



"When we fail to live up to our ethical standards,
we are in serious risk of damaging our business and our credibility."

Vicente Perez-Lucerga, CEO

CODE OF CONDUCT

KSM CASTINGS GROUP



PREFACE

Dear Colleagues,

Compliance with laws, guidelines and social standards is crucial both for us and for our Company, not only because financial penalties could result from violations of laws but also because of our responsibility to our employees and to society. Violations of laws and of other basic principles are without any exception unacceptable.

The accompanying Code of Conduct summarizes the most important principles of our behavior in accordance with the law. These rules apply to us as the Executive Board and to every single employee, regardless of his or her position, and whether employed at our headquarters or at one of our plants. Each of you is responsible for compliance at all times with these rules.

Please therefore familiarize yourselves with the principles, consider them in your daily work and live up to our basic values of honesty and abidance by the law. Always look critically at your own behavior and base your actions on the accompanying Code of Conduct. Please contact your supervisor or the Compliance Department in the event of any doubts or uncertainties.

With best regards,



Vicente Perez-Lucerga, CEO

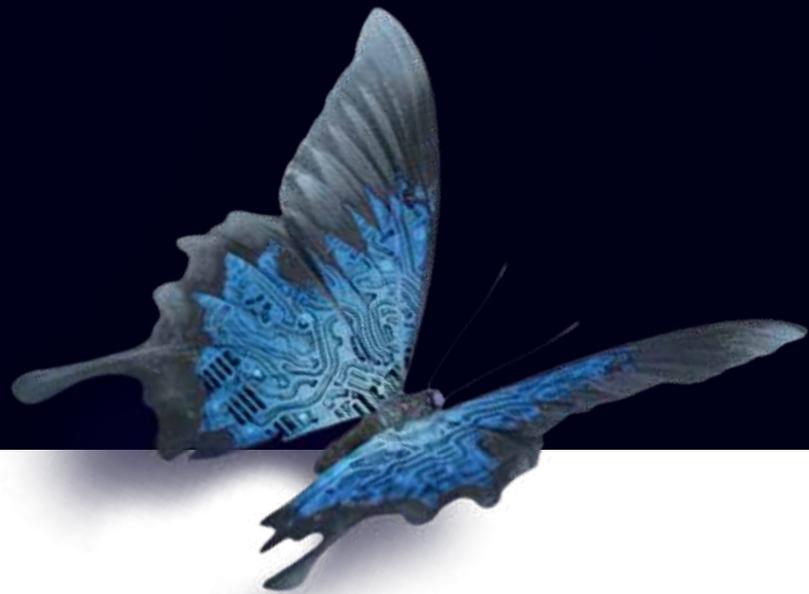


Christoph Salentin, CFO



Oliver Janz, COO

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A. INTRODUCTION

The Code of Conduct is mandatory for everyone.

Our company's Code of Conduct describes the values, general rules and principles that provide the basis for our dealings with one another and the conduct of our business. They are mandatory for us. We comply at all times and in all places with the applicable laws and basic ethical principles, respect the human rights conventions and act sustainably.

The success of the KSM Castings Group depends largely on whether all employees of the company throughout the world take account of these basic principles at all times and in all places, and implement them in their daily work.

The Code of Conduct helps in the implementation of these rules, by indicating possible areas of risk and conflict, and prescribing behavioral guidelines, in order to behave compliantly and with integrity.

Compliance means abiding by the rules. Integrity means the concurrence of values and ideals with our own words and actions. Each of our employees acts in the interests of the KSM Castings Group and is personally responsible for whether his or her actions are in harmony with this Code of Conduct and with the applicable laws.

Our management and our executives fulfill a special role-model function within the framework of their respective HR and leadership responsibilities. We expect from them a high degree of integrity and ethical and social competence. They create a working environment that supports the understanding and implementation of and compliance with the Code.

The Code of Conduct cannot answer every question that we face in the course of our daily work. It is therefore augmented by internal guidelines and procedural directives and certain conditions agreed upon in contracts of employment. We expect our suppliers to comply with the agreements on sustainability policies and accordingly with our Code of Conduct. We furthermore comply, as a matter of course, with all applicable legal provisions and regulations



Is my behavior correct?

Non-observance of the Code of Conduct can result in considerable damage not only for our company but also for our employees and our business partners. The Code of Conduct is therefore mandatory for everyone. We cannot tolerate violations of the Code of Conduct.

If you are uncertain in individual cases whether your behavior is consistent with the guidelines of the Code of Conduct, please ask yourselves the following questions:

- Does my behavior comply with the basic principles of the KSM Castings Group and my own values and attitudes?
- Am I sure that my behavior creates no conflicts of interest?
- Is my behavior legal and in harmony with the law?
- Can I assume responsibility for my behavior with a good conscience?
- Could I defend myself if my behavior became known in public?

If you can answer these questions with yes, it is highly probable that your behavior complies with the guidelines. Should you however have any doubts, you can consult your supervisor and/or the Compliance Officer, whom you can reach at compliance@ksmcastings.com.

If you become aware of a violation of our Code of Conduct, please consult with the mentioned contact partners. All contact partners will be pleased to advise you confidentially.

B. BASIC PRINCIPLES

We obey laws and assume responsibility.

1. Entrepreneurial responsibility & integrity

The KSM Castings Group complies with all applicable corporate, social and cultural rules, laws, standards and regulations of the countries and regions in which we work. We behave morally and ethically in accordance with our basic principles in compliance with a strict ethical and behavioral Code. We keep our word and our promises.

We protect our Company from damage and promote its positive image. Our communication is open within the limits of the confidentiality and ownership agreements, which we observe and comply with.

1.1 Human rights

We observe and protect the globally applicable regulations on the protection of human rights as a fundamental and generally applicable standard. We tolerate neither forced nor child labor and observe the rules set out in ILO Conventions 138 and 182 on the legal minimum age for the employment of children. We expect the same without exception from our business partners.

1.2 Equal opportunity & respect

Mutual respect is the basis for an esteemed working environment. We motivate and support our employees, encourage their development and their abilities to the best of our ability and at all levels. We respect the dignity, the private sphere and the personal rights of all people. We deal with one another openly, trustingly and respectfully.

We categorically reject all forms of discrimination, for instance on account of color, sex, religion, age, national origin, social background, disability, sexual orientation, philosophy or other personal characteristics. We encourage a culture of equal opportunity and accept no discrimination, harassment, threats or intimidation. We maintain and promote a culture in which people can develop their talents and ideas.



We focus on quality.

2. Product quality & safety

The KSM Castings Group observes all regulations and standards that are applicable to product safety and expects this to the same degree from its business partners. These also include the statutory regulations regarding the quality, safety, labeling and packaging of products and the handling of hazardous substances and materials.

We develop innovative, pioneering and state-of-the-art products and strive continuously to comply with the high demands of the automotive industry. Our work is based on customer orientation and the zero-defect target. The safety of the end-users of our products is our top priority.

We orientate ourselves towards and comply with the international quality management standards. Our certified quality management system meets the international automotive standards.

We treat risks responsibly, professionally and transparently.

B. APPLICATION OF THE CODE OF CONDUCT

We protect our values.

3. Corporate assets

Our property and corporate assets ensure the economic basis and the success of our business activities. Likewise, we are committed to our shareholder to preserve and increase our corporate assets.

Buildings, equipment, raw materials, inventories, products and production facilities are part of the tangible corporate assets and are indispensable for our daily business. Intellectual property, such as designs, patterns and models, patents, trademarks and copyrights, industrial property rights, business secrets, confidential information and know-how, are regarded as intangible assets and ensure our ability to face the future.

3.1 Protection of the corporate assets

We handle our Company's assets and resources appropriately, lawfully and carefully. We protect them against theft, loss, misuse, damage and destruction

3.2 Protection of innovations & intellectual property

Our intellectual property, i.e. our ideas, innovations and our know-how, is exceedingly valuable. It is our capital and ensures our future success. We therefore protect it all the more and respect the intellectual property of others. If the intellectual property of the KSM Castings Group is made available to third parties, a non-disclosure agreement (NDA) must be signed as prerequisite.

We do not pass on confidential information, business secrets or know-how of the KSM Castings Group or our business partners to third parties, or only to the extent explicitly agreed and permissible. We use this information exclusively for business purposes and adopt appropriate measures for its protection. Confidential information includes for instance technical data about products or processes, marketing or sales strategies, customer data, non-public domain financial or transaction information, civil or criminal proceedings and all personal data. The obligation to protect confidential information also continues beyond the end of the employment relationship.

3.3 Data protection

The protection of personal data, especially relating to employees, customers and suppliers, has a high status for KSM.

We capture and process personal data only if this is necessary or required by law, or the consent of the persons affected has been obtained. We adopt commensurate measures for their protection in accordance with the applicable laws.



We behave fairly.

4. Integrity in market behavior

Integrity is a fundamental precondition for sustained and successful participation in global competition and one of our central basic convictions. Our business decisions must not only comply with applicable law, but also with our values and ideals. Compliance and integrity are directly related. They are the decisive factors for our success and our good reputation throughout the world.

4.1 Fair competition

KSM Castings Group stands for fair, free and responsible competition. We act in accordance with the applicable national and international competition and antitrust laws. We comply with our contractual obligations.

We do not execute anti-competitive agreements with our business partners, for instance with regard to strategies, terms, quotas, the allocation of territories or markets, prices or on offers for public tenders.

We demand this to the same degree from our business partners.

4.2 Money laundering

The KSM Castings Group complies with all applicable national and international laws and regulations on the prevention of money laundering and the financing of terrorism or other crimes. We maintain business relationships only with business partners of whose integrity we are satisfied.

4.3 Corporate information

We maintain open and truthful reporting and communication with business partners, investors, employees, the general public and state institutions or authorities. It is important for us that not only internal but also external reports, records or other documents of our Company comply with the applicable legal regulations and standards, that they are not only complete and correct but are also created on a timely basis and in accordance with the legal requirements.

B. APPLICATION OF THE CODE OF CONDUCT

We are incorruptible.

5. Integrity in business relationships

Willingness to cooperate, honesty and transparency are elementary preconditions for the KSM Castings Group for credibility and trustfulness in business relationships and for fair competition. We strive to maintain a correct relationship marked by these values with all business partners, institutions, governmental and other authorities. We do not permit the creation of personal dependencies or obligations to business partners.

5.1 Conflicts of interests & loyalty

Decisions are taken in our group of companies exclusively on the basis of factual foundations and in the Company's best interests. We do not allow ourselves to be influenced by personal interests or relationships and also expect the same from our business partners.

Our employees are not permitted to exploit their professional status vis-à-vis suppliers, service providers or their employees either to their own advantage or to the advantage of third parties, or to demand or accept personal benefits.

5.2 Corruption

The KSM Castings Group does not tolerate any type of corrupt payments. We grant no illegal or unauthorized payments, donations or other benefits. Our employees or representatives do not accept or demand such benefits. We expect the same from our business partners.

5.3 Gifts, donations, invitations

We do not allow ourselves to be influenced by our business partners, in particular our suppliers and service-providers. The acceptance of gifts from business partners is therefore prohibited. We only accept invitations for entertainment or meals if the occasion and the scale are minimal and appropriate. If a gift or invitation cannot be refused for reasons of politeness, acceptance of the invitation must be pre-approved by a supervisor or the Compliance Officer.

Appropriate invitations or gifts to our business partners must be approved by a supervisor.

We only grant donations on a voluntary basis and without the expectation of a favor in return. All donations will be fully and transparently documented. Donations by the Company to political parties and religious communities are fundamentally prohibited.

5.4 Consulting & agency activities

The KSM Castings Group only uses consultants or agents in compliance with applicable laws. We make sure that only consulting and agency activities that are actually rendered are remunerated and that there is an appropriate relationship between the remuneration and the service rendered. KSM Castings Group does not tolerate the making of illegal payments or gifts by its consultants or agents.



We abide by the law.

6. Reporting, taxes & export

We maintain transparent and honest business communications with our stakeholders, our business partners and our employees in compliance with all the relevant and applicable laws, regulations and rules

6.1 Proper documentation, bookkeeping & financial integrity

Financial integrity is based on proper and truthful bookkeeping, including maintaining internal documentation in accordance with the respective regulations and transparent financial reporting. Data records and digital information are processed, stored and retained in accordance with the legal regulations and our internal standards and procedures. It is important for us that our records are always complete, correct and readable.

6.2 Taxes

The KSM Castings Group complies with the respective applicable national and international tax laws. We pay the taxes levied on us in accordance with the law correctly, on time and in full in the jurisdiction in which they are levied.

6.3 Export controls & customs duties

KSM Castings Group complies with all applicable international and national conventions and laws on the control of international trade and financial transactions, and also on the laws on import and export controls.

Our employees dealing with business in foreign countries must be familiar with, understand and comply with the relevant laws, regulations and procedures. Violations can have sustained harmful consequences for our Company, including the loss or limitation of import and export licenses.

The KSM Castings Group complies with all respectively applicable laws on the import and export of goods, services and information. We observe strict compliance with all mandatory sanctions and embargos.

B. APPLICATION OF THE CODE OF CONDUCT

People and the environment first.

7. Protection of the environment & the climate, industrial safety & health protection

KSM Castings Group believes energy efficiency and climate protection are of utmost importance. Accordingly, we pursue a group-wide, worldwide climate strategy and work consequentially on the continuous improvement of the sustainability of our Company and our products. We pay strict attention both in the development and planning of new products and in our own processes and production to minimizing to the greatest possible extent all potential impacts on the environment and the climate.

7.1 Compliance with legal standards

The KSM Castings Group complies with all applicable legal and official requirements and the internationally acknowledged environmental and occupational safety standards relating to the requirements of the protection of the environment and occupational safety. We also urge our business partners to fulfill an ecological minimum standard and to continuously reduce their impact on the environment.

7.2 Management of energy & resources

We conserve all resources and make sure that we expand our contribution to the protection of the environment and the climate.

In addition to the frugal utilization of environmentally relevant raw materials and consumable supplies, to us, conservation of resources also means recycling materials within our plants. We evaluate materials, technical facilities and services already before their procuring them from elsewhere. We minimize the en-

vironmental impacts of our products and production processes and make every effort to reduce our consumption of energy and CO₂ emissions. We promote the environmental compatibility of our products from their creation to the end of their life cycles.

7.3 Environmental management system

All activities at KSM are conducted with a view to sustainable protection of the environment in a certified environmental and energy management system. As the first casting company, the KSM Castings Group was entitled since 2012 to refer to itself as a "Climate Protection Company."

7.4 Industrial safety & health protection

Industrial safety and health protection enjoy a high status at our Company. Risks to safety are systematically eliminated. We wish to provide a safe and healthy working environment at all times. We observe the relevant laws, regulations, recommendations and directives on the regulation of working hours, industrial safety and health protection, and offer fair remuneration.

All employees, customers and visitors are obliged to comply with the industrial safety regulations at our sites. Everyone is requested to identify potential accident risks and to eliminate them or report them to their supervisors or the Industrial Safety Officer. Thereby the Executive Board and other executives have a special role-model function. Working under the influence of hallucinogenic medications, alcohol or hallucinatory drugs is strictly prohibited.



We are honest.

8. Social responsibility

As a globally operating company, we regard ourselves as a responsible member of society at our locations. KSM Castings Group acknowledges environmentally compatible business practices and social responsibility. For us, awareness of and commitment to social responsibility are important preconditions for our corporate success.

We also encourage the personal commitment of our employees.

9. Communication & media

We communicate with the public in a unified, open and respectful manner. We respect our employees' rights to freedom of expression in the private sphere.

Our employees are aware that they can also be perceived in the private sphere to be representatives of the KSM Castings Group. To the extent permitted by applicable law, each of us shall ensure through his or her public behavior and public appearances, especially in relation to the media, that the standing and reputation of our Company suffer no damage.

Every form of corporate communication is fundamentally carried out through or with the agreement of our management board/public relations department.

C. APPLICATION AREA, LEGAL CONSEQUENCES & IMPLEMENTATION



We demand and encourage.

This Code applies to all employees of the KSM Castings Group worldwide and is mandatory for them. The respective locations and their departments actively ensure its implementation. Business and contractual partners, advisors and representative are expected to an equal degree to observe these rules.

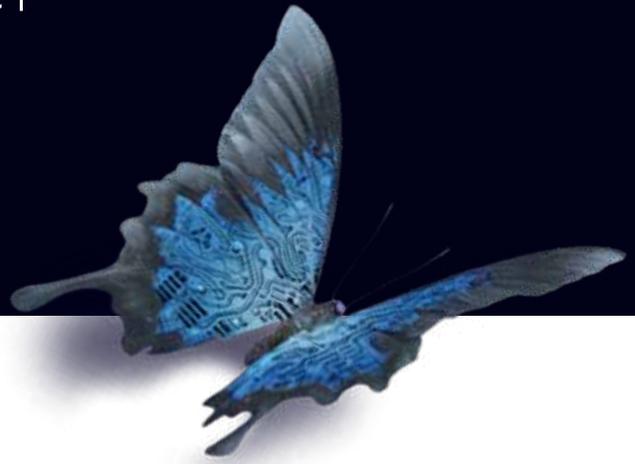
We tolerate no violations of applicable laws or this Code of Conduct. All employees are obliged to comply with the ethical and moral principles mentioned here. Anyone not adhering to this Code and any associated agreements and guidelines must expect consequences within the scope of the corporate and legal regulations.

The KSM Castings Group actively encourages communication of the underlying guidelines. We encourage a corporate culture in which we communicate and interact with one another openly and fairly. We encourage the responsible treatment of every individual person and work in the team.

Our executives have a special role-model function. They provide an example through their own behavior. They are the first contact partners in the event of questions on the interpretation of the rules and make sure that all employees know and understand the Code of Conduct. Every employee renders his or her contribution to the implementation of the Code through commensurate behavior.

In the event of questions or doubts regarding appropriate ethical behavior or regarding compliance with rules and principles of behavior, we urge our employees explicitly to obtain advice from the Compliance Officer.

D. INFORMATION & CONTACT



We answer questions.

This Code of Conduct describes the most important aspects of compliance-relevant business activities and behavior. It defines the main principles of compliance with the applicable laws and ethical behavior. Nevertheless, this Code of Conduct cannot cover all questions and areas.

The central Email address compliance@ksmcastings.com is available to all employees and also to third parties in the event of further questions surrounding the Code of Conduct.

If you are uncertain whether behavior or a course of action conforms with the rules of our Code of Conduct, the questions set out at the beginning of this Code can help.

If you are still uncertain or wish to report a violation, please contact your supervisor or our Compliance Officer.

You can reach him by email at compliance@ksmcastings.com or under the telephone number [+49 5121 505-1265](tel:+4951215051265).

All information will be treated as strictly confidential.

Deliberately incorrect reports or false accusations will be punished by disciplinary actions.

The Code of Conduct of the KSM Castings Group was approved by the Executive Board on November 6, 2017 and came into force on December 1, 2017.



IMPRINT

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