



*Power Systems*

# **Code of Ethical Conduct**

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# Code of Ethical Conduct

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# Code of Ethical Conduct

## From the Managing Director

Dear Colleague,

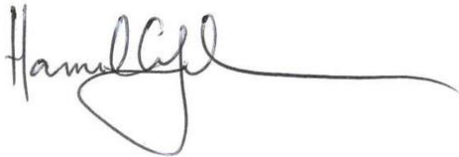
At Penske Power Systems, we are committed to uncompromising integrity in all that we do and how we relate to each other, our customers and our business partners. Our Company has built a strong corporate image and worldwide reputation which is held as one of our most important assets.

Maintaining our good standing and reputation requires an unwavering commitment to honesty and ethical behaviour by everyone.

Our Company has adopted a Code of Ethical Conduct ("**Code**") which is part of the framework that supports our values and underpins our day to day behaviour. The Code explains how we sustain the public's, our customers' and business partners' confidence in our services and it strengthens the efforts of our people to deliver services of the highest quality.

Each of us is personally responsible for making sure that our business decisions and actions comply at all times with the letter and spirit of this Code. Please join me in making the commitment to uphold the principles of the Company's Code of Ethical Conduct.

Our reputation, our products and services all depend on you.



**Hamish Christie-Johnston**





Managing Director

# Code of Ethical Conduct

## Our Values and Behaviours

The Code of Ethical Conduct represents the people of Penske Power Systems. All our employees play an important role and have a responsibility for making the Company a satisfying and rewarding place to work.

**We have adopted a set of Values and Behaviours which set out the principles, standards and actions that we consider of utmost importance. They give us a sense of common corporate direction; they are the basis for guiding our day to day behaviour and underpin the Code of Ethical Conduct.**

 <p><b>LEAD</b></p>	<p>We take responsibility for what we do, and tell it how it is.</p>
 <p><b>CONNECT</b></p>	<p>We build strong relationships which last.</p>
 <p><b>DELIVER</b></p>	<p>Providing world class products and service is our passion.</p>
 <p><b>CARE</b></p>	<p>We are uncompromising on safety, quality and respect.</p>

## Who Does This Code Apply To?

The Code applies to all officers, employees and contractors of Penske Power Systems and its subsidiaries.

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# Code of Ethical Conduct

## Ethical Principles

Each of us has a responsibility for our decisions and actions. The Code aims to support us in our daily activities and provides a general framework to guide ethical conduct and decision making.

The policies supporting our Code are referenced in ***bold and italic*** below and can be found on the Company's intranet. If you are viewing this Code electronically, you can click on the ***bold and italic*** to directly access the referenced policy. You should familiarise yourself with each of the policies to gain a full understanding of our ethical principles.

### Integrity and Honesty

We act in an honest and fair manner when conducting business activities, including those with our employees, customers and suppliers. We do not tolerate unethical behaviour or corrupt practices.



### Ownership, Accountability and Use of Resources

We must take ownership and personal responsibility for doing our job in a way that best meets the Company's overall goals, policies, processes and quality standards. We do what we say we will do. We use, manage and protect the Company's resources, equipment and facilities appropriately and efficiently and not for personal gain or enterprise. We treat the business as our own.



### Environmental Responsibility

We abide by the Company's [Environmental Policy](#) and exercise the utmost care to ensure the environment is protected.

### Equal Employment Opportunity

We abide by the Company's [Equal Employment Opportunity and Prevention of Harassment Policy](#). We acknowledge, respect and are proud of the diverse range of people whom we work with. We utilise the diversity of our people to expand our business and meet the needs of our customers.



### Non-Discrimination

We treat each other with respect and dignity and do not tolerate discrimination harassment or bullying.



### Health and Safety

Our [Health and Safety Policy](#), procedures and guidelines are paramount to our business. We preserve the highest standards of safety, health and welfare for our employees, customers, suppliers and contractors.

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# Code of Ethical Conduct



## Compliance with the Law

We comply with all laws and regulations that apply to the business activities of Penske Power Systems.

## Confidentiality and Use of Information

We keep the affairs of the Company and our suppliers and customers confidential and respect the privacy of personal information in a manner consistent with our [Privacy Policy](#). We safeguard the integrity of the Company's information systems and physical premises by securing personal access and preventing unauthorised access. We do not use confidential information for personal gain or disclose information that is not generally available to members of the public.



## Conflict of Interests

We avoid personal interests or financial activities that conflict or may appear to conflict with the Company's interests or influence our judgment or actions in performing our work. We disclose any actual or perceived conflicts of interests to the performance of our work to our Manager. We follow any specific rules in relation to conflicts of interest as may be contained in our [Delegation of Authority Policy](#) and [Independence & Conflicts of Interest Policy](#).

## Bribery

In accordance with our [Independence and Conflicts of Interest Policy](#), we strictly refrain from providing bribes, kickbacks or any other form of improper payment or benefit, direct or indirect, to any representative of a government, labour union, customer or supplier in order to obtain a contract, some other advantage or government action. We also make reasonable efforts to prevent bribes being supplied by those who perform services for, or on behalf of, the Company. We also refuse accepting benefits of this nature from any person.

## Gifts and Entertainment

We exercise the utmost judgment in giving or receiving gifts, services and entertainment and only do so in accordance with our [Independence and Conflicts of Interest Policy](#).



## External Interests

When engaging in business external to that of the Company we are mindful of the integrity and independence of the Company. Our employees will not serve on boards operated for profit or engage in business activities that interfere with their in-house work without the approval of the Company. The Company maintains a position of impartiality and does not contribute funds to political parties, politicians or political candidates except in accordance with our [Delegation of Authority Policy](#).

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# Code of Ethical Conduct

## Fair Business Practices

We adhere to our [Competition and Consumer Law Policy Manual](#) and engage in fair and honest competition. We are honest and fair when engaging with customers and suppliers and select external service providers based on quality, service, and value.

We maintain effective internal control systems to record, authorise and report with integrity on business transactions and financial matters to ensure these comply with relevant laws, standards and policies.



## Responsible Recreation

We take seriously the problems associated with the misuse of alcohol, drugs or gambling. We provide an Employee Assistance Program, which helps employees and their families resolve personal issues including those associated with alcohol, drugs and gambling. The Employee Assistance Program is provided by Drake Workwise and they can be contacted on 1300 135 600 (Australia) or 0800 452 521 (New Zealand).



## Securities Laws and Insider Training

As part of Penske Automotive Group (“PAG”), a publicly listed company on the New York Stock Exchange, we must observe rules contained in the [PAG Securities Laws and Insider Trading Policy](#). These rules apply to using information about the Company or other companies that are not available to the general public (called “inside” information). The use of material inside information for security trading purposes is strictly prohibited, whether by you, your family members or any other person to whom you may have communicated the information.

## Our Responsibilities to the Company

We are as proud of our work as we are of the Company. Each of us has a personal and professional responsibility to:

- Adhere to the Code of Ethical Conduct
- Assess and address ethical issues
- Ensure that employees who report to us are familiar with the Code
- Consult with others about ethical issues
- Report behaviours or conduct which may be inconsistent with the Code
- Report any actual or perceived conflicts of interests, including outside business activities and employment relationships with family members
- Respond thoughtfully to concerns that others may have about our own conduct
- Confirm our understanding of and compliance with the Code as part of our induction process for new employees or periodically for compliance.

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# Code of Ethical Conduct

## The Company's Responsibilities to Us

- To take reports about possible unethical conduct seriously
- To act in accordance with the [Whistleblower Policy](#)
- To monitor compliance with the Code through internal and external audits and control processes
- To foster an environment which values integrity and respect for the individual.

## Breaches of the Code and Discipline

The Company will address breaches of the Code or unethical conduct in accordance with the Company's [Managing Unsatisfactory Performance and Conduct Policy](#). Disciplinary action may include formal warnings or termination of employment.

## Ethical Decision Making – How do I know when there is an ethical issue?

The area of ethics is rarely black or white, and there is sometimes no obvious right answer to an ethical problem. The following questions may help guide your decision-making.

### The Basic Test

- Does my decision violate the law or Ethical Principles?

### The Window Test

- How would I feel if my conduct appeared on the front page of a major newspaper e.g. The Daily Telegraph or the Herald Sun?

### The Family and Friends Test

- What would my family or friends think about my conduct?
- Would I do this to my own family or friends?

### The Conscience Test

- Am I comfortable with the decision?
- Does it leave me with a bad feeling?
- Can I live with it?

### The Stakeholders Test

- How would my work mates or supervisor react?
- What would the customer say?
- What effect might my conduct have on the reputation of the Company?

If you are still unsure about how to proceed with your decision-making process, please ask for further help from your departmental supervisor or Manager.



# Code of Ethical Conduct

## Where do I go for help within Penske Power Systems?

Ethical issues come in many shapes and sizes, from the run-of-the-mill issues that are part of our daily work to serious breaches of the Code or the law. When you face an ethical issue we encourage you to firstly ask whether you can resolve it within your own work area, branch or department. In doing so, you can consult:

- Your immediate supervisor
- The Branch or Department Manager.

If you have a serious concern or if you believe the problem cannot be resolved within your work area, branch or department, you can seek help from any of the people below.

<b>General Manager - Human Resources</b> Phone: +61 2 9794 2600 Email: <a href="mailto:KNewman@penske.com.au">KNewman@penske.com.au</a>	<b>HR Manager - Operations</b> Phone: +61 7 3271 7777 Email: <a href="mailto:CMcGann@penske.com.au">CMcGann@penske.com.au</a>
<b>Head of Legal &amp; Compliance</b> Phone: +61 7 3271 7777 Email: <a href="mailto:TMyint@penske.com.au">TMyint@penske.com.au</a>	<b>Risk &amp; Compliance Manager</b> Phone: + 61 2 9794 2600 Email: <a href="mailto:MRoss@penskeps.com">MRoss@penskeps.com</a>
The <b>Managing Director, CFO, a General Manager, or a Board Member</b> (including the <b>PTGI President or Executive Vice President</b> ).	

## Whistleblower Policy

The Company has adopted a [Whistleblower Policy](#) to provide an environment in which employees and contractors are able to report instances of unethical, unlawful, or undesirable conduct without fear of intimidation or reprisal. The types of conduct that may be reported under the Whistleblower Policy include:

- Illegal or unlawful practices
- Corrupt activities
- Breach or potential breach of the Code or Company policies and procedures
- Harassment and bullying
- Theft, fraud or misappropriation
- Substantial mismanagement of resources
- Substantial risk to workplace safety or environment
- Action taken against, or harm suffered by a person as a result of making a report under the Whistleblower Policy.

Where a person is not comfortable with reporting a matter within their own work area, branch or department then this can be reported to the General Manager - Human Resources, Head of Legal and Compliance or the Risk and Compliance Manager.



# Code of Ethical Conduct

If you believe the matter is too sensitive to raise internally you can report the matter to the Integrity Hotline established with external service provider, Expolink, by calling 1800 121 889 in Australia, 0800 443 816 in New Zealand or via the website at <http://expolink.co.uk/whistleblowing/submit-a-report/> using access code: "PCV".

You can report concerns anonymously. In all cases a person will not be discriminated against or disadvantaged for making a report in accordance with the Code or the Whistleblower Policy.

It is important that before reporting a matter you ensure there is a reasonable basis for making a report and it is made in good faith. Reports that are found to be deliberately misleading, malicious or frivolous may result in disciplinary action.

## Document Control

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<b>Approved by</b>		
	<b>Hamish Christie-Johnston</b> Managing Director	<b>John DiSalvo</b> Executive Vice President - PTGI

## Amendments

Please Note:

- The issue of an update invalidates the previous issue;
- The currently valid version of the policy can be accessed on the Intranet;
- Hard copy print-outs are not covered by any subsequent amendments;
- Always verify that the version is current before using the information contained therein.