantages are not unfair.

Accepting and extending corporate hospitality invitations, including invitations to events, are permitted provided that they have a clear connection to business and do not constitute unfair advantages.

5.2 COMMISSIONING OF THIRD PARTIES AND INVESTMENT DECISIONS

When commissioning third parties (e.g. advisers, brokers, sponsors, representatives and other agents) to act for MAHLE in the context of business dealings, care must also be taken to ensure that these persons do not use any unfair business practices.

In particular, employees may not use third parties to circumvent the above rules.

5.3 CONDUCT TOWARDS SUPPLIERS

Suppliers are to be selected on the basis of objective criteria, such as prices, quality and performance. Relations with suppliers are based on trust and honesty. Offers must be assessed fairly and impartially, and personal and arbitrary considerations may not be factored into the decision-making process.

6. DONATIONS AND SPONSORSHIPS

Donations and sponsorships must be transparent and traceable. They may not be abused for unlawful purposes. In particular, it is forbidden to grant unfair advantages to third parties in the guise of donations or sponsorships.

Significant donations require the consent of the MAHLE Management Board. Donations are significant in this sense if they exceed an amount of EUR 5,000. Donations to individuals and to private accounts are strictly forbidden.

In the case of sponsorships, the size of the payments must be in proportion to the advantages linked to the sponsorship, i.e. especially the expected promotional effect.

7. PROHIBITION OF INSIDER TRADING AND INSIDER RECOMMENDATIONS

National insider trading legislation forbids persons privy to insider information from trading in certain kinds of securities or other financial instruments and from disclosing or using insider information.

Insider information is specific information about non-public business circumstances or events that are capable of influencing the stock market or market price of securities or other financial instruments.

Insider information may only be disclosed to employees who need it for business purposes. Anyone in possession of insider information may neither disclose or make available said information to others without authorization nor use said information to trade in securities or other financial instruments themselves or recommend or induce others to do so.

8. CORRECT REPORTING AND CASH PAYMENTS

Any kind of business communication that is intended for publication must comply with the relevant laws and international standards. Especially for annual reports, the generally accepted accounting principles must be observed so that data and other information collected and recorded is complete, correct, up-to-date and system-compatible.

It is prohibited for employees to make or accept any cash payments whatsoever. Significant cash payments require the consent of the MAHLE Management Board. A cash payment is significant in this sense if it exceeds an amount of EUR 10,000.

9. CONFIDENTIALITY

Business and operating secrets and all other confidential information to which employees gain access in the course of their work are to be kept confidential. Information of this kind—especially information about suppliers, customers, employees, business partners and other third parties as well as internal information—is to be suitably protected against access by third parties and non-involved employees. The confidentiality obligation survives termination of employment.

10. DATA PROTECTION AND SAFETY

MAHLE takes the protection of, and the principle of self-determination with regard to, personal data very seriously. When using personal data for business purpose, privacy protection and the safety of all business data is paramount. Appropriate technical means are to be used to protect personal data and all business data against unauthorized access.

11. CONFLICTS OF INTERESTS

MAHLE's business interests are to be kept strictly separate from private interests. Situations in which there is conflict between private interests and MAHLE's business interests are to be avoided. Employees must inform MAHLE through their line manager in the event of any conflicts of interests arising from their work for a MAHLE company.

All transactions between MAHLE, on the one hand, and employees or persons/companies closely associated with employees, on the other, must meet the standards customary in the industry. Significant transactions require the consent of the MAHLE Management Board. A transaction is significant in this sense if it exceeds an amount of EUR 1,000.

Conflicts of interests may also arise in the context of human resources decisions. Care must be taken to ensure that private interests and personal relations are not used as criteria in taking human resources decisions.

No employee may engage in any professional activities that conflict with MAHLE's interests. This includes activities for a competitor of MAHLE's.

12. COMPANY PROPERTY AND COMPANY FACILITIES

All employees are responsible for the preservation and due and proper use of company property. Property of MAHLE may only be used for private purposes to a scope generally deemed to be customary and may be removed from the company's premises for business purposes only.

13. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

MAHLE sees it as one of its core objectives to promote technical progress in harmony with the environment, while avoiding any risk to humans and the environment. This requires compliance with all relevant health, safety and environmental legislation as well as all other relevant internal guidelines related to health, safety and environmental protection.

14. ASSISTANCE FOR EMPLOYEES

Should there be any questions of interpretation or legal uncertainties with respect to the topics dealt with in this Business Code, or should employees be aware of any violations of this Business Code, they can contact their line manager, their legal department, the corporate compliance office, or their regional compliance office. In the case of violations, employees may also contact the external ombudsman responsible for their region. If requested, communications received from employees will be treated as confidential.

The current version of this Business Code, further guidelines (e.g. guidelines on antitrust law and the prevention of corruption) as well as contact data for compliance officers and ombudsmen can be found on MAHLE's intranet (under the heading "Group/Compliance").

15. MONITORING AND INVESTIGATION OF VIOLATIONS

MAHLE directors and executives have a special responsibility for ensuring compliance with this Business Code. They must take the appropriate measures to ensure that in his/her area of responsibility:

- there are no violations of laws, internal guidelines or this Business Code that could have been prevented or hindered by due and proper performance of his/her supervisory and organizational obligations, and
- any violations will be discovered, investigated and ceased.

This does not discharge the employees from their own responsibility, however. Each employee is answerable for his/her own conduct.

Regular audits will be carried out by Corporate Internal Audit (CA) to verify compliance with this Business Code.

MAHLE reserves the right to take measures under employment law in the event of violations of the law, internal rules or this Business Code.

Stuttgart, February, 1st 2018

The MAHLE Management Board



Jörg Stratmann



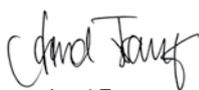
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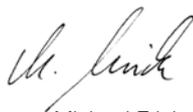
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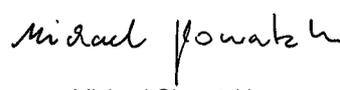
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