

CODE OF CONDUCT



Schmidt Light Metal Group

MESSAGE FROM THE BOARD

Schmidt Light Metal Group is composed of Schmidt Light Metal, Fundação Injectada, Lda. (“SLM”), DMM – Desenvolvimento, Maquinagem e Montagem, Lda. (“DMM”), AutoConceptus – Projectos de Engenharia, Lda. (“ATC”) and ODIBIL – Oliveira de Azeméis Imobiliária, Lda. (“ODB”).

Schmidt Light Metal Group’s mission is to create integrated solutions, putting craftiness and talent at the service of a motivated, resilient and committed team, focused on anticipating market needs and on serving with higher levels of determination and excellence.

Schmidt Light Metal Group has always been guided by Values of Talent, Team Spirit and Commitment, notwithstanding the importance of Discipline and Responsibility as key pillars of all the work and products we conceive and execute.

We aim to keep growing in a serious, sustainable way, ensuring that each employee and Stakeholder follow Schmidt Light Metal Group’s conduct by maintaining a responsible, pro-active attitude. We have the goals of reducing the environmental impact of our activities to a minimum, while fully respecting ethical principles and rules mentioned herein and within complementary Policies and Regulations as well.

The success of the strategy Schmidt Light Metal Group intends to follow is therefore dependent on righteous, upstanding individual decisions taken on a daily basis and that may clearly demonstrate levels of excellence and accuracy.

The approval and subsequent implementation of a Compliance programme – at the core of which is this Code of Conduct – is an important step towards regulating and fully incorporating such values and rules, which ground Schmidt Light Metal Group’s corporate strategy and its goals.

We expect the commitment of our members towards a culture of excellence, which is the way to remain on a successful path at Schmidt Light Metal Group, fostering our continuous growth.

The Board



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1. AIM AND SCOPE OF THIS CODE OF CONDUCT

In an ever-changing world, which demands increasingly faster adaptability, flexibility and rapid response from the automotive industry, we want our performance to be in permanent ethical compliance with our corporate policies and to be coherent with them.

Therefore, each one of us is responsible for acting with honesty and integrity in every moment, in accordance with Schmidt Light Metal Group's policies and regulations. The present document has been written to guide our activity, to help us fulfil our duties and to ensure we know which are the key principles conducting our activity.

The present Code seeks to:

- in a clear and understandable way, make all Members and *Stakeholders* familiar with the principles guiding all activities at Schmidt Light Metal Group, as well as with the key rules of ethics that should ground their daily conduct;
- ensure that Members, Clients, Suppliers, Business Partners, Schmidt Light Metal Group's Partners and *Stakeholders* incorporate such principles and rules in their professional relations;
- to strengthen Schmidt Light Metal Group's own culture, based on the promotion of talent, of responsibility, of commitment and of team spirit, in all of the corporation's activities.

The present Code of Conduct may be applicable to:

- all Members (any person or persons working for Schmidt Light Metal Group, regardless of their contract, of where they are or where they work), both regarding their professional relationships with each other, as with clients, suppliers, business partners or *Stakeholders*; and
- consultants, agents, representatives or any person or persons acting in the name or for any of Schmidt Light Metal Group's companies, that a Member may have a professional relationship with.

Applying this Code shall not prevent or exempt the enforcement of any other applicable rules, of legal nature or otherwise, namely ethical rules applicable to certain functions, activities or professional groups.

2. SCHMIDT LIGHT METAL GROUP VALUES

The recipients of the present Code must respect the values adopted by Schmidt Light Metal Group whilst performing their duties and within their functions and competences. They must also uphold these values in their professional relationships with each other or with any regulatory or supervising entities, business partners, clients, suppliers, service providers, media or any government or private entities. The values are the following:

- **We have talent:** We trust our know-how and we are demanding with ourselves and with others, confident in our capabilities of working fast and flexibly, of being innovative, yet humble enough to know we will still have much to learn along the way. We intend to be a school, a reference, proud of the dedication of our people, of their skills and of their growth.
- **We work with discipline:** Being thorough and organised, focusing on quality, aiming excellence in everything we do. Ours is an attitude of demand. We are focused on what really matters. By respecting others, by having leading capacities and by being conscious of our roles, we know that the outcome of our hard work and our full commitment on achieving our goals is success.
- **We have Commitment:** We anticipate and build change by rapidly creating valuable solutions. We are resilient, responsible, dedicated. And we constantly demonstrate a will to do more and to do better. From our loyalty, from our determination to overcome obstacles and from our desire to excel come the willingness and, mostly, the pride in taking part of Schmidt Light Metal Group.
- **We are a Team:** We show respect and education in every moment. We are aware that a well organised team, united, cooperative, agile and that acknowledges the importance of feedback is capable of anything. We work in cooperation with each other, setting our minds to a common goal. We seek the success of our Organisation and not just our own or that of our team. Acknowledging there are no perfect people, we still believe there can be perfect teams.
- **We act with responsibility:** We assume a full commitment within our community, serving it, cooperating with it and seeking its development and growth. We firmly defend a circular economy and we promote the prioritisation of environmental resources. We believe that the will to honour our commitments with all our business partners creates value, while maintaining a strong sense of humanity and solidarity with and for those who are part of our Group.

Moreover, recipients of this Code must, at all times, act according to the interests of Schmidt Light Metal Group, and comply with the law, with integrity and in good faith, in a professional and loyal manner.

3. RELATIONSHIPS BETWEEN MEMBERS

Schmidt Light Metal Group values a human component and seeks a climate of proximity, transparency and support in the relationship with its Members and in the relationships Members create amongst themselves. We believe this ensures their continuous satisfaction.

Fulfilling basic rules of coexistence and having mutual respect are principles that all Members must live by, hence the importance of following our Rules of Procedure, complementary to the present Code.

4. EMPLOYMENT RULES

Each company at Schmidt Light Metal Group is bound by any applicable employment rules, namely those regarding: (i) equality and non-discrimination at work, (ii) harassment and (iii) work safety and health, in compliance with the applicable Regulation, complementary to the present Code.

5. CONFLICT OF INTERESTS

Schmidt Light Metal Group fosters unbiased and impartial relationships amongst Members and with third parties. However, since we are aware of certain limitations related to business transactions and to the contracting of services of behalf of our company, Members shall avoid any actions or relationships which may constitute or may appear to constitute a conflict of interests.

There is conflict of interests when: (i) the interests of a member interfere, or seem to interfere, in any way, with the global interests of the company or (ii) a member, a relative or a friend receive undue personal benefit as a result of member's position at the company.

When confronted with a potential conflict of interests, Members at Schmidt Light Metal Group must:

- inform their direct supervisors, in written form, about a potential conflict of interests they are or may be involved in, before carrying out any operation or concluding the potentially conflicting business;
- refrain from (i) directly or indirectly influencing any decision-making or intervening in decisions which may affect the entities with whom there is a potential conflict of interests; and from (ii) taking part in meetings where such decisions are to be discussed or where confidential information regarding the conflict are to be assessed;
- always act notwithstanding individual motivations and refrain from prioritising one's own interests or those of third parties.

6. RELATIONSHIPS WITH THIRD PARTIES (INCLUDING THE GOVERNMENT)

All recipients of the present Code of Conduct must follow the abovementioned rules regarding their relationships with third parties, including authorities, clients, suppliers and other partners:

- to be professional, honest, transparent, to have integrity and to respect appropriate rules of politeness and good manners;
- to respond to all requests in an adequate, transparent, timely fashion, upholding high professional standards;
- to treat competitors with loyalty and respect; and
- to attempt to preserve and foster Schmidt Light Metal Group's reputation.

In accordance with the law and within the scope of their relationships with public authorities or other entities, Members must collaborate whenever required, by giving timely responses to all requests. Members shall also refrain from adopting any behaviour that might prevent or hamper the work of such authorities.

7. SOCIAL RESPONSIBILITY

Schmidt Light Metal Group has adopted Responsibility as a value and has developed a Corporate Social Responsibility Policy actively involving Members, Clients, Suppliers, Business Partners, as well as Schmidt Light Metal Group Partners and *Stakeholders* within local communities. We acknowledge the importance of doing so in a sustainable way, pursuant to Schmidt Light Metal Group's corporate goals.

The Corporate Social Responsibility Policy, which is a complement to the present Code, seeks to meet the needs of Members and of local communities with which Schmidt Light Metal Group directly or indirectly interacts. We want the Group's activities and our Corporate Social Responsibility actions to become a positive contribution for the life quality of its members as well as that of the communities where they live in.

In its annual reports or by other means, Schmidt Light Metal Group regularly divulges information regarding social responsibility activities carried out by the group, as well as their outcomes.

8. MONEY LAUNDERING

Schmidt Light Metal Group is in strict compliance with all applicable legal matters, local or international, with respect to the prevention of money laundering crimes.

It is prohibited to convert or transfer goods obtained from criminal acts or from the practice of such acts, the purpose of which is to transform the goods into legal money. This can be achieved by dissimulating its criminal origin or by avoiding the identification and subsequent criminal prosecution of the person or persons involved in the criminal act.

Likewise, one shall not aid nor facilitate any conversion or transfer operation such as those referred to in the previous paragraph.

To knowingly acquire, keep or use any goods obtained from a criminal act or from a participation in a criminal act, regardless of the nature of the crime, is also prohibited.

No person or persons shall execute any of the aforementioned criminal acts; moreover, they shall not participate or be an accomplice in such acts, nor facilitate their execution or advise others to do so.

Goods obtained from criminal acts refer to benefits from the practice of crimes such as procuring, child or minor sexual abuse, extortion, trafficking of narcotic drugs and psychotropic substances, arms trafficking, trafficking of human organs and tissues, trafficking of protected species, tax fraud, influence peddling, corruption and all crimes punishable with a prison sentence no shorter than six months and no longer than five years, among others explicitly mentioned in any applicable local or international laws.

The company's financial records are one of the most important mechanisms to control activities at Schmidt Light Metal Group with regards to money laundering. To that end, it is critical that these records are inviolable.

Schmidt Light Metal Group has its autonomous money laundering policy, which is complementary to the present Code. Any infringement or suspected infringement of rules concerning money laundering must immediately be reported to Schmidt Light Metal Group's Compliance Department and/or to the appropriate reporting channel, mentioned in our *Code of Ethics and Whistleblower Protection Policy*.

9. ANTICORRUPTION AND ANTIFRAUD

Fraud and corruption allegations cause severe damage to the image and the reputation of any Schmidt Light Metal Group company. Therefore, all members shall comply with every local or international anti-corruption laws applicable.

Seeking to prevent any corruption allegations concerning a Schmidt Light Metal Group company, the acceptance of any benefits in exchange for any preferential treatment towards a third party is not allowed. It is only deemed acceptable to make offers that fit into socially adequate, customary conducts that are mentioned in the Anticorruption Policy, albeit the fact that offers seeking to influence an existing professional or business relationship – or that appear in that way – must be politely declined.

The Anticorruption Policy is a complementary part of the present Code.

10. POLITICAL CONTRIBUTIONS

Schmidt Light Metal Group respects and admits all political opinions, enabling an equal individual participation of all Members in the political process and in contribution campaigns.

However, no donation or political contribution may ever be carried out on behalf of a Schmidt Light Metal Group company, or in a way that appears to be carried out on behalf of a Schmidt Light Metal Group company.

To that end:

- Company organs, legal representatives or volunteers at Schmidt Light Metal Group companies are not allowed to make any sort of cash or in-kind contributions or loans to political parties on behalf of Schmidt Light Metal Group; and
- Cash or in-kind contributions or loans to political parties are allowed as long as they are unequivocal individual actions carried out by a member of Schmidt Light Metal Group and as long as such actions have no relation or connection whatsoever to Schmidt Light Metal Group or to any of its companies.

11. CONFIDENTIALITY OF INFORMATION

In their professional capacity, Schmidt Light Metal Group Members access information subject to professional secrecy or qualified as confidential, in accordance with contractual terms and/or with the law.

Obligation of confidentiality includes – but is not bound by – information regarding work documents, business secrets, industrial secrets, information concerning industrial designs and patents, human resources, clients, company bank data and personal data.

In compliance with the General Data Protection Regulation, the confidentiality and the processing of personal data is duly established in autonomous Policies and Regulations, referred to herein.

Members must not carry out the following conducts:

- revealing confidential information to a third party respecting the company, and/or using and/or arrogating such information without the company's consent; information could namely concern the business conducted at Schmidt Light Metal Group, legal matters, contingencies and responsibilities, processes, products, clients, client-related information, financing, data processing, files, archives and *know-how*, among others;
- revealing confidential information to a third party regarding other third parties, including but not limited to clients, suppliers or business partners, and/or the unlawful appropriation of such information, which may include business deals, aspects regarding Compliance, contingencies, market data, client-related information, prices, costs and *know-how*, among others; and
- using information acquired while at office for personal benefit or for the benefit of a third party, since it constitutes a violation of the law, namely regarding rules of confidentiality and privileged information and the prohibition of *insider trading*.

12. RECORD KEEPING

In order to comply and to keep up with obligations of record keeping, Schmidt Light Metal Group shall keep commercial/business records regarding business management, human resources management and anti-money laundering policies – as referred to in autonomous Policies and Regulations complementary to the present Code – and other market-related documents for a ten-year period.

13. COMPETITION

Loyal and healthy competition are a paradigm that all Schmidt Light Metal Group activities must live by.

With that in mind, Schmidt Light Metal Group Members shall commit to complying with all applicable local and international competition regulations. It is our goal to ensure that the competition between the Group's companies and that with other companies operating within the same market is healthy and fair.

To that end, Members must refrain from anti-competition practices, unfair competition and restrictive trade practices, including but not limited to price fixing, exchange of confidential or commercial sensitive information, coordination with competitors and discrimination of Clients and Suppliers.

Likewise, in their relationship with Schmidt Light Metal Group competitors, Members shall comply with competition law as they must not prevent, distort or stop free competition or oppose any applicable laws regarding this matter.

Relationships with competitors obey rules of cordiality and mutual respect, hence the prohibition of any conducts that may configure slander or defamation of competitors or of their representatives.

- Relationships with Clients, Competitors and Suppliers
- Members must not:
 - by any means, give or receive information to/from competitors or celebrate any deal or contract with a competitor regarding prices, terms of sale, distribution, costs, profit margin, delivery terms, productive capacity or capacity use, market shares, current or future trade conditions, sales territories or clients;
 - take part in informal or secret meetings with competitors;
 - take part in any meetings with competitors to address business-related information, except meetings held in trade or corporate associations of which one or more Schmidt Light Metal Group companies may be part of.
- In their contacts with clients, Members must refrain from any conducts that may be understood as price fixing or a minimum retail price maintenance agreement with a distributor, the latter by establishing a minimum retail price for Schmidt Light Metal Group products or for products from any Schmidt Light Metal Group company.
- It is however possible to recommend prices or to create maximum retail prices.

- When negotiating prices and other commercial conditions with Clients, one must bear in mind that it is possible to apply different discounts, promotions or other price adjustments, or even different terms of sale for the same product, to distinct competing clients, within the same period and in comparable circumstances. However, such differentiation must always be based on objective criteria (e.g., purchased volume, existence of a stable relation with client, client credit level, among others).
- Unilateral Practices
- Rules of competition law sanction the illegal use of market power by a company with a dominant position in order to win or keep its market share. Such illegal use of market power may consist of discriminating pricing, excessive pricing, predatory pricing, exclusivity, refusal to supply and sell a product in order to sell a different product instead.

Any practice potentially considered to be using market power on the part of a Schmidt Light Metal Group company, whose goal is to acquire or maintain a market share, or to exclude or cause damage to competitors, must be previously reviewed and approved by the company board.

14. INTELLECTUAL PROPERTY

Members are bound to protect Schmidt Light Metal Group's intellectual property, namely patents, brands, know-how, industrial secrets concerning operations and technology, as well as copyrights.

A Member who becomes acquainted with or has well-founded suspicion of unlawful use of both intellectual property rights or industrial secrets from any of Schmidt Light Metal Group's companies shall report the situation to the Group's *Compliance Department*, and/or to the appropriate reporting channel, mentioned in the *Code of Ethics and Whistleblower Protection Policy*.

Schmidt Light Metal Group is also particularly committed to not infringing the intellectual property rights of its suppliers and overall business partners, seeking to protect them whenever possible as well.

15. ENVIRONMENT

Schmidt Light Metal Group is committed to having its activity developed in a balanced, sustainable and environmentally responsible way, seeking a continuous improvement of our society.

To that end, Members and *Stakeholders* shall comply with the law and with any other applicable rules concerning the environment, in addition to good internal practices.

Prevention by identifying and managing environmental risks, as well as optimising natural resources, are some of the main principles grounding our individual and collective effort.

All Members must be aware of the environmental hazards of the products and materials used in their daily activities. Certain aspects deserve particular attention, such as consumption levels, handling and ensuring that the use of materials and products is safe and hazard-free both for one's health and for the environment.

16. APPLICATION OF CODE OF CONDUCT

This Code of Conduct shall be carefully read.

Any doubts interpreting or applying this Code, or any need for clarifications, shall be expressed to the *Compliance* Department, which is available to provide assistance at any moment.

Schmidt Light Metal Group provides appropriate training to Members regarding all matters regulated by this Code of Conduct and by any complementary or related Policies or Regulations.

Non-compliance with this Code of Conduct, with otherwise related Schmidt Light Metal Group policies and procedures or with other legal or corporate rules may entail serious consequences for Schmidt Light Metal Group and may substantiate a misconduct and/or breach of contract, depending on the case; corresponding penalties may apply.

In case of conflict between applicable legal provisions and the rules within this Code of Conduct, the former shall prevail, without prejudice of cases whereby internal conducts go beyond the law.

In a logic of continuous improvement, the following Code of Conduct and other internal rulings within our *Compliance* programme must be understood as dynamic legal instruments, subject to occasional revision and alterations.

Recipients of the present Code are to be informed of any revisions and/or alterations.



17. REPORTING IRREGULARITIES

Any actual or potential violation of the rules within this Code of Conduct, of related corporate policies and/or procedures or of any legal provision must be reported immediately to the *Compliance* Department.

If one prefers to speak in confidence or under anonymity, one may send a written report, with the maximum detail possible, to the Compliance Department. One may also use the reporting channel mentioned in the *Code of Ethics and Whistleblower Protection Policy*, in case the irregularities to be reported are referred to therein.

When one is involved in a potential violation, the willingness to report it, the degree of cooperation and the possibility that the violation was non-intentional will all be taken into advisement by the company during its investigation and may result in readjustments to subsequent disciplinary procedures.

No one who reports a violation in good faith shall suffer any sort of retaliation. Retaliation or reprisals on the part of any Schmidt Light Metal Group member against someone who has reported violations, or suspected violations, in good faith, are grounds for dismissal.

Any person who knowingly submits a false claim is in breach of this Code of Conduct and will be subject to disciplinary action, including dismissal, if appropriate.

It is imperative that Members reporting violations do not make investigations by their own hands as complex legal matters may be involved. Acting by one's own account may compromise the integrity of an enquiry and cause as much damage to the investigation itself as it could to the person reporting the violation in the first place. Whenever deemed necessary, the *Compliance* Department shall investigate any suspected violation of this Code of Conduct, of any related corporate policies and procedures or of any legal provision.

Oliveira de Azemeis, October 17, 2018



Date of entry into force

17 October 2018

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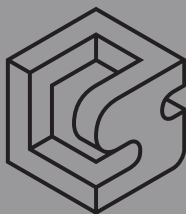
October 17 2018

Submitted by

P&C

Approved by

the Board



Schmidt Light Metal Group