

INTRODUCTION

The AXTONE Group, with more than 90 years of tradition, is an expert in impact energy absorption technology for all types of rail vehicles. The company provides the best and safest solutions while meeting all the requirements with regard to ethical standards, legal regulations and basic principles of honesty.

AXTONE Group endeavors to create a common foundation for building a business based on fundamental principles of conduct, which apply to all employees, shareholders and clients from both the public and private sectors, suppliers, competitors and contractors. By applying this Code of Conduct, the AXTONE Group intends to support their Business Partners in the face of ever-changing conditions within the world market and the challenges of accepting social responsibility which results from cooperation within a value chain.

I. BASIC UNDERSTANDING OF MANAGEMENT WITHIN THE ORGANIZATION

The Code of Conduct is based on the common understanding of principles underlying an organization's social responsibility. This means that AXTONE Group's Business Partners assume responsibility and bear in mind the consequences of their business decisions and actions with regard to technical solutions, economic, social and environmental matters while maintaining an appropriate balance of interests.

II. SCOPE

The Code of Conduct applies to all Business Partners of AXTONE Group. It is expected that they endeavor to adhere to the provisions set forth here at all levels of their own actions.

III. CORE PRINCIPLES

AXTONE Group will actively work to adhere to the values set forth below and will ensure that their Business partners also act accordingly.

1. Adherence to Law

AXTONE Group will oblige their Business Partners to abide by the laws, regulations and other applicable legal requirements relevant to their operations under state, EU or international laws. For countries which have weak institutional security systems, it is necessary to examine good business practices and apply such practices to support management of business activity.

2. Integrity in Business Practices

Business Partners will be expected to reject all forms of corruption, extortion and fraud, bribery or any other illegal benefits in relationships with contractors.

Business Partners should run their business activity according to the principles of fair competition and all applicable anti-monopoly regulations.

It is acceptable for AXTONE employees to be given, within reason and custom, gifts as part of common business with special care paid to make sure such gifts are not perceived as bribery, payment or any other form of gaining advantage or as an instrument to affect any decision-making process. AXTONE employees may not accept gifts the value of which from one contractor exceeds 200 PLN per year.

3. Confidentiality of Data

Business Partners of AXTONE should respect confidentiality of information owned by the Group and adhere to the rules of confidentiality. Confidential information means all information regarding practices and methods employed by the Group, its Clients, suppliers, prices and pricing strategies, products, product development plans, marketing strategies, held concessions, contracts made with third parties and any other information the Group classifies as confidential. Documents containing confidential information should be handled with due care and confidentiality, and they should never be divulged to third parties without consent.

4. Communication

Business Partners are expected to communicate in a transparent and open way with their employees, suppliers and other involved parties about the implementation of the requirements of this Code of Conduct. The Group's Business Partners are obliged to duly produce all documents with regard to the cooperation with the Group and to agree all changes introduced therein.

5. Work Standards

Business Partners will be expected to protect human rights and treat people with dignity and respect. The following issues shall be included:

- A. Privacy and protection of personal data – abiding by all legal regulations applicable to protection of personal data, especially particulars of employees and business partners.
- B. Health and Safety – ensuring health and work safety, especially through the guarantee of a safe work environment and striving to avoid accidents and injuries.
- C. Protection against Harassment – protecting employees against all forms of abuse and harassment.
- D. Freedom of Speech – protection and guarantee of the freedom of speech and expression.
- E. Freedom of Association – abiding by the regulations which provide for the freedom of association and forming groups of interests as well as acting in defense of the rights guaranteed therein.
- F. Child Labor and Involuntary Labor – abiding by the regulations applicable to the ban of child labor, zero tolerance for any forms of forced labor.
- G. Work and Employment Conditions, employee rights – abiding by applicable regulations and agreements as made with social partners as well as regular and on-time payment of remuneration.
- H. Working time – abiding by the regulations regarding working time.

I. No discrimination – all employees must be treated equally regardless of their nationality, race, sex, age, ability, religion, political or sexual orientation.

Business Partners should bear quality aspects in mind while administering their business processes. The following issues shall be included:

- a) Safety of Processes – Business Partners will apply safety programs in the management of all production processes.
- b) Safety of Products – products launched on the market will meet the requirements of European, UIC, Russian, GOST and Chinese TB/T norms respectively.
- c) Quality Requirements – Business Partners will meet quality requirements for the goods and services they provide, according to the warranty during their intended use and based on continuous monitoring and improvement.

6. Environment Protection

Business Partners of AXTONE Group will be obliged to adhere to the norms and regulations regarding environmental protection and to promote development of pro-ecological activities within their business operations. It is expected that natural resources (such as water, energy sources or resources) be used in a sustainable manner.

7. Supporting local initiatives

Business Partners of AXTONE Group should contribute to the social and economic development of the countries and regions where they are in business and promote appropriate actions by their employees.

IV. FINAL PROVISIONS

Business Partners of AXTONE Group undertake to make every effort to implement and continuously improve the principles and values set forth in this Code of Conduct. They should also take all necessary steps to ensure the provisions of this Code of Conduct are accepted and applied by their employees, suppliers, contractors within reason and relevant scope.

STATEMENT

I hereby certify that I have learnt the provisions of the Code of Conduct of AXTONE Group and that I undertake to communicate it to my employees and to make sure the provisions of this Code are adhered to.

Signature.....

Date.....