



INNOVATIVE. INDEPENDENT. IMPASSIONED.

Code of Business Conduct

Traktionssysteme Austria GmbH



INNOVATIVE. INDEPENDENT. IMPASSIONED.

Preface

We are a leading international company based in a location with a long tradition. As a full-range supplier, we produce reliable and highly efficient motors, generators and gears for railway vehicles and electric buses which have been used for more than 50 years on every continent in the world.

Due to our rapid business growth, the penetration of new markets and the dynamic internationalization process of the company in recent years, it has become essential to define and communicate a joint corporate culture. Its key principals and code of conduct remain valid across any language barriers and natural boundaries.

We act as a guiding role model within the Austrian market and abroad. In order to ensure good reputation and business success, we place the utmost emphasis on integrity and law-abiding behaviour in all business sectors.

The present Code of Conduct was developed by a project team consisting of the Executive Board, managers and employees in order to meet the requirements stated above. It defines principles

and guidelines underlying responsible dealing with our internal and external business partners. It serves as a frame of reference for us in our daily work and ensures reliability, transparency, confidence and quality.

The Code of Conduct directly applies to the entire company and can only be repealed by applicable binding laws, special agreements or other internal regulations.

It is the responsibility of each of us to ensure that the Code of Conduct applies to real-life situations and gains broad acceptance. The document can be downloaded from the company homepage, and a hardcopy can be obtained by the respective superior.

If you observe any violations of the defined principles and guidelines or have any questions about specific issues, please do not hesitate to contact your superior or Mr. Günter Eichhübl (Compliance Officer). All inquiries and reports will be held strictly confidential.

Robert Tencel
CEO

Günter Eichhübl
CEO

General Guidelines

We strive to provide permanent technological solutions for our customers as an innovative, independent and impassioned full-range supplier. Our 5 internal behaviour policy guidelines serve as valuable advice and support us on our continuous journey of improvement.

* Quality with Passion

- We offer **high quality** regarding our competencies: consulting, product design and development, manufacturing, quality assessment and service.
- We have a clearly defined **objective**: the **four-eyes principle**, an **effective management control system** and **detailed documentation** support us to meet our high quality standards to increase transparency for all involved parties.

* Continuous Improvement & Innovation

- We identify **new trends** and needs at an early stage, we customize our business activities according to new market requirements and implement **innovation** at just the right time.
- We evaluate problematic issues and design **new solution approaches**.
- We continuously invest in the **development of our materials** and **production methods** to be one step ahead.
- We put special emphasis on the **ongoing training and education** of our employees.

* Financial Performance

- We reveal all business processes in our **business records** according to defined procedures, auditing standards and generally accepted policies of financial reporting.
- We commit ourselves to provide **complete, precise, comprehensive and timely data** according to our internal standards.

Cus tomers



Investors & Capital Market

Managers & Employees

Suppliers & Partners

* Safety / Security

- **Occupational safety** and accident prevention are considered to be top priorities throughout the company. By implementing measures like **safety regulations** and **on-the-job training**, we take responsibility for the physical and mental fitness of our employees.
- We act with the **utmost care** whenever receiving, processing and storing **information**.
- We comply with **data security standards**.
- The application of our defined security processes prevents unauthorized third parties to perceive, use, change or destroy information.

* Ethics & Integrity

- **Respectful and appreciative cooperation**: We treat each other with respect and fairness and actively prevent discrimination because of nationality, religion, sex and sexual orientation, age or disability.
- **Compliance with law**: We do not accept any forms of corruption, criminal offences or improper advantages. Our business partners, consultants, suppliers and other third parties, who act on behalf of our company, are thoroughly selected based on established internal control processes.
- **Human rights**: We are not involved in business activities, projects or parties related to forced labor or child labor. Special guidelines, standards and reporting systems help us to prevent discrimination and to support equal treatment.
- **Environment**: We do not participate in business activities or projects with lasting threats to the environment. We take care of compliance with local and international environmental legislation.
- **Neutrality**: Our company is politically independent and religiously neutral. In our business activities, we express our neutrality in particular by avoiding any visible signs of political, philosophical or religious conviction in the workplace. We do not promote any partisan or religious activities, neither through participation nor through donations.

Target group-specific Guidelines

Our company is integrated in a network of customers, business partners and suppliers in Austria and on an international scale. A long-term and responsible cooperation is essential for our success. We strive for mutual trust and for a balance between the interests of both parties and act along the principle of fairness. In addition to our general corporate behaviour policy guidelines, target group specific policies support us in the interaction with different stakeholders.

CONDUCT TOWARDS SUPPLIERS & PARTNERS

QUALITY WITH PASSION

- We continuously analyse purchased products regarding prohibited substances.
- We apply a four-eyes-principle to avoid misunderstandings.

SAFETY/SECURITY

- Suppliers who do not fulfil the required quality criteria or who do not sufficiently take into account occupational security regulations and sustainability considerations will be excluded from cooperation with us.
- We demand an implemented risk management from our suppliers and business partners and constantly exchange information regarding potential risk and risk management processes with them.
- We strive for long-term contracts to ensure the fulfilment of demand.

CONDUCT TOWARDS INVESTORS & ON THE CAPITAL MARKET

QUALITY WITH PASSION

- We are committed to a responsible and transparent management, which is aimed at the creation of value and at providing up-to-date information on the financial position.

ETHICS & INTEGRITY

- **Respectful and appreciative cooperation:** We consider our counterparts to be equal partners and on a par with us. Processes are carried out in a transparent manner along the principles of free and fair competition and equal treatment. We comply with implemented guidelines of business conduct from our suppliers and business partners.
- **Compliance with law:** We are committed to fair competition, and we enable the free development of all market participants. We reject unlawful activities like illegal or improper agreements on pricing, production capacities and supply areas. We conduct legal and transparent procurement and competitive tendering procedures. We do not accept gifts or other benefits from suppliers and partners. For detailed information in the context of accepting and offering of gifts, we refer to our internal guideline.

SAFETY/SECURITY

- We cover potential risks by additional insurances (e.g. interruption of operation, fire and theft, product liability and product recall).
- The company takes the necessary measures to ensure that no manager or employee abuses the access to insider information in order to gain unfair or unlawful advantages.

CONDUCT TOWARDS CUSTOMERS

QUALITY WITH PASSION

- We provide our customers with the best possible solutions in order to address their needs and interests.
- We exclusively offer products and services if we can provide the necessary license, the professional knowledge and infrastructure.
- We apply the four-eyes principle when dealing with customers to prevent misunderstandings and bring in different perspectives.

CONTINUOUS IMPROVEMENT & INNOVATION

- We evaluate our product and service portfolio on a regular basis to identify areas of improvement.

SAFETY/SECURITY

- We provide accurate, complete and up-to-date information for our customers.
- We treat customer information as highly confidential.

CONDUCT TOWARDS MANAGERS & EMPLOYEES

QUALITY WITH PASSION

- Our Management acts as a role model regarding the internal and external representation of the company.
- Managers and employees have to take responsibility for their own actions.

CONTINUOUS IMPROVEMENT & INNOVATION

- We continuously invest in the development of our employees to gain extensive professional know-how.

SAFETY/SECURITY

- Employees are trained continually in occupational safety.
- Every employee has to ensure in everyday professional life that their personal interests are not in conflict with their responsibilities towards our company.

- We never pass along customer data to third parties, unless a written agreement by the customer is available, or in case the information serves as a basis for an offence towards the supervisory board or criminal prosecution.

ETHICS & INTEGRITY

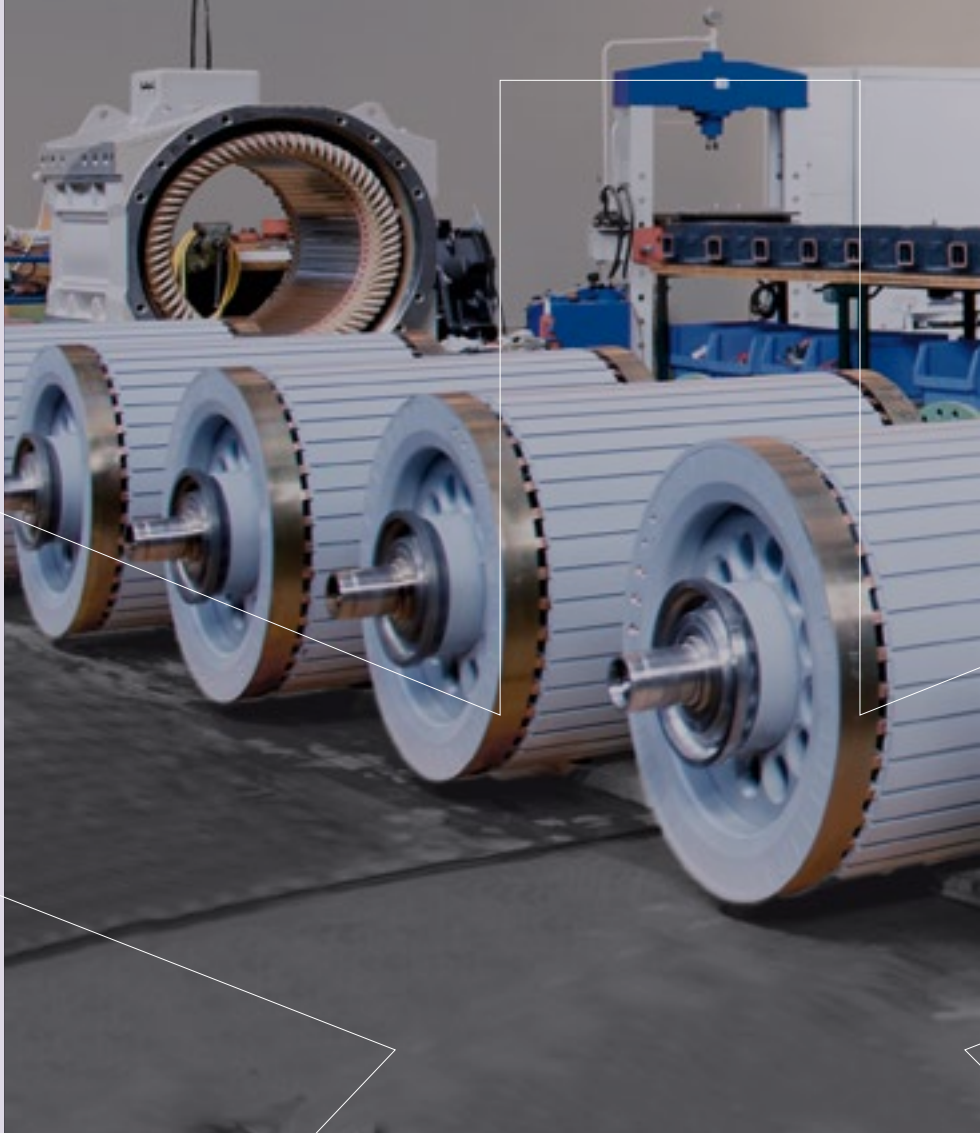
- **Respectful and appreciative cooperation:** We accept the guidelines and principles of our customers.
- **Compliance with law:** We check our customers' reputation, creditworthiness, source of funds and scope of activity to identify suspicious activities. Hence, we reduce the possibility to be misused for illegal business affairs. We do not accept gifts or other benefits from customers. For detailed information in regard to accepting and offering of gifts, we refer to our internal guideline.

ETHICS & INTEGRITY

- **Respectful and appreciative cooperation:** We conduct recruitment and promotions based on achievement-oriented criteria and do not tolerate discrimination because of nationality, culture, religion, skin color, sex and sexual orientation, age or disabilities (equal treatment).
- **Compliance with law:** It is not permitted to accept or allocate donations except for gifts with a value that is immaterial within the context of socially accepted behavior. Employees are not allowed to offer gifts or other benefits to suppliers, business partners and customers. For detailed information in regard to accepting and offering gifts, we refer to our internal guideline.

FINANCIAL PERFORMANCE

- Our compensation policy complies with international standards and is in line with our business strategy, goals, values and long-term interests.



Traktionssysteme Austria GmbH


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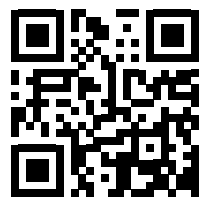
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