

Howa Tramico Europe has always condemned and fought all unfair practices in the conduct of business.

Our activities must be carried out in accordance with the applicable legal and ethical provisions.

This Code is of crucial importance:

- For our Company, insofar as it incurs criminal, commercial, financial or administrative sanctions in the event of non-compliance with the rules proscribing bribery and influence peddling, to which must be added damage caused in terms of image and reputation;
- For the employees themselves, who may also be penalized and/or civilly liable;
- For our Customers and Suppliers some of which are subject to reinforced control obligations in this area. Indeed, the French law 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernization of economic life (known as the “Sapin II” Law in France) has forced major groups to take concrete measures intended to prevent and detect, in France or abroad, corruption or influence peddling. These groups are now expecting their trading partners to engage with them as part of a policy to combat all practices contrary to the rules of competition.

The purpose of this Code of Business Conduct is to establish a set of guiding principles which, when respected, will ensure that all collaborators share a common reference in business ethics.

Each collaborator is responsible for ensuring that his/her activities are fully compliant with applicable laws and regulations and in accordance with the principles described in this Code. Thus, if a collaborator is confronted with an ethical or compliance problem, s/he should ask himself/herself the following questions:

- Is it legal ?
- Is it consistent with the values of the Company and the spirit of the Code of Business Conduct?
- Am I able to justify my choice in the light of business ethics?
- The employee should ask his/her manager in case of doubt.

1 Field of Application

This Code of Business Conduct applies within Howa Tramico Europe.

This Code of Business Conduct concerns everyone who participate to the activity of the Company, namely, actual group employees (regardless of their hierarchical level) but also to trainees and to persons coming from external contractors or temporary work agencies. All these people are referred to as “collaborators” in this document.

Notwithstanding the above, only company employees are bound by the provisions on disciplinary sanctions set out in this Code of Business Conduct.

In a general manner, it is the responsibility of each collaborator of the Company to apply the rules set out in this Code of Business Conduct and to ensure that these rules are respected by the team or the people under his/her responsibility.

2 Measures against Bribery

2.1 What is bribery?

In France, bribery is punishable under Articles 432-11, 433-1, 434-9 and 445-1 et seq. of the Penal Code.

Many international texts also prohibit it: OECD Anti-Bribery Convention, OECD Guidelines for Multinational Enterprises, United Nations Convention against Corruption, United Nations Global Compact, and the Council of Europe Criminal and Civil Law Conventions.

Bribery is generally defined as “*proposing something in order to gain an unfair advantage*”.

This “something” can take different forms: money (cash, transfer or other) or benefits-in-kind such as participation in marketing and/or entertainment events, trips, upgrades of airline tickets, stays in holidays residence, sponsoring or hiring family members or friends, etc.

The “undue advantage” can take various forms: preferential treatment, signature of a contract, disclosure of confidential information, exemption from customs duties or exemption from sanctions following a tax audit and in a general manner anything that influences a person in the performance of his/her duties.

In its active form, bribery is characterized by making an offer, directly or indirectly, to a person, to provide that person with any nature of products, services, promises, gifts or any other type of advantages, to that person or to any other person, in order to have, or attempt to have, that person perform, or refrain from performing, an act within the scope of that person’s professional duties.

In its passive form, corruption consists in soliciting or accepting under the same conditions, any advantage.

Therefore, the fact of proposing or accepting undue advantages constitutes an act of bribery.

The “corrupt” individuals or entities involved are often public officials but may also be private individuals such as customers, suppliers or business partners.

Granting undue benefits to close family members of a public official or a private party may result in the same penalty as granting an undue advantage to the public official itself.

2.2 How to react if faced with bribery?

For Howa Tramico Europe collaborators, any act of corruption, active or passive, is prohibited in France and abroad.

Howa Tramico Europe’s collaborators must adhere to the following principles:

- Refrain from proposing or granting any payment, bribes, gifts and forms of entertainment (meals, theater, concerts, sports matches or any other events, etc.) which would constitute an undue advantage,
- do not propose anything (money, gift, service, etc.), directly or through a third party, in exchange for an advantage or preferential treatment,
- do not authorize third parties to commit such acts on their behalf,
- to pay sums of money only when they correspond to services rendered legally.

If in doubt (risk, situation to be clarified, etc.), it is highly recommended that collaborators contact their manager.

2.3 Examples of Bribery

The prohibition of bribery, active and passive, is reflected in particular by the following behaviors:

- An collaborator must refrain from paying or offering to pay, a bribe to an intermediary or a public official with the intention of inciting that person to do wrongdoing.
- A manager must not authorize a payment to a third party if the manager knows, or has reason to believe, that the third party is or could violate this Code or any anti-corruption law or regulation in force.
- A collaborator must not accept a gift from a commercial relationship in exchange for information pertaining to tenders.
- A collaborator must not ask the head of another company for a job opportunity for his wife, in return for calling on the services of this company.

3 Measures against Influence Peddling

3.1 What is Influence Peddling?

In France, influence peddling is punishable under Article 433-2 of the Penal Code

Influence peddling is the fact for a person to solicit or approve, at any time, directly or indirectly, any nature of products, services, promises, gifts, presents or advantages of any kind to himself or to others, so as to abuse, or for having abused, that person's real or supposed influence in order to obtain distinctions, jobs, contracts or any other favorable decision from an authority or public administration.

The "public sphere" refers to any authority, any administration that may make a decision, favorable or unfavorable, to Howa Tramico Europe.

The difference between bribery and influence peddling is the intervention of a third party between the company concerned and the public sphere.

3.2 How to react if faced with influence peddling?

Howa Tramico Europe's collaborators must refrain from having a gift or an advantage (bribe, travel, match seats, etc.) offered through a third party to a public official in exchange for that public official returning a decision in favor of Howa Tramico Europe, particularly in the area of awarding commercial contracts.

Collaborators should also be particularly vigilant when choosing partners, especially when the third party:

- request contributions for political or charitable activities;
- has been recommended by a public official;
- is "politically exposed", i.e., in contact with, or engaged in some nature of connection to a public official (including family, friends or business);
- carries out commercial operations on behalf of one of the Group's companies in a country known for the endemic corruption of its public officials;
- requests that the contract signed with the companies of the Group or its contents remain secret.

If in doubt (risk, situation to be clarified, etc.), it is highly recommended that collaborators contact their manager.

3.3 Example of Influence Peddling

An collaborator must not ask the husband of an elected representative to use his influence over her to obtain a permit in exchange for holidays abroad for him and his family.

4 Conflicts of Interest

4.1 Principles

As part of their professional duties, each collaborator of Howa Tramico Europe must takes their decisions in the interest of the Company and independently of their personal interests.

The personal interests of collaborators must not interfere with their ability to act in the best interests of the Company.

The following situations examples of cases where there could be a conflict of interest:

- Where professional decisions are influenced, or give the impression of being influenced, by personal interests, family relationships or friendly relationships;
- Where a relationship with a trading partner could influence, or give the impression of influencing, an collaborator's loyalty to Howa Tramico Europe or his ability to make professional decisions in the best interests of the Company;
- Where using Howa Tramico Europe's goods or information obtained by a Company collaborator in the course of his professional activity could provide that employee or a friend (relative, etc.) personal advantages.

4.2 Recommendations

In general, it is always preferable for a collaborator to discuss, with his/her manager, ties of family, friendship or other that may exist between that collaborator and the people with whom s/he is in contact as part of his professional and professional functions whenever these ties are of a nature to put him in a situation of conflict of interests.

4.3 Example of a Conflict of Interest

- A collaborator must not ask the purchasing manager to choose a company run by son.

5 Measures against Money Laundering

5.1 What is Money Laundering?

Money laundering is a criminal offense punishable under Articles 324-1 et seq. of the Penal Code.

Money laundering is the facilitation, by any means, of the false justification of the origin of the assets or the income of the perpetrator of a crime or offense which has given the perpetrator direct or indirect profit. To provide assistance in investing, concealing or converting illegal gains is also considered money laundering.

5.2 How to react if faced with Money Laundering?

Howa Tramico Europe must do everything possible not to be used as a vehicle for money laundering.

Thus, we expect our collaborators to make sure that they know our business partners well, that they carry out the following diligences:

- Check the identity of the customer/supplier/partner at the beginning of, and in the course of, the business relationship;
- Obtain legal and official documentation adapted to the peculiarities of the natural or legal person.

We must therefore be particularly vigilant especially when a business partner, supplier or any other potential partner of Howa Tramico Europe:

- refuses without good reason to provide personal or business data;
- wants to receive or pay cash only;
- wants to receive funds in several bank accounts;
- wants to pay funds from several bank accounts;
- would like to receive or remit funds in a currency different from that shown on the invoice;
- wants to receive or remit funds through a third party: unless there is a valid legal justification, payments must be made only to the person or company actually providing the goods or services.

If in doubt (risk, situation to be clarified, etc.), it is highly recommended that collaborator contact their manager.

6 Measures against anti-competitive practices

6.1 What are anti-competitive practices?

Most countries have competition laws (also known as “anti-trust laws”) designed to encourage healthy competition and prohibit anti-competitive practices.

An Anti-competitive practice can be defined as any barrier to the normal competitive operation of the market. This can take the form of an agreement or an abuse of a dominant position.

The existence of such agreements is characterized by an understanding, between several economic players, who decide to act together to align their collective behavior, as opposed to designing their business strategy independently, as required by law. Such agreements are prohibited where they prevent, restrict or distort competition in a market. Agreements between competitors (horizontal agreements) and agreements between actors in the marketing chain (vertical agreements) are prohibited.

This may include erecting artificial entry barriers to prevent competitors entering a market, exchanging price information, awarding contracts, etc.

Contrary to agreements, which are bilateral or multilateral practices, abuses of dominant positions are generally unilateral practices by an economic actor which uses strong market positioning to oust competitors or prevent the arrival of new entrants.

Abuses of dominant position can take different forms: exclusivity clauses, linked discounts, predatory prices, etc.

6.2 How to react if faced with Anti-Competitive Practices?

It is Howa Tramico Europe's policy to comply with all applicable competition laws and regulations and antitrust provisions and it is therefore the responsibility of all employees to comply with such laws and regulations and to refrain from any actions that could breach them.

Thus, we expect our employees to refrain from engaging in any discussions, understandings or agreements with competitors pertaining to the following:

- prices, pricing policies, discounts, promotions or other general conditions of sale;
- sales targets, profits, profit margins or cost data;
- customers;
- calls for tenders, the distribution of markets and customers;
- refusals or terminations of retailer or supplier contracts;
- or any other questions relating to competition.

6.3 Examples of Anti-Competitive Practices

- A collaborator must not take part in meetings bringing together several market players whose implicit object is to fix prices on this market;
- A collaborator must not agree to exchange non-public information with competitors or to obtain, by whatever means, information that has not been made public.

7 Measures Against Fraud

7.1 What it fraud?

Fraud is any intentional or covert act or omission, with intent to breach or circumvent laws in force or Howa Tramico Europe's rules, for the purpose of the fraudster or another third party obtaining an undue material or moral advantage.

7.2 How to react if faced with fraud?

We expect our employees to refrain from participating directly or indirectly in any act of fraud, bearing in mind that fraud can take on multiple forms:

- Theft of money, property, data;
- Voluntary alteration;
- Concealment or destruction of documents of proof;
- Forgeries or false statements;
- Counterfeiting, scam
- Etc.

8 Respect of Intellectual Property Rights

8.1 What is meant by intellectual property rights?

Intellectual property includes industrial, literary and artistic property.

The purpose of industrial property is the protection and enhancement of inventions, innovations and creations. Literary and artistic property uses copyright to protect works in the creative fields (literature, music, visual arts, fashion, etc.) and in the software sector.

Intellectual property is also protected by law, by means of, for example, patents, designs, copyrights and trademark registrations.

8.2 How can I ensure compliance with intellectual property rights?

Collaborators are expected to always protect the intellectual property rights of Howa Tramico Europe and third parties.

In addition, we expect employees to respect the intellectual property rights of others. In particular, it is forbidden to request or accept, within the context of their work duties, any information from third parties that could be considered as confidential. Likewise, it is forbidden to use without authorization, transgress or plagiarize any intellectual property right owned by a third party (including, in particular, patents, copyrights, trademarks, trade secrets, etc.).

9 Truthfulness of Marketing and Advertising Messages

Howa Tramico Europe's policy is to establish clear, precise, truthful and honest marketing and advertising messages in accordance with our Code of Business Conduct.

Thus, we expect our collaborators to comply with these principles and to ensure that no marketing and advertising messages or claims could be considered as misleading, deceptive or inaccurate.

10 Protection and Confidentiality of Customer Data

In the context of European regulation, the General Data Protection Regulation (GDPR) of 27 April 2016, in force since 25 May 2018, requires companies and their employees to take all the necessary precautions to protect the confidentiality of sensitive data to which they have access, and in particular to prevent this data from sent to persons not expressly authorized for that purpose.

Therefore, collaborator should respect the following requirements:

- not to use data to which they have access, for any purposes not directly related to their work duties;
- to disclose such data only to persons duly authorized, by reason of their work duties, to receive it;
- not to make copies of this data unless doing so be necessary within the context of their work duties;
- to take all measures consistent with common practices and the state of the art within the scope of their work duties in order to avoid the misuse or fraudulent use of this data;
- to take all precautions consistent with common practices and the state of the art to preserve the physical and logical security of this data (password confidentiality);
- to ensure, within the limits of their work duties, that only secure means of communication are used to transfer data in accordance with the Charter for the Use of IT and Electronic Communication Resources;
- in the event of termination of their duties, to fully restore the data, computer files and any information medium related to this data.

11 Raising Employee Awareness of Proper Business Conduct at all levels

The executives, as well as employees who hold positions exposed to the risks stated by this Code of business conduct (in particular those engaged in commercial, purchasing, project, maintenance, or financial activities) will complete a training every 2 years. Likewise, any new hires concerned must undergo such a course.

12 Consequences of failing to respect this Business Conduct Code

All collaborators of the Company must respect the principles set forth in this Code of Business Conduct.

Failure to do so may result in the Company and the person incurring civil and/or criminal liability.

Any violation by an employee of this Code of Business Conduct will cause the employee concerned, depending on the seriousness of the offense, to incur the disciplinary sanctions provided for in the Rules of Procedure.

In the case of Company non-employees (i.e., contractor, interim, temporary work agency person, etc.), their employer will be apprised of the situation so that any corrective measures required by put in place, which may include terminating their involvement with the Company. Their employer will decide on any disciplinary sanctions to be implemented.

13 Date of Entry into Force and Disclosure of the Code of Business Code

This Code of Business Conduct shall be considered as an addition to the Rules of Procedure applicable to the Company.

Thus, this document has been:

- Submitted, for information and consultation purposes, to the Health and Safety Committee (“CHSCT”) and the works council;
- Sent to the labor inspector;
- Filed with the records of the Labor Court concerned (“Conseil de Prud’hommes”);
- Annexed to the Rules of Procedure.

The Code of Business Conduct will come into force on June 25th 2018.

This document will be put on working areas and in those premises where hiring taking place.