

Subject: Supplier Basic Working Conditions Policy**Subject Policy Number:** FMPG-GL001**Function:** All Suppliers**Department:** All Departments**Issued for:** Global Operations**Country Policy # Referenced:** Not Applicable**Issue Date:** July 18, 2017**Global Policy # Referenced:** Not Applicable**Supersedes:** February 16, 2017**Page:** 1 of 3

I. Summary

Federal-Mogul LLC (Company) supports the protection of international human rights within the realm of its influence and is committed to the highest ethical standards. This Supplier Basic Working Conditions Policy (this “Code of Conduct”) represents the overarching principles guiding the business practices of the Company and the Company expects the same of its Suppliers.

The Company’s principles and guiding business practices are consistent with the human rights frameworks identified in the following:

- The United Nations Universal Declaration of Human Rights
- The United Nations Global Compact
- The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The Global Sullivan Principles of Social Responsibility

The Company will not do business with Suppliers that violate this Policy.

II. Definitions

”Supplier”: As used in this Policy, the term “Supplier” shall mean all entities and persons supplying goods and services (including consultancy and agency services) to the Company or its subsidiaries.

III. Policy/Scope

A. Child Labor

Supplier will comply with local minimum age laws and requirements and in any case will not employ child labor (defined as any person under the age of 16). Age exceptions will be made where legally allowable for authorized job training or apprenticeship programs that bear a clear benefit to the participants. Positions or activities that involve increased risk require appropriate safety training and require employees to be older than 18 years.

B. Work Authorization

Supplier will require that its employees and labor suppliers meet work permit compliance and global immigration requirements as well as legal status in the respective country of operation.

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C. Compensation

Supplier will provide competitive wages and benefits to its employees, which meet or exceed the legally required minimum.

D. Forced Labor

Supplier will not tolerate inhumane treatment of its employees including, but not limited to, physical abuse, harassment or the threat thereof. Supplier will not employ forced, bonded or involuntary labor. All employment terms will be voluntary between the Supplier and its employees. In addition, Supplier will not tolerate acts of workplace violence committed by or against its employees or visitors or conduct that creates an intimidating or offensive environment.

E. Freedom of Association

Supplier will not discriminate against employees based on specific associations that an employee may have and further must recognize an employee's right to associate with a legally sanctioned organization if he/she chooses.

F. Discrimination and Harassment

Supplier will be committed to providing a work environment where all employees and others who do business with the Supplier, regardless of position or status, and regardless of nationality and national origin, race, religion, gender, physical abilities, sexual orientation, age, caste or other characteristics, are treated with dignity, respect and equality. Supplier will not tolerate behavior that undermines gender equality, reduces the quality of working life or jeopardizes the well-being of its employees, whether committed by or directed toward subordinates, co-workers, managers, suppliers or customers. Supplier will be committed to providing a business environment in which we value and respect the differences that make individuals unique.

G. Health and Safety

Supplier will provide and maintain for all of its employees a safe and healthy work environment that meets or exceeds applicable standards for occupational safety and health. The Supplier's commitment to protect employees and the environment will be a top priority. Suppliers worldwide manufacturing facilities will manage safety in accordance with a management system, either integrated as part of ISO 14001 or separately under OHSAS 18001.

H. Work Hours

Supplier will comply with local applicable laws regulating working hours, allowing for alternate schedules to be utilized in meeting business needs so long as the schedule remains in compliance with local laws.

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I. Community Engagement & Indigenous Populations

Supplier will consider local communities to be among the primary stakeholders in Supplier projects and activities within those communities. Supplier will work constructively with local officials who have an interest in Supplier projects and activities that may impact the community.

Supplier shall maintain an aggressive Supplier Diversity program. Through this diversity, the Supplier will enrich its business environment and create more efficient relationships with employees, customers, supply base and the local communities.

J. Bribery and Corruption

Supplier will not permit business transactions to occur that are made under the terms of bribery or corruption, including in countries or regions where the local customs may appear to make it seem allowable. Both as a matter of sound procurement practice and basic business integrity, Supplier will make purchase decisions solely on the basis of which suppliers offer the best value for the goods or services needed. Supplier will avoid any conduct that suggests that its purchase decision may be influenced by any irrelevant or improper consideration, whether illegal, such as a kickback or bribe, or technically legal, such as personal friendship, favors, gifts or free entertainment. Based upon the National Association of Purchasing Management (NAPM) "Principles & Standards of Purchasing Practice" guidelines, any „gray" area in purchasing decisions will be addressed by using common sense and good judgment.

K. Environment & Sustainability

Supplier strives to meet or exceed applicable environmental laws and standards, and to continually improve environmental health & safety management systems, including implementing practices to prevent pollution and minimize waste. Supplier is committed to protecting the environment as a top priority. Supplier's manufacturing facilities are managed in accordance with the voluntary ISO 14001 Standard for Environmental Management Systems.

IV. Administration/Responsibilities

All of Supplier's employees are committed to implementing and adhering to these requirements.

V. References

FMGE-GL002 Code of Conduct

FMPG-GL001a Basic Working Conditions and Code of Conduct Supplier Certification Form

<http://www.federalmogul.com>

<http://www.federalmogul.com/en-US/Suppliers/Pages/Purchasing-Policies.aspx>