



**INTEGRITY &
COMPLIANCE**

Code of Conduct

**ONE company, ONE code,
ONE commitment to INTEGRITY.**





Leadership Message

Dear colleagues,

It has been an exciting time for our team since the launch of Yanfeng Automotive Interiors in July, 2015. As one global team we have accomplished a lot. We've introduced our company to customers, suppliers and other key stakeholders and also established a vision, mission and values and other key business processes. We have a commitment to growth that is exemplified through significant new business awards. Our future is certainly bright.

As a team, we share an unwavering commitment to our vision – a better life on board through superior automotive interior solutions. We cannot achieve our sustainable growth targets and continued success without each employee's dedication, commitment and passion to uphold the highest ethical standards, and to comply with all legal requirements everywhere in the world where we do business. Our values and principles will be the guide to our success.

Integrity is understood and respected in all languages and cultures – without the need for translations. We operate across the globe, with people speaking different languages, living in diverse cultures and coming from various backgrounds. While we recognize the differences, we can never compromise on our core value of Integrity – it must always be upheld. We must be dedicated to doing the right thing – always. This will lead to sustainable success for our company.

Whether it's in our private lives or an everyday business environment, Integrity should be the cornerstone for our behavior. For us as a company, Integrity means doing what's right by following ethical norms as well as company policies. Integrity is not some abstract concept; rather, it is a value that must underlie everything we do. As a member of YFAI, you are expected to always uphold this core value. And as leaders we pledge that you will never be alone in doing so.

Our Code of Conduct (the "Code") provides guidance for ethical business conduct and serves as the foundation for our commitment to Integrity as a company. The Code is part of our Compliance Management System to support healthy and sustainable growth. We ask you to make the commitment to embrace our Code and join in building a company culture dedicated to Integrity and quality in everything we do.

Finally, one of the key initiatives that accompanies the Code is our new Integrity Helpline, which is an essential element of our Compliance Management System. We urge you to use this tool to report concerns or ask questions regarding behavior which may be inconsistent with the Code. You have our assurance that no employee will suffer from retaliation as a result of any matter reported in good faith.

Integrity at YFAI: One Company. One Code. One Commitment.

Johannes Roters
Chief Executive Officer

Weizhong Wang

Weizhong Wang
Deputy Chief Executive Officer

Xiongwei Min
Party Secretary

Our Commitment to Integrity



1. Why do we need a Code of Conduct?

YFAI is committed to the vision of creating a better life on board through superior automotive interior solutions. We can only achieve this vision if we are dedicated to doing the right things all the time.

Doing the right things means conducting our business in a fair, ethical and respectful manner. And when we do the right things, we not only improve our Company, we also improve the communities where we conduct our business.

Whether we realize it or not, each day we are confronted with circumstances which require us to make ethical decisions. Sometimes not all situations are clear-cut, so we need guiding principles to lead us through ethical dilemmas. Without such guidance, it is not always easy to correctly identify the right path, and when we identify it, to follow it. Our Code of Conduct (the “Code”) provides guiding principles to lead us along the right path, especially in difficult situations. Our Code functions as a compass to guide each YFAI employee as he or she conducts business on behalf of the Company.

The Code is the foundation of our Compliance Management System, which is a risk management system based on the compliance best practices of leading companies around the world. The elements of the Compliance Management System will be contained in our Business Operating System.

The goal of the Code is to provide guiding principles so that we act with the highest level of integrity and respect. It also ensures we comply with applicable laws and regulations, and strictly follow our company’s policies and procedures. It enables our Company to be a global leader and a good corporate citizen. Moreover, the Code helps each of us to know and understand what is expected of us as members of YFAI so we can act accordingly.

2. Who should follow the Code of Conduct?

The Code applies to everyone at YFAI - including the Board of Directors, Company officers, employees, agents, business partners and contract workers. There are no exceptions. As a global company, YFAI is operating in many countries with varying legal requirements. While we recognize the diversity and complexity of the rules that apply to our business, we expect that the Code will make it easier, not more difficult, to comply with applicable laws and regulations.



3. What are my responsibilities as an employee?

Our conduct – both good and bad - affects the reputation of the Company. We must be aware that each of us represents the Company whenever and wherever we are doing business. Following the Code helps each of us to maintain and enhance the good reputation of the Company. As a YFAI employee, you are expected to always comply with the Code, our Company's policies and procedures, and applicable laws and regulations.

You are expected to not only know and follow the Code, but also are expected to take action to address violations of our Code, ask questions and seek guidance in questionable ethical situations.

If you feel your concerns are not being adequately addressed in a timely manner, continue to seek resolution by using the available channels to report your concern.

Finally, as an employee of YFAI, you may also be required periodically to certify your understanding of, and adherence to, the Code or any specific policy or procedure. If required, this certification would be mandatory.

4. What are my responsibilities as a supervisor?

As a supervisor, you should act consistently as a role model for integrity and ethical behavior. You are expected to support your team in understanding and complying with the letter and spirit of the Code. In many cases, you will be the first person consulted regarding potential misconduct. In these cases, it is your responsibility to provide guidance and support in following the Code and addressing concerns. It is important that you understand the Code and are able to comfortably respond to questions in a timely manner.

If you are asked to interpret or apply the Code and are uncertain as to how to respond, you should escalate the matter to your supervisor, discuss it with a member of the Legal and Compliance Department, or seek guidance via the Integrity Helpline. Under no circumstances should you independently investigate known or suspected violations of the Code. The Legal and Compliance department will assign specialized professionals to conduct investigations, and all investigations have protocols and procedures that must be followed to protect the integrity of the investigation and the Company in case of subsequent legal action.



5. What if I observe a misconduct or am confronted with an ethical dilemma?

Every employee is encouraged to report actual or potential misconduct. YFAI provides various ways to report a concern or ask a question. Whether it is through the Integrity Helpline, the open door policy with the Manager Incident Report Form or via confidential discussion with the Legal and Compliance department, do not hesitate to speak out. As a supervisor, you should always make yourself available to your team members' questions or concerns.

Always remember: When in doubt, speak out. Failure to timely correct non-compliant behavior could have a significant, negative financial or reputational impact on the Company. The Company encourages each employee to raise questions or concerns at an early stage, so that potential problems can be corrected before YFAI or individual employees are negatively affected. By acting early, you can protect the Company and its employees.

We are committed to the principle that there will be no retaliation against those who report possible misconduct. This means that an employee will not suffer negative consequences for raising questions or concerns about possible violations of the Code or for reporting misconduct. If you believe that you have been retaliated against due to your report of misconduct, you should immediately report such concerns to your supervisor, Human Resources or a member of the Legal and Compliance Department.

6. What conduct may be subject to disciplinary action?

Violations of the Code are subject to disciplinary action, up to termination of employment or business. All employees, suppliers, agents and other third party business partners are expected to fully cooperate with investigations conducted by the Company regarding possible violations.

We will treat those involved transparently, fairly and consistently throughout the course of the investigation. Each case will be carefully reviewed to determine the appropriate actions.

Examples of misconduct that may result in disciplinary action include, but are not limited to:

- Direct or indirectly involved in the violations of the Code, Company policies and procedures or applicable laws and regulations;
- Failure to cooperate with investigations, providing false or misleading information to the Company or intentionally withholding relevant information at any time, including during the course of investigation;
- Failure to take action on a known or suspected violation of the Code or applicable laws or regulations;
- Deliberately ignoring information within the scope of your responsibility that would allow you to learn and prevent known or suspected violations of the Code, company policies and procedures or applicable laws and regulations;
- Retaliating against an individual who has reported in good faith actual or potential misconduct;
- Intentionally making false accusations of misconduct.



Guiding Principles



1. We obey the laws and regulations of all countries where we conduct business and comply with our company's policies and procedures.

As a global company, we have global responsibility. We are committed to complying fully with all applicable laws and regulations in every country where we do business. Our company's policies reflect the laws of the countries where we do business, and they're often more demanding than some laws require. All third parties including agents, consultants, suppliers and contractors are also expected to comply with all applicable laws, regulations and company policies and procedures in connection with any business conducted with YFAI or on our behalf.

2. We do not tolerate corruption in our business.

We win business fairly and legally, relying only on the integrity of our products, services and personal commitment to our customers. Unethical or corrupt behavior by our employees or business partners is forbidden and will not be tolerated. We will actively campaign against corruption in our Company. Our Company will be known for its fair, honest and transparent business practices.

We will not provide or accept lavish or extravagant gifts. We do not ask for or encourage the giving of gifts, entertainment, benefits, or anything of value for ourselves or others from those that we do business with. We refuse gifts, entertainment, benefits or anything of value from business partners whenever their value may influence or appear to influence our decisions.

We will not offer, pay or authorize the payment of money or anything of value (such as gifts, entertainment, travel, service or employment), either directly or indirectly, to any individual or entity in order to secure an improper advantage or for the purpose of obtaining or retaining business. Such behavior is illegal in every country where we do business.

3. We ensure our records are accurate, complete and appropriately maintained and our internal controls sound.

All YFAI business records must be maintained accurately and completely. We are required to maintain reliable records to satisfy legal, tax or statutory requirements. Our customers, shareholders, business partners and government authorities also rely on the accuracy and completeness of our financial and business records for their activities. Whenever there is an inaccurate record, whether it is a financial report, engineering document, or expense report, or other type of record, it should be corrected, and where appropriate, the reasons for the correction should be noted.

We are dedicated to maintaining an effective internal control system to ensure the Code, our policies and procedures and applicable laws and regulations are followed not only by our employees, but also by all third parties with whom we do business.



4. We do not use illegal or unethical means to gain an advantage over a competitor.

We support free and undistorted competition and are committed to fully comply with all antitrust and competition laws in the countries where we do business. We deal with our competitors in a fair manner and cooperate with our business partners and customers on the basis of mutual trust. We win in the market through superior products and services and will not seek or use illegal or unethical advantages as we compete in the marketplace.

We prohibit illegal agreements and coordinated behavior that intend to or may limit competition. We will not agree with a competitor on any element of pricing or on what products to develop, or to whom or where we sell. We do not engage in bid rigging or artificially limit our production or sales volume.

The Company will provide employees with guidelines and training to equip us with the knowledge that enables us to identify and avoid competition law risks. As competition laws can be complicated, employees are encouraged to consult the Legal and Compliance Department if further guidance is needed.

5. We comply with international trade laws.

We are committed to following all laws and regulations regarding international trade. This includes laws and regulations relating to import/export, customs, embargos and boycotts where applicable to our business. In addition, we comply with the requirements of classification, valuation, country of origin, licensing, preference programs, and record keeping stipulated in the respective laws of the countries where we do business. Penalties for violations of these laws can include significant fines, denial of export privileges, negative reputational impact, and even imprisonment.

We must ensure the agents that we engage to handle certain import and export processes are following our policies and procedures and relevant customs laws. The recognition, reporting, and resolution of an import or export compliance issue or discrepancy shall be managed according to the local laws. Audits, investigations, significant penalty notifications from government authority or similar must be immediately escalated to your local leadership and the Legal and Compliance Department.



6. We protect the privacy of individuals.

We respect and protect the privacy of the personal data of our employees, suppliers, customers and other business partners. Every YFAI employee is required to comply with the applicable data protection laws in the countries where we conduct business. We inform individuals about the collection and processing of personal data, as well as rights regarding it.

We collect, process and use personal data only to the extent that such data is necessary for clearly defined and lawful purposes. We use personal data only to support the operation of our company and ensure that data is used in a transparent manner. We store personal information securely.

We are committed to upholding an appropriate standard of information - processing security. All components of information processing must be secured so as to safeguard the confidentiality, integrity, availability, and verifiability of information deserving protection and to take the necessary precautions to prevent unauthorized use.

7. We act in the Company's best interests at all times.

We are expected to always maintain the highest degree of integrity when dealing with our business partners and to act solely in the best interests of the Company. When we are making business decisions, we shall always promote the best long-term interests of our Company. YFAI information, property, relationships or authority should never be used for personal gain.

Personal or private interests must not influence Company business decisions. Avoid all situations in which private or personal interests conflict or appear to conflict with the interests of the Company. Any situation that constitutes a conflict or gives the appearance of a potential conflict must be disclosed immediately. Timely disclosure provides an opportunity for clarification and appropriate resolution of the conflict. You should seek your supervisor's advice, consult Human Resources or the Legal and Compliance Department before engaging in business with a third party or hiring a candidate with ties to your family, friends or colleagues.

8. We safeguard the health and safety of our employees.

We are committed to maintaining a healthy and safe work environment for our employees. Every Company employee is responsible for complying with all applicable health and safety laws, regulations and guidelines. Whether you work in a plant or office building, each of us must actively participate in creating and maintaining healthy and safe working conditions. Employees must report all accidents, near misses and safety issues according to Company procedures. In addition, you are encouraged to look for ways to improve workplace health and safety wherever you work.

At work, you must remain free from the influence of illegal drugs, alcohol or any substances that may impair your ability to work safely and effectively. We do not tolerate violent behavior, threats to people or property, or physical intimidation or coercion.

It is the Company's goal to continuously improve the health and safety of our working environment. Where required, each employee is expected to participate in training and workshops to promote health and safety at YFAI.



9. We use company assets responsibly and honorably.

Each employee is obligated to diligently protect and properly use the Company's assets. This includes tangible assets, such as equipment or computers, as well as intangible assets, such as technology, inventions or ideas. In addition, we must protect and properly use third party assets in the Company's possession.

Never use the Company's assets for illegal, unethical or unauthorized purposes.

This includes:

- Using Company resources to offend, harass or threaten others or to access, send or store illegal or generally offensive material;
- Using a Company computer or mobile device to visit internet sites with offensive or illegal content;
- Using Company resources to reproduce, display, distribute, or store materials that violate any party's trademark, copyright, licensing or other intellectual property rights;
- Using assets such as Company vehicles for improper, illegal, or unauthorized personal purposes.

10. We protect the Company's confidential information and respect that of our customers and competitors.

Information about our company, our customers, our employees and our business partners is one of our most valuable assets and must be appropriately used and protected. Similarly, the information resources we use to design interiors programs, manufacture our products, control our plant equipment, and communicate with our customers, must also be used and protected appropriately. These resources are exposed to the risk of information breaches, intellectual property leaks, cyber security exposure and other continuously evolving threats.

We treat non-public Company business information as confidential and do not share it without authorization. You must follow Company policies regarding the disclosure, storage and use of proprietary business information. Never disclose confidential information to third parties without a nondisclosure or confidentiality agreement approved by the Legal and Compliance Department. When using Company confidential information outside the office, take care to prevent others from seeing or accessing it.

You must also protect third party non-public information and treat it as confidential. This includes confidential information belonging to our partners, suppliers and competitors. Do not seek or receive competitors' confidential information unless the disclosure is covered by a confidentiality agreement approved by the Legal and Compliance Department.

If you leave the Company, you must return all information in your possession or control. In such case, your confidentiality obligations to the Company remain in effect. Similarly, if you have confidential information from a previous employer, you must continue to keep that information confidential and not share it with YFAI.



11. We are committed to providing safe and high-quality products and services.

We are committed to the safety and quality of our products and services and seek to make continuous improvements in these areas wherever possible. As an employee, you have a key role in ensuring that the Company is providing safe, high-quality products and services. It is your responsibility to inform your supervisor or the Quality Department if you believe there is any deficiency in the design, manufacture or assembly of a product that threatens its quality or safety. In addition, if you have a suggestion which could improve the quality or safety of our products, you should communicate this to your supervisor.

12. We value diversity and equal treatment in our workplace.

Diversity of thought, culture, background and skills improves the quality of our work and the vitality of our workplace. We recognize the value of diversity in ensuring our long-term success and seek to promote it throughout YFAI. At the same time, we respect differences and will not tolerate discrimination or harassment of any kind in our Company. We treat all people equally and with tolerance, regardless of race, ethnicity, religion, gender, sexual orientation, age, medical condition, disability, union membership or any other factors protected by applicable law.

In addition, YFAI treats everybody equally in hiring, salary, benefits, advancement, discipline, termination and retirement. We focus on the value that people add to our Company.





Conclusion

Our Company is the combination of two strong, successful companies that embrace integrity as a core value.

To sustain our success, all YFAI employees must continue to foster a deep culture of integrity and ethical behavior. We encourage you to regularly refer to the Code and ask questions or seek guidance when needed. With a strong commitment to our Code and doing things the right way, we can create a company that we can be proud of.

If you have any questions or concerns related to Compliance, we are ready to help!

You may call the [Integrity Helpline](#) or visit www.yfai.ethicspoint.com to report a Code of Conduct violation or ask a question.

The website is available in your local language.
All calls will be answered in the language of the country from which you are calling.
You may choose to remain anonymous for reporting your concern.
We are committed to the principle that there will be no retaliation against those who report possible misconduct in good faith.