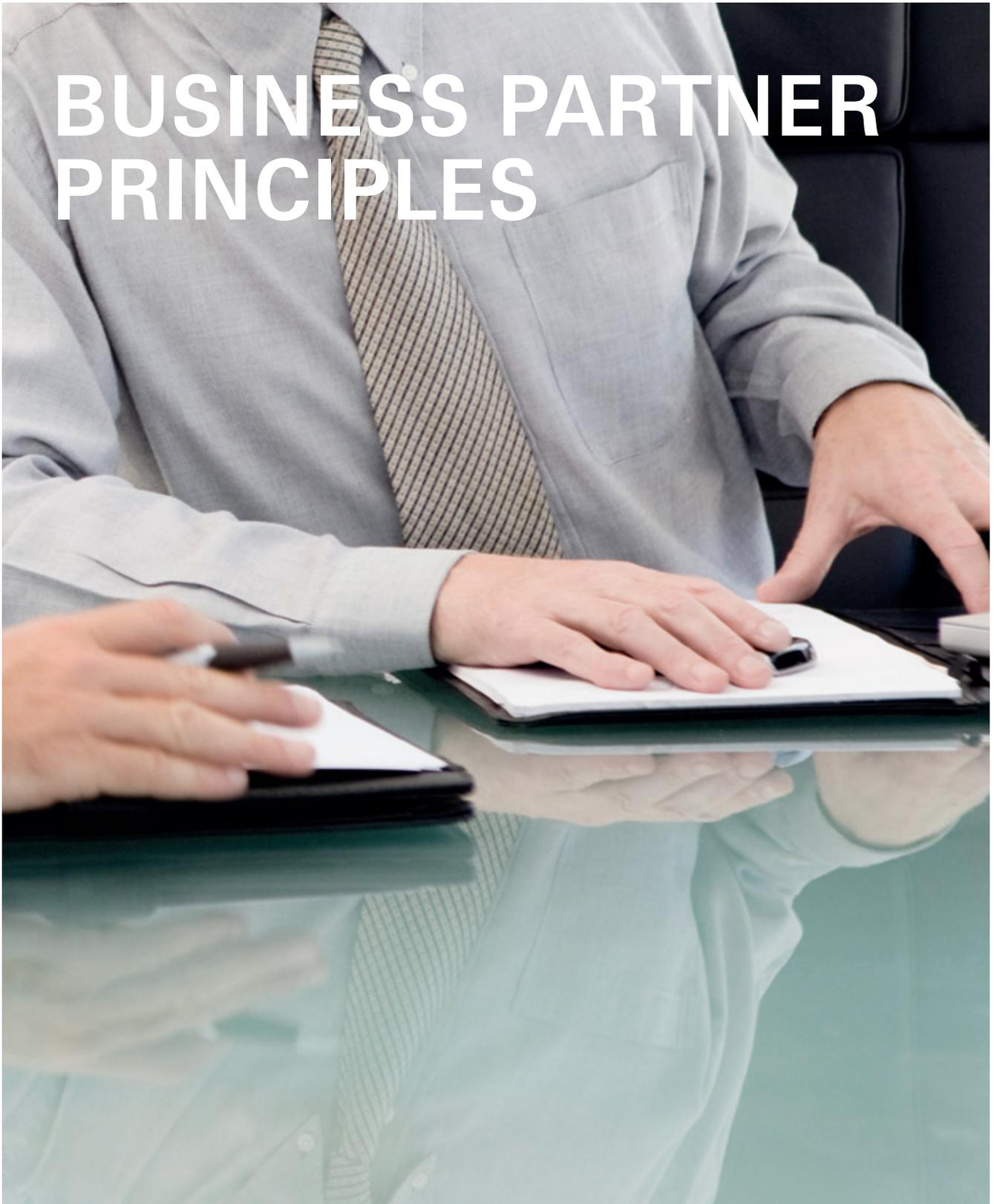


BUSINESS PARTNER PRINCIPLES



FOREWORD

Dear Business Partners,

Correct, responsible, and sustainable business management and the assumption of corporate social responsibility are fundamental components of our corporate policy. Compliance is thus an essential element in ensuring long-term success. Ever since its foundation, the ZF Group (ZF) has been committed to fair and transparent business management and always bases its activities on applicable law and jurisdiction in the countries in which it operates.

Our ZF Code of Conduct, our corporate guidelines, and our principles of social responsibility are binding expressions of the central corporate values of ZF. These include our commitment to sustainable development as well as our adoption of basic principles in the fields of human rights and working conditions, quality and environmental management, health and safety of employees, fair market behavior, and combating corruption.

Having signed the United Nations Global Compact, we unequivocally embrace its ten principles of responsible and sustainable activity. We also observe the ILO (International Labour Organization) core labor standards, the contents of the German Corporate Governance Code, and the OECD Guidelines for Multinational Enterprises. This clearly underlines the depth of our voluntary commitment and drive to implement these standards.

We expect the same fundamental understanding from our business partners. In this respect, these principles go beyond mere adherence to the laws and regulations. For ZF, mutual trust and compliance with the contents of these principles are therefore indispensable elements of a successful business relationship.

Friedrichshafen, November 2013



Dr. Stefan Sommer
Chief Executive Officer of ZF Friedrichshafen AG

PREAMBLE

In these Business Partner Principles, the requirements and the fundamental principles of collaboration with ZF business partners are stipulated.

Business partners are natural or legal persons from whom ZF procures supplies or services or to whom ZF provides supplies and services, without them being employees of ZF or companies affiliated with ZF. Business partners can be, for example, suppliers, customers, commercial agents, representatives, intermediaries, consultants, or other providers of goods and services.



ZF expects all its business partners to:

- Conduct their transactions with integrity and fairly in compliance with the applicable law, and to accept and implement the principles contained in the Business Partner Principles and
- Ensure that their own business partners adhere to the principles contained in the Business Partner Principles and provide compliance support accordingly and
- Cooperate to provide ZF with the information necessary to establish and conduct a partnership – based business relationship.

ZF reserves the right to amend these requirements if necessary. In this case, ZF expects its business partners to accept such changes and implement them accordingly.





RIGHTS AND RESPONSIBILITIES



Laws and Human Rights

Business partners undertake to adhere to the national and international applicable laws and regulations at their locations worldwide. They ensure that human rights are preserved and, in particular, that human dignity is safeguarded.

Business partners do not tolerate any discrimination on the grounds of race, gender, religion, age, nationality, social or ethnic origin, disability, belief, sexual orientation, or political or trade union engagement.

Work Standards

ZF rejects any form of slavery or forced labor as well as child labor, is engaged in its abolishment, and expects the same of its business partners.

Business partners must observe the minimum age for employment stipulated in national legislation.

Business partners must respect the freedom of association and the right to form interest groups. They thus grant their employees the right to serve their interests, within the framework of national laws and regulations.

ZF requires its business partners to be conscious of their social responsibility vis-à-vis their employees and to provide fair and appropriate remuneration and working times. Business partners support the qualification of employees in order to guarantee a high level of performance.

Responsible Raw-Material Procurement

The business partners support all efforts to ensure responsible procurement of resources. They advocate a carefully considered allocation of resources in order to avoid procurement and utilization of raw materials that were attained unlawfully or by ethically objectionable or unacceptable means (conflict minerals).

To exclude future procurement in this manner, and to identify possible conflict minerals in the products along the supply chain, the business partners are obliged to take measures to disclose the origin or source of their resources.

FAIR AND FREE MARKET BEHAVIOR



At ZF, we endorse without restriction the principles of fair and free competition as an elementary component of the market economy. ZF expects the same of its business partners.

Thus, business partners undertake to adhere to the applicable statutory provisions concerning anti-monopoly and competition law. In particular, they do not participate in illegal price-fixing or prohibited coordination of market activities between competitors. Similarly, business partners do not exchange sensitive information or information relevant to competition with their competitors.

In their global business activities, business partners observe all applicable international trade regulations. They ensure adherence to the laws applicable to the import and export of goods and services and comply with applicable economic embargos. As part of the supply chain, ZF expects to be informed by its suppliers of export restrictions and classifications.

COMBATING CORRUPTION



Ban on Corruption

Corruption is banned by international conventions and national laws. ZF does not tolerate any form of bribery among employees or business partners, or any business practices that could create the impression of improper manipulation or influence.

Within the framework of their relations with ZF, business partners undertake neither to offer third parties advantages of any kind directly or indirectly, nor to obtain advantages or promises of advantages directly or indirectly for themselves or for others that represent an illegal act according to applicable anticorruption legislation.

ZF expects its business partners to not tolerate any form of unlawful gratuity, particularly in business dealings with public officials and authorities in Germany and abroad. Business partners also undertake to ensure their employees act and proceed with integrity.

Business partners must also reject facilitation payments (i.e. payments to public officials not required by law for the purpose of inducing the public official to accelerate or carry out an official act to which a right principally exists).

Money Laundering

ZF undertakes to assist in the international battle against money laundering and adopts applicable measures to comply with the relevant provisions. ZF expects the same of its business partners.

Conflicts of Interest

Transparency in all business processes is extremely important to business partners. ZF expects its business partners to make decisions based solely on factual considerations and to avoid in particular those personal or familial conflicts of interest that could lead to irrelevant considerations.

Business partners undertake to avoid creating even the impression of any nonbusinesslike conduct.



Gifts, Invitations, and Other Inducements

When it comes to inducements in the form of gifts or invitations, business partners strictly ensure that no appearance of dishonesty or incorrect behavior can arise, in particular in connection with their activities for ZF.

Business partners tolerate neither the acceptance nor the offer of Inducements that are extended in expectation of an unlawful return service or advantage that could raise doubts about their integrity or that could appear to influence business decisions.

Donations and Sponsoring

In the allocation of donations, business partners follow the principle of altruistic action. Their donations are solely voluntary and in accordance with the applicable legislation.

Business partners sponsor individuals, groups, or organizations without any intention of gaining unfair business advantages.

OCCUPATIONAL SAFETY AND HEALTH, ENVIRONMENTAL PROTECTION



Occupational Safety and Health

Business partners promote the safety and health of their employees through appropriate provisions such as preventive and rigorous occupational safety and health measures and a safe and healthy working environment.

Environmental Protection

Business partners are committed to sustainable, responsible, and considerate handling of resources and raw materials.

In manufacturing products and executing procedures, they ensure an efficient deployment of energy and resources and adhere to the applicable environmental standards. They require their employees to minimize environmental endangerment while performing their jobs and to support the considerate handling of resources.

“To lead business with integrity – responsibly and sustainably – and to take on social responsibility are core components of our corporate policy. Compliance is therefore an essential factor in ensuring long-term success.”

Dr. Stefan Sommer, Chief Executive Officer of ZF Friedrichshafen AG



HANDLING OF INFORMATION



An essential aspect of collaboration with ZF is the confidential handling of information.

To ensure that confidential or personal information, data, and plans are protected, business partners must securely preserve confidential information and protect it from access by third parties.

Business partners may only use information exclusively for authorized purposes and in an appropriate manner.



NOTICES AND REPORTS



ZF Trustline

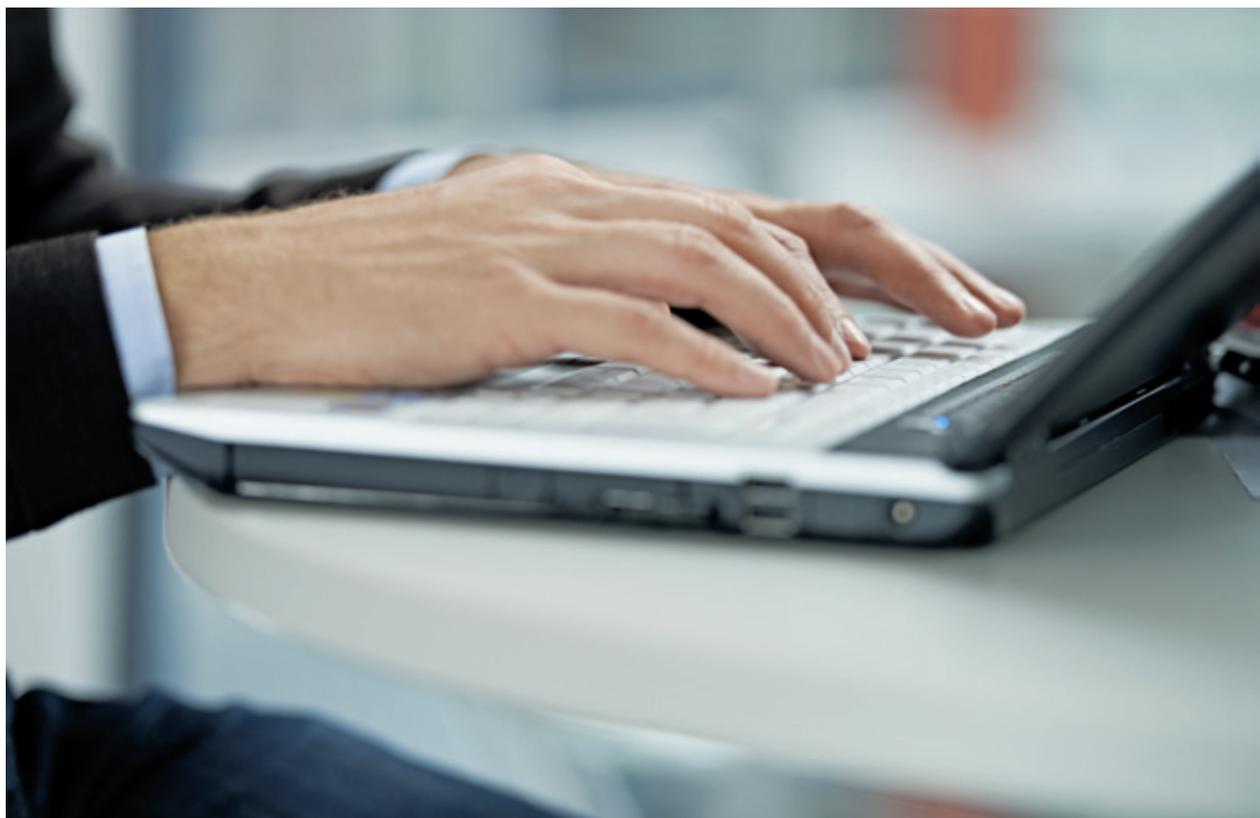
ZF expects its business partners to report indications of possible criminal offenses, wrongdoings, and special risks that could impact ZF. The ZF Trustline can be used to this effect:

<https://www.bkms-system.net/Trustline>

Neither ZF nor its business partners tolerate any form of discrimination of persons on the grounds of such indications to ZF or its business partners.



CONSEQUENCES



ZF places great importance on a trustful collaboration with its business partners. The ZF Group requires selected suppliers to perform self-assessment on the basis of the Supplier Self Assessment Sustainability. In addition, ZF conducts a risk-based examination for its business partners in order to identify possible compliance and integrity risks (Business Partner Compliance Due Diligence).

ZF reserves the right to scrutinize the business relationship with the business partner in case of nonconformance with this Business Partner Principles. In this regard, ZF acts pursuant to the principle of proportionality, which means that in each case ZF carefully examines which consequences are appropriate, suitable, and necessary. This can lead, for example, to immediate termination of the business relationship as well as to enforcement of compensation claims.

CONTACT

All business partners have the option of directly contacting the ZF Compliance Organization at any time.

Compliance

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MOTION AND MOBILITY