



The Future in Motion

Continental

Code of Conduct

2012

Dear Employees,

With this Code of Conduct, we have reformulated our guiding framework for the application of ethical standards such as integrity, honesty and law-abiding conduct. It is based on our vision, our mission and our four corporate values of Trust, Passion to Win, Freedom to Act and For One Another summarized in our BASICS. Adherence to all statutory regulations and internal rules applicable to Continental AG and its subsidiaries has long been a requirement of the Corporation and an integral part of its corporate culture.

One of our values is Trust. Trust requires integrity, honesty and incorruptibility. Illegal or irresponsible conduct damages the Corporation, destroys trust and puts our good reputation at risk. This is something that we cannot accept. We consistently investigate violations, the principle of zero tolerance applies.

With our products, systems and services, we are engaged in global competition – and we want to win. However, we want to do so by fair means. That is the Continental Passion to Win. The Code of Conduct and our Compliance organization are intended not to restrict your freedom but to show you how you can act in accordance with laws, regulations and Continental rules. In this way we aim to avert damage to the Corporation and to every single employee. We therefore work toward prevention by using the Code of Conduct to demonstrate a framework and by advising and supporting you in your area of responsibility through our Compliance organization. We intend through these methods to free you from any uncertainty and to reinforce your authority. That falls within our expression of For One Another.

The Code of Conduct is a fundamental part of our corporate culture. It must be practiced and observed. By working together on this basis, we can show that good codes of practice and ways of acting not only complement our extraordinary, economic performance, but are even responsible for creating them and for making sure that they last long-term.



Hans-Jürgen Duensing

Wolfgang Schäfer

Dr. Ralf Cramer

Frank Jourdan

Dr. Elmar Degenhart

Dr. Ariane Reinhart

Helmut Matschi

José A. Avila

Nikolai Setzer

I. Preamble

Continental has committed itself to honesty and integrity with respect to its entire business conduct towards its stakeholders such as employees, customers, suppliers, competitors. Continental recognizes that legal and cultural requirements vary in a global market. This Code of Conduct (hereinafter referred to as "Continental Code of Conduct") confirms important standards which serve - in addition to THE BASICS - as the foundation for the actions Continental takes worldwide.

The Continental Code of Conduct mandates that every single employee, executive staff, executive director and member of the Executive Board of Continental AG take responsibility for his or her actions and behavior, and aims to provide appropriate guidance for the daily business of Continental. Furthermore, it outlines the ethical goals and principles for the business of Continental.

II. The Rules, Explanations, and Examples

The Continental Code of Conduct contains the basic rules We must comply with, as well as explanations and examples. The explanations and examples are not exhaustive and are intended for illustrative purposes only.

1. Application

The Rule

The Continental Code of Conduct applies to Continental AG and all of its subsidiaries including minority holdings in companies where a company of the Continental Corporation exercises the management control (hereinafter collectively referred to as "Continental" or "Continental Corporation"). If necessary due to local requirements, the Corporate Compliance Department may make modifications to this Code of Conduct.

Further, the Continental Code of Conduct applies to all employees, executive staff, executive directors and the members of the Executive Board (herein referred to as "We", "Our", "Ourselves", "You", "Your", "Yourself" or "Us", as appropriate).

Explanations

The Continental Code of Conduct applies to all legal entities of the Continental Corporation, regardless of form, country of domicile or operation, or location. Furthermore, it applies to all of their employees, regardless of their position, function or level of employment, as well as to all members of the corporate bodies of those entities.

Example

The Continental Code of Conduct applies for example to, without limitation, Continental Automotive GmbH, Germany, Continental Automotive Czech Republic s.r.o., Czech Republic, Continental Tyres Ltd., UK, Continental Tyre South Africa (Pty.) Ltd., South Africa, Continental Tire the Americas, LLC, USA, and Continental Automotive Corporation (Lian Yun Gang) Co., Ltd., China, and all of their employees and members of corporate bodies.

2. Compliance with the Continental Code of Conduct

The Rule

We commit Ourselves to act in compliance with the standards of the Continental Code of Conduct and acknowledge them as mandatory and as an integral part of the daily work of all of Us. Violations of the Continental Code of Conduct will not be tolerated by Continental.

We acknowledge that noncompliance with this Continental Code of Conduct may be a violation of applicable local laws. Noncompliance can result in disciplinary action, up to and including, termination of employment..

Explanations

The rules of the Continental Code of Conduct do not cover every issue which may arise, but set out basic, mandatory principles to guide You in Your day-to-day work.

If the application of the Continental Code of Conduct appears unclear or causes further questions, it is Your duty to use good judgment and common sense. You can clarify the requirements of the Continental Code of Conduct with Your supervisor, Human Resources Department, Law Department, Compliance Department or Compliance Coordinator. Contact information of the departments to be involved in case of questions can be found on the intranet pages of Continental.

3. Responsibility for Our Actions and Behavior

The Rule

We will take personal responsibility for any and all of Our actions and behavior and use best judgment in all matters affecting Continental.

Explanations

If You doubt or are uncertain about a directive You have received from Your supervisor, You may contact Your Human Resources Department, Law Department, Compliance Department or Compliance Coordinator to determine whether the directive is in compliance with the Continental Code of Conduct.

4. Compliance with Laws, Regulations, and Continental Corporate Rules, Standards and Instructions

The Rule

We will comply with the laws and regulations applicable in the countries in which We operate, and We observe any Continental corporate rules, standards and instructions, including, but not limited to, the Continental guidelines and internal policies.

Explanations

Compliance with applicable laws and regulations is mandatory. Since such laws and regulations are diverse and may differ from country to country, they cannot be enumerated in this Continental Code of Conduct.

The violation of applicable laws and regulations and consequently the Continental Code of Conduct may result in both, in criminal sanctions, fines and a loss of reputation for Continental and in personal sanctions resulting from the violation of the Continental Code of Conduct.

Within Continental Corporation, also all internal, policies and manuals adopted by the Executive Board of Continental AG or other competent corporate body must be complied with.

In case of doubts regarding whether a certain behavior is acceptable, contact Your Law Department or Compliance Department or with respect to an internal guideline or policy, the department responsible for it.

Examples for Continental guidelines and internal policies of Continental

Continental guidelines are, for example, the policies and manuals on

- › authorized signatories
- › financial investments
- › record retention
- › standard by-laws
- › product integrity
- › information security

Such Continental guidelines can be found in the intranet (see on the intranet page: <https://links.conti.de/rules-corporate>).

Example 1

You would like to enter into a supply contract with a supplier regarding plastic shells for keys. The negotiations are very tough and take very long. You have a customer mandated deadline to deliver the finished product in just two months. To be able to meet the delivery date, You think about skipping the Continental signature and approval process and signing the supply contract on Your own.

Action desired

Despite any time pressure, You should observe the respective Continental guidelines: The Continental guideline P 20.1 (formerly VR 11) establishes the signature authorities which have to be observed for any and all contracts. Always observe the "four-eye-principle".

Example 2

You believe that safety standards possibly are not being met at one of Continental's facilities. You ask Yourself what You should do.

Action desired

Contact the department which is responsible for meeting the affected standard, such as the ESH representative, the Quality Department or the Human Resources Department to review the issue.

5. Discrimination or Harassment

The Rule

We are proud of the diversity the worldwide business of Continental offers. We will treat Our fellow employees, potential employees, suppliers, customers and any other persons with whom We conduct business with fairness and respect, with no retaliation, free of discrimination and harassment on the basis of gender, age, race, skin color, ethnicity or national origin, citizenship, religion or religious beliefs, physical or mental disability, veteran status, sexual orientation or any other characteristics protected by applicable law.

Explanations

The benchmark for the treatment of each fellow employee and his/her opportunities is his/her qualification, skills and other work related attributes. You are required to contribute to an atmosphere of respectful and partner-like interaction with one another.

The rule applies to all employees and applicants for employment and to all aspects of the employment relationship, including recruitment, hiring, compensation, benefits, training, transfer and any other terms and conditions of employment.

Example

You are searching for a candidate to hire as a sales manager for the sales department. You believe that sales business is "male business" and ask Yourself if You can consider only male applicants for the sales manager position.

Action desired

You are not permitted to search only for male applicants nor may You reject the applications of female applicants just because they are female because this is discrimination on the basis of gender. Your search must be focused on the qualifications, skills, and experiences of the candidates and how they meet the essential functions of the position, without regard to the candidate's gender.

6. Fair Dealing

The Rule

We will deal fairly and honestly with Continental's customers, suppliers, and distributors. We will also deal fairly and honestly with Continental's competitors in advancing the business interests of Continental and do not engage in the dissemination of rumors, disparaging statements about the competitors and/or their products or other unfair practices intended to damage competitors.

7. Antitrust and Competition Law Compliance

The Rule

We will strictly comply with all applicable antitrust laws, including and without limitation, trade practice laws and regulations dealing, for example, with monopolies, unfair competition, restraints of trade and competition, and relationships with competitors and customers.

We are aware that violations of antitrust laws may result in invalid contracts, in criminal sanctions, fines and loss of reputation for Continental.

Whenever doubts arise as to whether or not a situation complies with antitrust laws, We will immediately consult the Law Department, or the Corporate Compliance Department.

Explanations

Like every corporation, Continental wishes to increase its business and to become the most successful company in its markets. This, however, has to be done in compliance with the existing laws. Antitrust law is designed to protect free and fair competition and ensure that the best interests of the consumer are served.

For further information please see the Continental Manual "Antitrust Compliance" (see on the intranet page: https://links.conti.de/corporate_compliance_rules).

8. Anti-Corruption

The Rule

Our business relations are governed by integrity and We will strictly comply with all applicable anti-corruption laws and regulations, including those focused on foreign corrupt practices.

We will not engage in nor tolerate any form of corruption, bribery, theft, embezzlement, or extortion or the use of illegal payments, including without limitation, any payment or other benefit conferred on any individual, company, international organization or public body for the purpose of influencing the decision-making process in violation of applicable laws.

We will never offer, grant, demand or accept bribes, illegal payments, payoffs, kickbacks, incentives, gifts, entertainment, favors or other benefit of a value in exchange for business opportunities with or in any way related to the business operations of Continental in violation of applicable laws.

We acknowledge that corruption harms the reputation of Continental and that violations of anti-corruption laws may result in invalid contracts, criminal sanctions and fines.

Explanations

Corruption is the abuse of the power or trust given to a person by the public or by private persons through that person's willingness to make the exercising of this power and authority contingent on undue benefits from third parties.

Giving and accepting incentives, gifts and favors may be part of everyday's business life. The most common benefits are meals and invitations to events. For further details on the admissibility of such benefits see the Continental Policy on Anti-Corruption (see on the intranet page: https://links.conti.de/corporate_compliance_rules).

The above rule on contributions does not prevent Continental or its employees from communication its views to legislators, government agencies or the general public with respect to legislation or governmental policies or practices.

Example 1

You have received a request for quotation regarding the delivery of tires to an OEM. You recognize that your competitors have also been asked to quote. You expect them to have better prices and therefore been nominated by the OEM. You think about inviting members of the purchasing department of the OEM, including their families, to a sports event including their travel and accommodation expenses so they know the benefits of a co-operation with Continental.

Action desired

Since such invitation is supposed to influence directly the decision making process of the employees of the OEM to nominate Continental and therefore is likely to be defined as corruption, it should not be sent. Study the Continental Guideline on Anti-Corruption.

Example 2

Continental plans to have a new tires production plant in China. The building of the new facilities require several permissions and concessions by a Chinese authority. After having waited for the respective documents for several months, You ask Yourself if it is possible to accelerate the approval procedure by giving an incentive to the member of the Chinese administration who is handling your application.

Action desired

Even if You have the right that the permissions are granted, such influence on the decision making process is - under the laws of several countries - defined as corruption and a clear violation of the Continental Guideline on Anti-Corruption. You should refrain from this idea and study the Continental Guideline on Anti-Corruption.

Example 3

You work in the purchasing department, and a potential trade agent You are dealing with offers You a "special deal": You shall order specific services from him at a higher amount than the offers of the agent's competitors. The different amount between his offer and the competitors' offers is paid to a numbered bank account on the Cayman Islands and the only person authorized to access the account is You. You have doubts and concerns regarding how to react.

Action desired

You should refuse the "special deal" and explain that such business behavior may violate the applicable laws and/or Continental's Code of Conduct. You should also immediately disclose this proposal to Your supervisor, Law Department, Compliance Department or Compliance Coordinator, or Internal Audit.

Example 4

You work for the sales department. Due to various competitive products regarding the product You sell, there are sales difficulties. A customer makes You the offer to give him a rebate for the product Continental desires to sell to him. The rebate is within the margin You are allowed to give. He proposes that regarding the differential amount between the usual price and the reduced price, the amount should be divided between the two of You. He would provide You Your share after each deal in cash. What should You do?

Action desired

You should refuse his offer and explain that such business behavior can be understood as illegal, may violate applicable laws and regulations and Continental's Code of Conduct. You should also immediately disclose this proposal to Your supervisor, Law Department, Compliance Department or Compliance Coordinator, or Internal Audit.

9. Conflicts of Interest

The Rule

Our private interests and personal considerations shall not affect our judgment in acting in the best interest of Continental.

Therefore, We will avoid any activity or situation which may lead to a conflict of Our private interests and the business interests of Continental. If a potential conflict of interests exists, We notify your supervisor, Law Department, or the Human Resources Department.

Explanations

Continental respects the rights of employees to engage in activities outside of their employment which are private in nature and that in no way conflict with or reflect upon Continental and/or its corporate image. This includes that You will not maintain, directly or indirectly, any outside business or financial interests or relationships which conflict with Continental's interests or which may interfere with Your abilities to fully perform Your employment responsibilities.

The following situations may lead to a conflict of interests:

- › You are employed by another firm while in the employment of Continental, particularly if the firm is a competitor or a supplier (or one that may become a competitor or a supplier in the foreseeable future);
- › Your business relationship with a company in which a relative has a share in the company or is engaged in the management of;
- › You hold substantial financial interests in, or are engaged in the management of, a firm which is a supplier or customer of Continental;
- › You speculate or deal in materials, equipment or supplies purchased by Continental or deal for Your own account in products sold by Continental;
- › You borrow money from customers or from individuals or firms from which Continental buys services, materials, equipment or supplies, or with whom Continental does business; or
- › You accept gifts or favors from an outside organization or agency, which is not in compliance with the Continental Guideline on Anti-Corruption.

The list above is not exhaustive.

Example 1

Continental wants to assign a new supplier. The supplier chosen is managed by Your brother.

Action desired

It may be acceptable for Continental to enter into a contract with Your brother's company. However, You should be sure that Your decision on that is not influenced by Your relationship to the business partner. Do not make the decision on Your own and consult with Your supervisor, or contact Your Law Department or Compliance Department.

Example 2

A supplier of Continental delivers defective products and You recognize this. You know that the warranty period has not expired yet. However, this company is owned by Your sister and You think about not having such defects remedied.

Action desired

You decision making should not be influenced by the relationship to the supplier, and you should act in favor of Continental. You should consult Your supervisor or the Law Department regarding the proper steps to take involving the defective product, regardless of the fact that the company is owned by Your sister.

10. Use of Continental's Company Property

The Rule

We use the corporate property of Continental with the due care and responsibility. Unless otherwise permitted in local Continental policies, We use the corporate property of Continental only within Our sphere of business activity.

Explanations

The corporate property of Continental contains tangible assets such as products manufactured by Continental, the production and office equipment, tooling, facilities and vehicles and intangible assets such as know-how and intellectual property rights.

11. Health, Safety, Environment and Product Integrity

The Rule

Safety and health is an integral part of Our business activities. We have the duty to take care of safety and health measures, to follow the relevant regulations and work instructions and to use the protective equipment as required by law.

We know the responsibility We have for Our products and the environment. We are committed to develop and manufacture safe products. With Our processes and products, We will make a substantial contribution to the sustainable use of resources, environmental protection, and climate protection in particular. We are endeavored to save resources by continually aligning Our production, quality and performance of Our products with environmental soundness and by reducing Our consumption of energy, water, raw materials and supplies.

Example

During work, You are required to wear a safety helmet and safety boots. One day arriving at Your workstation You realize that You have forgotten to put on Your safety boots. You ask Yourself if You should go back to the changing area in the other building to retrieve them and put them on.

Action desired

Employees are expected to adhere to safety regulations, this Continental Code of Conduct, and to wear the required protective gear as required by their specific job requirements. Therefore, You are required to retrieve and wear Your safety boots before commencing work.

12. Data Protection and IT Security

The Rule

We will comply with applicable laws and regulations and Continental's policies and guidelines concerning data protection and IT security.

Explanations

The disregard of IT security and safety measures may have serious consequences such as loss of data, disclosure of confidential information and trade secrets, theft or abuse of personal data. Therefore, in case of any questions You may have related to data protection, contact Continental's data protection and IT security officers or Your Human Resources Department.

13. Confidential Information

The Rule

The protection of confidential business information and trade secrets ("Confidential Information") is vital to the interests and the success of Continental. It is Our responsibility to ensure that any Confidential Information gained by virtue of Our business activities with Continental is held in strict confidence, not improperly used or disclosed to fellow employees or third parties.

We acknowledge that, if We improperly use or disclose Confidential Information, We might be subject to disciplinary action, up to and including termination of employment, even if We do not personally benefit from the disclosure. If we leave Continental We may not disclose or use Confidential Information and are required to promptly return all such property, including without limitation, Confidential Information.

Furthermore, We will respect the Confidential Information belonging to Our suppliers, customers and other stakeholders and use them only in accordance with applicable laws and/ or contractual obligations.

Explanations

Confidential business information includes any and all information and data, including, but not limited to, the terms of contracts, any kind of business, commercial, financial, intellectual property, customer or technical information, and data disclosed between business partners in connection with their business relationship or the definition, development, marketing, selling, manufacture or distribution of products, unless available by public sources. This includes, for example, information about personnel, customers, costs, price lists and sales information, collection policies, reports, financial statements, salaries and business operations. It is of no significance for the definition of confidential business information whether disclosed orally, in writing or electronically and irrespective of the medium in which such information or data is embedded, whether in tangible form or contained in an intangible storage medium.

Example 1

You have been in a contractual relationship to Supplier A for several years. Although the product's quality had been to Your satisfaction You decided to terminate the contracts with Supplier A and enter into a contract for the same product with Supplier B who delivers the product at a lower price. After not being able to solve serious quality problems, Supplier B asks You to provide the detailed technical documentation You received from Supplier A. Your customer asks You to urgently solve the quality problems, but You are not sure if You should honor Supplier B's request.

Action desired

If the technical documentation is considered as Confidential Information, You are not permitted to disclose or otherwise share such information with Supplier B. Whether the technical documentation is confidential depends on the contractual agreement between Continental and Supplier A, and any confidentiality agreement You may have entered into with Continental. For example, Continental may have a confidentiality agreement or confidentiality clause in the contract with Supplier A prohibiting the disclosure of such information.

Furthermore, it should be determined if the use of the technical documentation is prohibited due to other reasons, e.g. copyright or patent law restrictions.

Example 2

Taking part in an e-bidding organized by a potential customer of Continental, due to a technical error Continental inadvertently receives the bid of a competitor. You ask Yourself if You should open the file.

Action desired

You should not open or otherwise use the file and send it back to its sender.

Example 3

During a business trip You do some business work on Your laptop. Suddenly You become aware that the person sitting next to You on the plane is very interested in Your work, watches Your screen observantly and begins making notes.

Action desired

You should immediately stop working on Your laptop until You may do so in a more private setting.

14. Export and Import Regulations

The Rule

We are required to comply with all applicable export and import laws, including without limitation, sanctions, embargoes and other laws, regulations, government orders or policies, including any guideline of the Continental Executive Board controlling the transmission or shipment of commodities and technology by Continental.

Explanations

There are situations where Continental products, software or technology cannot be shipped or transmitted to certain countries due to a licensing requirement, embargos or other restrictions.

If the application of an export or import regulation appears unclear or causes more questions, You must clarify the matter with the department or person responsible for export control in your division ("Export Control"), Your Law Department or Corporate Compliance Department.

Example 1:

You are asked by a customer to deliver products to an unfamiliar company located in a country which is subject to export restrictions. You do not know if You can or should accommodate the customer's request.

Action desired

Please ask Export Control how to handle the request. The ability to ship will depend on many factors, including the country the customer wishes you to ship to, the product being exported, how the product will be used and by whom.

Example 2

There is an Arab embargo for a specific country - Israel. There are US regulations that forbid compliance with the Arab embargo. There are also US regulations providing for embargoes against specific other countries. You are employed by a Continental entity located in the US and would like to deliver products from the United States to Israel and Cuba, but do not know if you can. What should you do?

Action desired

Consult Export Control or the Law Department. Since the Arab embargo violates US regulations, You cannot comply with the Arab embargo and are able to deliver products from the United States to Israel, subject to other US export laws. Due to the US embargo of Cuba, you may not ship products to Cuba.

15. Reporting of Violations of the Code of Conduct

The Rule

In the event of a violation of the Continental Code of Conduct, We generally report violations via the Continental Compliance and Anti-Corruption Hotline.

Space for your notes

Continental Aktiengesellschaft

Vahrenwalder Str. 9, D-30165 Hanover, Germany

www.continental-corporation.com

For all its subsidiaries

Continental 
The Future in Motion

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