





Internal Code of Professional Conduct

December 2015

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1. Introduction

CIE Automotive, S.A. is an industrial group specialised in high value-added processes that operates in two business areas: automotive components and Smart Innovation (hereinafter "**CIE Automotive, S.A.**" or the "**Group**", indistinctly).

The guiding values of the activities performed by CIE Automotive, S.A. are the following:

1. Internal and external client orientation and service-based approach.
2. Respect for people, their capacity for initiative, creativity and innovation, participation and teamwork.
3. Ability to achieve objectives and added value.
4. Positive attitude to change and continuous improvement.
5. Responsibility and integrity of people in their commitment towards a job well done.
6. Respect for the environment, working to minimise any impact.
7. Transparency, publically disclosing all the relevant data from our activities.


In addition to these basic values of the Group's performance, the Board of Directors of CIE Automotive, S.A. has considered appropriate to adopt specific rules of conduct that form an **Internal Code of Professional Conduct** (hereinafter, the "**Code of Conduct**").

CIE Automotive, S.A. firmly believes that relations must be based on mutual trust, respect and an obvious recognition of the dignity of all employees.

2. Scope of application

The present rules of conduct shall apply, without any exception, to all directors, executives, employees and workers of all the companies in the Group.

The knowledge and compliance of the rules of conduct stated herein are compulsory for everyone, and under no circumstances shall ignorance of the law excuse compliance.

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3. Conduct guidelines

3.1. Regulatory compliance: behaviour according to law and ethics.

CIE Automotive, S.A. publicly expresses its absolute rejection of any kind of unlawful and/or criminal practice, hereby stating that such practices are completely prohibited, without exception or limits, within the organisation.

For this reason, all the people who are part of CIE Automotive, S.A. must (i) on one hand, perform their functions within the organization, not only in strict compliance with applicable legislation, but also avoiding any bad practice that is not ethically acceptable under strict criteria of honesty and moral integrity; and (ii) on the other hand, act in a clear and transparent manner, ensuring that none of their actions may be liable to be interpreted as deceitful.


3.2. Transparency, integrity and confidentiality of information.

All the people who are part of CIE Automotive, S.A. must act in a clear and transparent manner, ensuring that none of their actions may be liable to be interpreted as deceitful.

In addition, they must ensure the reliability and accuracy of the financial and non-financial reporting, both for internal use and that submitted to the market, providing accurate, comprehensive, understandable and timely information. No person from CIE Automotive, S.A. shall provide intentionally incorrect, inaccurate or imprecise information that may mislead the recipient and/or which may affect the market value of the Group.

With this objective, a series of specific rules aimed at all persons involved in the CIE Automotive, S.A. financial reporting preparation process are described below:

- Act with honesty and diligence in the financial reporting preparation process.
- Ensure that all registered financial reporting is derived from transactions and operations actually performed and that the information was recorded at the appropriate time.
- Ensure that the financial reporting is recorded accurately, faithfully reflecting all of the transactions.
- Record and prepare the financial reporting in accordance with the applicable laws and regulations and under generally accepted accounting principles.
- Comply with the Group's financial policies and procedures and follow an effective system for the internal control of the financial reporting.
- Update and maintain all skills that are necessary for the performance of the activities in the financial reporting preparation process.
- Correct or report for correction any error that may affect the reliability of the financial reporting.
- Inform the Audit and Compliance Committee of the Board of Directors of CIE Automotive, S.A. regarding any situation involving a breach of the rules contained herein.

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Compliance with the rules described here does not exempt from compliance with the remaining rules contained in the Code of Conduct.

In addition, all the people who are part of CIE Automotive, S.A. are obliged to respect the confidentiality of the information acquired in the course of their activities, both if it is owned by CIE Automotive, S.A. or by other companies or entities, to which they may have access owing to their responsibilities. In particular, in the course of their work the employees of CIE Automotive, S.A. are prohibited from using any information or documentation, in physical or electronic format, belonging to another company to which they have gained access or which has been obtained as a result of a previous job, without the consent of the company.


3.3. Tax obligations and use of public funds

CIE Automotive, S.A. assures the fulfilment of its tax and Social Security obligations, as applicable in accordance with the legislation in force (submission of tax returns, payment of taxes, registration of transactions subject to taxation, payment of Social Security contributions, etc.).

As a result, it is prohibited (i) to unlawfully elude payments or obtain undue benefits, to the detriment of the Tax Authorities, on account of the Group; and (ii) to avoid the payment of Social security contributions and joint collection taxes, to obtain undue refunds of such contributions or to benefit from improper deductions for any reason.

Furthermore, it is expressly prohibited to request, on behalf of CIE Automotive, S.A., any subsidies, rebates or aid from Public Administrations, using false information or conditions of any kind on behalf of CIE Automotive, S.A. If such an action is directly proposed by the official or public authority, it must be rejected and reported immediately to a higher authority.

CIE Automotive, S.A. must operate under a framework of transparency and truth, especially in the application, implementation and justification of subsidies, always providing information that is truthful and accurate, and monitoring the implementation of any subsidy granted. It is also forbidden to allocate a subsidy or public fund to any purpose other than for which it was awarded.

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3.4. Relations with interest groups.

- **Shareholder relations.**

The purpose of CIE Automotive, S.A. is the creation of continuous and sustained value for shareholders and the reconciliation of the interests of all stakeholders.

CIE Automotive, S.A. undertakes to provide appropriate information to all the shareholders, in a transparent, complete, truthful and accurate manner, and to establish dynamic tools to communicate with them.

The actions of the people who are part of CIE Automotive, S.A. will be focused on the protection and maximization of value of our shareholders' investments, achieving a reasonable return for those investments.

- **Client relations.**

The policy of CIE Automotive, S.A. is to offer, to our clients, products and services of high quality, at adequate prices and in conformance with the established delivery date commitments

The people who are part of CIE Automotive, S.A. shall act with integrity with clients of the Group with the aim of achieving the highest levels of quality and excellence in the rendering of the services and the long-term development of relations based on trust and mutual respect.

Contractual relations with clients must be conducted with transparency and sufficient, accurate, timely and appropriate information must be given.

- **Relations with suppliers, contractors and business partners**


The selection processes for suppliers, contractors and business partners of CIE Automotive, S.A. must be conducted with impartiality and objectivity, for which its employees must apply criteria of quality and cost in these processes, avoiding any conflict of interest or favouritism in their selection.

CIE Automotive, S.A. will require its suppliers to sign the "Supplier Social Responsibility Commitment". Likewise, the company will promote the performance of any audits that may be necessary to identify and correct deficiencies or weaknesses in the internal control systems of suppliers, contractors and business partners.

- **Relations with competitors.**

CIE Automotive, S.A. undertakes to strictly comply with antitrust laws. Likewise, it undertakes to compete in markets in a fair manner, promoting free competition and always complying with prevailing legislation.

CIE Automotive, S.A. will not participate in conversations, agreements, pacts, projects or partnerships, with current or potential competitors in terms of prices, commercial conditions, offers, allocation of markets or any other activity which restrict or may restrict free and open competition.

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- **Relations with governments and authorities.**

CIE Automotive, S.A. hereby declares its political neutrality, and states that it does not finance, directly or indirectly, either in Spain or abroad, any political parties or their representatives or candidates.

Employees who wish to participate in activities of a public or political nature must do so exclusively on their own account and outside office hours.

- **Work environment free from discrimination and harassment.**

CIE Automotive, S.A. is committed to maintaining an environment free from any form of sexual or other harassment, whether it be harassment by one worker to another, or by a worker to a client or supplier, or vice versa, and is committed to ensuring that everyone is treated fairly and with dignity. Consequently any discriminatory practice on the basis of race, colour, sex, age, religion, ethnic or geographical origin, disability or any other illegitimate cause will not be tolerated. However, the differentiation of persons based on their skills or professional qualities required for a job will not be considered as a case of discrimination.

- **Respect for Human Rights.**

CIE Automotive, S.A. in addition to complying with the applicable legislation in all the territories in which it operates, is committed to respecting internationally recognised human rights, including the rights set forth in the International Bill of Human Rights and the principles relating to the rights established in the Declaration of the International Labour Organisation.

In addition, CIE Automotive, S.A. complies with the 10 principles of the Global Compact.

- **Respect for the environment.**


The respect for and protection of the environment are fundamental values that CIE Automotive, S.A. adheres to, at all times meeting the environmental legislation in each of the countries in which it is established, and undertakes to conduct its activities so that any environmental impacts are minimised.

As a result of the above, all persons that are part of the Group shall respect the environment, making rational use of natural resources, and putting all the control mechanisms at their disposal to minimise the environmental impact derived from the different processes of the industrial activities performed by CIE Automotive, S.A.

- **Donations and social projects**

CIE Automotive, S.A., in its commitment towards the progress and well-being of the communities with which it is involved, actively contributes to their development through donations and projects of social and cultural content.

All donations must be specifically authorised and be reflected in the accounting records of the Group; making donations or financial contributions of any kind to organisations dedicated to, or in any way linked, to illicit activities is strictly prohibited.

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3.5. Health and Safety

CIE Automotive, S.A. strives to conduct its activities with high level of safety in the processes, facilities and services, with particular attention to the protection of employees, partners, contractors, suppliers, customers and the local environment. Furthermore, it adopts the preventive measures laid down in the legislation of each country and assumes the commitment that all workers employed to work at its facilities and work centre, should do so in the best conditions of safety and health.

CIE Automotive, S.A. furnishes its employees with the necessary resources and training so they can perform their functions safely and in a healthy environment. For their part, all workers who render services at the centres of CIE Automotive, S.A. (either in-house or outsourced staff) are under the obligation to know and comply with the rules concerning health and safety in the workplace in order to prevent and minimise occupational risks.

Finally, the manufacture, consumption, purchase, sale, trafficking or possession of substances such as alcoholic beverages, narcotics, stimulants or other illicit drugs is prohibited at the company's premises.


3.6. Prevention of fraud and corruption

CIE Automotive, S.A. strongly prohibits any behaviour or practice of corruption, bribery and peddling of influence in connection with clients, suppliers, business partners and public officials or institutions, national or international.

Therefore, in their relations with third parties, persons that are part of CIE Automotive, S.A. may not offer or accept gifts or gratuities that go beyond the merely symbolic or which could be interpreted as an attempt to unduly influence a commercial, professional or administrative relationship.

This prohibition does not extend to disbursements or gratuities that may be considered normal or usual in the market, up to reasonable amounts taking into account the nature, frequency and quantity. In any case, they must be approved by the person in charge of the department in question.

Likewise the delivery, directly or through third parties, of gifts, tokens of appreciation or benefits to public representatives in order for them to exert their influence in favour of CIE Automotive, S.A. is not permitted. Similarly, it is strictly forbidden to take advantage a personal relationship in order to improperly influence an authority or public official.

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- [Rules related to payments](#)

Any agreement with third parties that lead to an obligation of payment by a Group company must be recorded in writing, clearly stating the service provided, and must be approved by the appropriate person in accordance with the systems and procedures of that company.

Any payment by the company should be made through a cheque for deposit only or bank transfer. Payments in cash or with a cheque to the bearer without the corresponding receipt are expressly forbidden. The use of the last two payment procedures should be kept to a minimum.

Any payment, direct or indirect, of commissions or any other form of remuneration in order to receive orders or obtain a commercial advantage is expressly prohibited. This does not include payments made to sales agents or representatives of CIE Automotive, S.A. as a result of the performance of their activities on behalf of the Group, provided they are within the law.

Similarly, any payment to any official or employee of any public, national or international agency or entity with the aim of unduly influencing an administrative relationship are expressly prohibited.


3.7. Conflict of interest

Conflicts of interest arise when the personal interests of persons that are part of CIE Automotive, S.A., either directly or indirectly, are contrary to or in conflict with the interests of the Group, they interfere with the fulfilment of their duties and professional responsibilities or personally involve them in any financial transaction or operation of the Group.

Accordingly, any person that considers that they are potentially in a situation of conflict of interests owing to their other activities outside the Group, family relationships, personal assets or any other reason, should immediately notify this fact to the head of their business unit, so that latter may analyse the existence or not of the conflict of interest and, in the event of such a conflict, the head of the unit can exclude the person from participating in the process where the conflict of interest exists.

In addition, the Executive Directors and related persons (deemed to include their spouses or persons with a similar personal relationship, the ascendants, descendants and siblings of employees and their spouses, the spouses of their ascendants and descendants and the companies controlled, directly or indirectly by the employee or by an intermediary) who are linked by a working relationship with CIE Automotive , S.A. may not perform, on a self-employed or an employee basis, tasks, jobs or provide services for the benefit of companies in the sector or companies that develop activities likely to compete directly or indirectly with those of CIE Automotive, S.A.

All employees of CIE Automotive S.A. that have property relationships, direct or through kinship, with suppliers and/or competitors, should inform the head of their business unit. To do so, they must use the document “Appendix 1”.

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3.8. Use of resources and assets

All the people who are part of CIE Automotive, S.A. will not use for personal or extra-professional use and/or for activities that are not directly related to the interests of the Group any resources, whether financial or non-financial, that have been made available to them for the performance of their professional activities, taking responsibility furthermore for the protection of the resources entrusted to them in relation to their work.

o Disposal of assets

The people who are part of CIE Automotive, S.A. shall ensure the integrity of the Group's assets in the performance of their duties, in order to preserve them and not prejudice potential creditors.

To this end they shall protect and take care of the assets they are responsible for or have access to in the performance of their duties and will use them appropriately for the purpose for such assets were entrusted to them. In particular, it is forbidden to sell, transmit, transfer, conceal, etc. any property belonging to CIE Automotive, S.A., in order to evade the compliance of its responsibilities with regard to creditors.

o Use of electronic means

In particular, without prejudice to other rules and prohibitions contained in the specific usage instructions of each device, employees of CIE Automotive, S.A. must make responsible use of the computer resources and means placed at their disposal, pursuant to criteria of safety and efficiency, excluding any computer use, action, or function that is unlawful, or contrary to the regulations or instructions of CIE Automotive, S.A.


Likewise, it is forbidden to install or use programs or applications whose use is illegal, that do not have the relevant license or that may damage, destroy, alter, disable or impair the systems of CIE Automotive, S.A. or of third-parties.

When in the performance of their duties employees must access a third-party application or computer system they must abide by rules of use established for that purpose by such third party, and the unauthorised access to other computer systems is completely prohibited.

3.9. Protection of personal data

CIE Automotive, S.A. takes special care to ensure the right to privacy and the protection of the personal data entrusted to it by clients, partners, suppliers, business partners, contractors, employees, institutions and the general public. The people who are part of CIE Automotive, S.A. shall not disclose personal data to which they have access as a result of the performance of their professional duties, except with the consent of the interested party or when obliged to do so as result of a legal duty or judicial or administrative decision. Under no circumstances shall such data be processed for purposes other than those legally or contractually provided

Gathering, storing or using personal data or communicating it to third parties must be performed in a manner that is respectful with the person and in accordance with legal provisions.

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3.10. Intellectual and industrial property

All the people who are part of CIE Automotive, S.A. must respect and preserve the intellectual and industrial property rights both of the company (either owned by the Group or licensed to it under any arrangement) and of third parties.

Consequently, it is forbidden to make copies of patents, registered industrial design and/or distinctive signs whose owner is a third party; as well as to reproduce, plagiarise, distribute or publicly communicate a literary, artistic or scientific work without the authorisation of the owners of the corresponding intellectual property rights.

4. Interpreting

Any questions that might arise from the interpretation of this Code of Conduct will be resolved by the Human Resources Department of the company concerned.


For the appropriate exercise of the powers of oversight of the Corporate Social Responsibility Committee, the Human Resources Department will send an annual report to the Committee on the implementation of this Code of Conduct and any decisions taken regarding its interpretation. The Corporate Social Responsibility Committee may establish general interpretation criteria.

5. Non-compliance.

Failure to comply with the rules of this Code of Conduct will result in the application of sanctions in accordance with prevailing legislation.

The Corporate Social Responsibility Committee, reporting to the Board of Directors of CIE Automotive, S.A. is responsible for overseeing the proper implementation of the Code of Conduct.

No person who is part of CIE Automotive, S.A. is authorised to breach the guidelines and provisions of this Code of Conduct, even in response to the order of a higher authority.

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6. Management procedure for notifications and consultations on irregularities or breaches of the Code of Conduct


CIE Automotive, S.A. has established the management procedure for notifications and consultations on irregularities or breaches of the Code of Conduct in order to promote compliance with the Code of Conduct as well as the regulations that develop it.

CIE Automotive, S.A. makes it possible for all people who are part of the organisation to submit doubts and notify irregularities or breaches against ethics or integrity or that infringe the guidelines established in the Code of Conduct, through the following channels or any other means that the Group may establish in the future:

- Electronic ethical channel: whistleblowerchannel@cieautomotive.com
- Mail addressed to the Compliance Department at the following address:
Alameda Mazarredo 69, 8º. C.P. 48009 Bilbao (Biscay), Spain
- Information and communication channel on the intranet and the corporate website.

Reports or consultations must include the information necessary for the identification of the person who communicated the fact and the description of the consultation or reports. The Compliance Department is tasked with processing reports and consultations and these will be studied and treated confidentially. The data of those involved will be managed pursuant to the applicable data protection laws of the country in question.

Reprisals against those who have made use, in good faith, of the established channels to inform possible of irregularities, will not be tolerated. The existence of the ethical channel is understood to be without prejudice to any other mechanisms that are appropriate to allow the communication of irregularities of potential significance.

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APPENDIX I

CIE AUTOMOTIVE, S.A.

[or group company in question]

C/o Manager of the Business Unit

[business unit of the employee]

[Place], on the *[date]*

Mr./Ms.: _____

Employee of CIE AUTOMOTIVE, S.A. *[or of the group company in question]*, declares, that related with the supplier/competitor:

I have a relation of (*) _____ that I communicate for all relevant purposes.

[signature]

*Ownership

*Shareholder

*Kinship