



Acting with Integrity

Federal-Mogul's Integrity Policy



Rainer Jueckstock



Daniel Ninivaggi

Dear Colleague:

Federal-Mogul is a great company with a strong commitment to operating with integrity. This is a foundation value that influences our personal and professional lives daily. We believe the concepts of integrity, openness and truthfulness are the basis for institutions that strive to operate in a predictable way, giving confidence to employees, customers and other stakeholders, that events and results are as stated.

We are proud of the company's market leadership and the many past accomplishments of the Federal-Mogul team. We remain committed to delivering strong operating performance, but results should never be attained by sacrificing our personal, team and corporate integrity. We are committed to developing the company's future success through an environment that places the responsibility and accountability for our actions at the right levels throughout the organization. Employee empowerment can only work in an environment where trust and integrity are the foundation. Together we all share the responsibility for maintaining the highest standards of integrity in our company by operating in an ethical manner. If faced with an ethical dilemma, all employees are obligated to speak up and seek resolution.

Please read the attached integrity policy, which provides guiding principles that we must all keep in mind when doing business on behalf of the company. The values and guidelines within this policy explain our expectations for Federal-Mogul employees, temporary workers, agents, suppliers, consultants, executives and members of our board of directors.

We recognize that there may be times when reporting an integrity concern to local management is not appropriate. If you are faced with this situation, do not hesitate to report the issue to your group or department management, or call the Federal-Mogul Hotline at 1-800-368-4338 (outside North America and Puerto Rico, call 1-770-582-5258) at any time 24 hours a day, seven days a week. Concerns reported on the Hotline will receive an impartial review and appropriate actions will be taken to resolve legitimate problems.

The reputation of the company is a reflection of all of our daily behaviors, actions and practices. Together, following our integrity policy, we can preserve and strengthen our worldwide reputation as a great company to work for, and do business with, for the benefit of everyone involved with Federal-Mogul.

Sincerely,

A handwritten signature in black ink that reads "R. Jueckstock".

Rainer Jueckstock
Chief Executive Officer, Federal-Mogul Powertrain

A handwritten signature in black ink that reads "Daniel A. Ninivaggi".

Daniel Ninivaggi
Chief Executive Officer, Federal-Mogul Motorparts

Table of Contents

Introduction:	4
Core Values	4
Reporting Concerns:	5
Protection from Retaliation:	6
Violations and their Consequences:	6
Leaders' Responsibility:	7
References:	7
Ethical Business Practices:	8
International Trade Controls:	9
Supplier Relationships:	10
Fair Competition:	11
Your Personal Integrity:	12
Financial Controls and Records:	12
Software Licensing and Use:	14
Electronic Media Policy:	15
Privacy of Communications and Documents:	16
Confidentiality Relating to Third Parties:	16
Access to Information:	16
Confidential Information:	16
Avoiding Conflicts of Interest:	18
Corporate Opportunities:	18
Insider Trading and Stock Tipping:	18
Asset Protection and Use:	20
Weapons and Illegal Drugs:	21
Equal Employment Opportunity:	21
Workplace Harassment:	21
Sexual Harassment:	22
Other Discrimination and Discriminatory Harassment:	22
Environmental, Health and Safety Protection:	24
Retaliation and False Reports:	24
Compliance Review Board:	24
Link to the Audit Committee:	25
Annual Employee Acknowledgement/Certification:	25
Waivers:	25
Employee Orientation & Annual Review	26
Exit Interview Certification	27



Introduction:

Federal-Mogul is committed to acting honestly and ethically with our employees, temporary laborers, consultants, customers, suppliers, shareholders and the communities in which we live and work. Our continued commitments to innovation and excellence are grounded in our commitment to maintaining a culture of integrity. Federal-Mogul holds each director, executive, leader, employee, temporary laborer, agent, consultant and supplier accountable for upholding our core values and for adhering to this Federal-Mogul Integrity Policy.

Core Values

We are a team first.

We respect, trust and help each other.

We act with integrity.

We strive for excellence in all we do.

We create value through innovation.

We celebrate our success.

This policy does not create an employment contract and Federal-Mogul does not create any contractual rights by issuing this document.



Reporting Concerns:

If you have an integrity issue that you feel should be brought to the attention of management, you are urged to take it directly to a responsible person at your location, including your supervisor, human resource manager or the manager of your location. All supervisors and managers are expected to take integrity concerns seriously, to address them promptly, and to prevent retaliation against the employee who has raised the integrity concern. We believe that immediate reporting to responsible management is the most efficient path to successful resolution.

We recognize, however, that there may be times when reporting an integrity concern to local management is not appropriate. If you are ever uncomfortable raising an issue to your local management team directly, do not hesitate to report the issue to your group or department management. If you still remain uncomfortable, report the issue to World Headquarters or the Federal-Mogul Hotline. The Hotline offers an impartial review of integrity-related concerns and you are always welcome to raise your concerns to the Hotline.

You may call the Hotline at 1-800-368-4338 (outside North America and Puerto Rico, call 1-770-582-5258) at any time 24 hours per day, 7 days a week, or write to: Federal-Mogul Hotline, The Network c/o 5015, 333 Research Court, Norcross, GA 30092. Your concern will be documented and passed on to executive management at Federal-Mogul's World Headquarters in Southfield, Michigan. When you call the Hotline, you will be given a control number to refer to on follow-up calls. If you ask to remain anonymous, that request will be honored.

You may also call the following toll-free numbers in the regions listed below:

Country	Toll-free Number	Language
Argentina	0800-666-3092	Spanish, English
Brazil	0800-891-4383	Portuguese, English
China North	10-800-711-0747	Mandarin, English
China South	10-800-110-0691	Mandarin, English
France	0800-903876	French, English
Spain	900-98-1210	Spanish, English

Federal-Mogul Headquarters management team will launch a review within two business days through appropriate channels. You may or may not see signs that the review is taking place, but you can always call the Hotline again to learn whether a resolution has been reached. Unless the concern is an emergency, you should allow at least 10 working days for the company to complete a preliminary review and provide the results of this review to the Hotline.

Protection from Retaliation:

Federal-Mogul will not allow any employee to be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the course of their employment because of any lawful act done by the employee in good faith to provide information, assist in an investigation, and/or provide testimony supporting an investigation conducted by government or regulatory agencies or Federal-Mogul representatives regarding Federal-Mogul business activities that the employee reasonably believes constitute a legal, regulatory, or company policy violation. Examples include:

- A criminal offense.
- Failure to comply with a legal obligation.
- Endangering a person's health or safety.
- Damage to the environment.
- Workplace harassment.
- Discrimination.
- Concealment of information relating to any of the above.
- Breaches of professional conduct codes.
- Financial fraud or wrongdoing.
- Misuse of company assets.
- Providing false information.
- Failure to provide necessary information, or providing misleading information.

Integrity Check:

Federal-Mogul wants to uphold and strengthen our reputation for integrity in all business dealings with customers, suppliers, co-workers and partners. At times, it can be difficult to identify the right thing to do in a situation where things are not clear and a personal judgment is required. In these situations, consider your options by asking some of the following questions:

- Could my decision and action(s) harm Federal-Mogul's reputation?
- How would my actions or choices appear to others?
- What would my family or friends say?
- How will it come across if presented by the news media?

Federal-Mogul's reputation for integrity is a reflection of our employees' daily actions and attitudes. It is far too important for you to do anything that would jeopardize your reputation or Federal-Mogul's reputation.

Violations and their Consequences:

Failure to comply with the principles contained in this Federal-Mogul Integrity Policy may result in disciplinary action, up to and including termination of employment. Illegal or unethical behavior or acts will not be defensible under any circumstances, including reasons such as claiming your actions were directed by a supervisor or that the act benefited Federal-Mogul.

FEDERAL-MOGUL IN NO WAY AUTHORIZES YOU OR ANY AGENT OF FEDERAL-MOGUL TO COMMIT, OR DIRECT SOMEONE TO COMMIT, AN UNETHICAL OR ILLEGAL ACT. Moreover, you cannot use a contractor, agent, consultant, broker, distributor, supplier or other third party to carry out any act prohibited by law or by this Federal-Mogul Integrity Policy.

Leaders' Responsibility:

Leaders have the responsibility to demonstrate the highest of standards in ethical business conduct and to promote dialogue on the illegal or unethical implications of business decisions.

It is the responsibility of the leaders to set the tone and maintain a work environment in which employees and any Federal-Mogul agents know that ethical and legal behavior is expected of them at all times. Additionally, leaders are responsible for communicating this Federal-Mogul Integrity Policy to all those working for them. All managers are expected to:

- Take integrity concerns seriously,
- Address concerns promptly, and
- Prevent retaliation against and protect the employee voicing the concern.

References:

- **Financial Code of Ethics (FMFN-GL001)**
- **Whistleblower Policy (FMGE-GL006)**

Ethical Business Practices:

Never offer to give, actually give, offer to accept, or accept a bribe, kickback, illegal political contribution or other improper payment to or from any person or organization. Use good judgment to avoid even the appearance of an improper gift or payment. Make sure business entertainment is lawful, reasonable and permitted by the policy of both your customer and Federal-Mogul. Employ reputable people, and require sales representatives and other third parties to comply with this policy. Follow the laws that relate to these matters.

Never offer or provide anything of value to a third party in order to influence an action, including to a customer, supplier or government official. Never offer or accept a business gift or entertainment if it could create even the appearance of impropriety, and always pay particular attention to how your actions may be perceived in the location in which you do business.

When hiring persons or firms to represent Federal-Mogul, make sure they are reputable and qualified. Make sure that they, too, understand and follow the principles found in this policy. Do not let any transaction go forward if an integrity concern is unresolved.

The Foreign Corrupt Practices Act (FCPA), UK Bribery Act and other similar anti-bribery laws prohibit Federal-Mogul from directly or indirectly offering, promising to pay or authorizing the payment of money or anything of value to any third parties, including, but not limited to customers, suppliers, foreign government officials, parties or candidates, for the purpose of influencing the acts or decisions of such parties.

In the normal course of business, Federal-Mogul communicates its own positions on key issues to lawmakers and participates in the political process through lawful means. Federal-Mogul also supports lawful political action committees through which employees may voluntarily participate in the political process. Our policy also prohibits any political contributions without the prior written approval of the CEO or a CEO Staff member.

What to watch out for:

- Offers of or requests for bribes or kickbacks.
- Lavish business entertaining.
- Contributions or other support for political parties or candidates.
- Disregard for customer policies.
- Hiring unethical people or engaging unethical agents.
- Selecting an international sales representative without making a thorough background check.
- Requests for additional payments in order to transport goods in or out of a particular country.
- Any offers to provide or requests to receive something of value that gives the appearance of impropriety.
- Any suggestion that the purpose of payment may not be correctly reflected in the Company's accounting or that it be described as something that it was not.
- Contracts calling for the payment of success fees.
- Suggestions that political or family connections are the reason for hiring a particular person or contractor.

References:

- **Travel & Expense Reimbursement Policy (FMHR-GL037)**
- **Antibribery, Gifts, Entertainment and Lobbying Policy (FMGE-GL003)**

International Trade Controls:

As a global company, it is important that all of our employees understand and follow the laws and regulations that govern international trade.

Follow international trade control regulations, including licensing, shipping documentation, reporting and record retention requirements. Avoid transactions prohibited by applicable law, and watch for “warning signs” that might indicate a violation of the law or Federal-Mogul policy.

What to watch out for:

- Failure to check new customers or participants in international transactions against the U.S. Federal government or other government agencies’ published lists of denied parties and entities requiring special licensing procedures.
- Any indication of the diversion of goods or services to prohibited uses or locations, such as cash payments, peculiar delivery routing, or purchase of items not consistent with the customer’s business.
- Arrangements designed to circumvent laws and regulations.
- Doing business with companies in countries which are prohibited by the laws of the United States, or another country in which Federal-Mogul does business.
- Requests to participate in an unauthorized boycott.
- Sales to trading companies or intermediaries for unidentified end-customers.

References:

- **Policy on Doing Business with Embargoed Countries (FMGE-GL007)**
- **Anti-Money Laundering Policy (FMGE-GL008)**

Supplier Relationships:

Be lawful and fair in all supplier relationships. Enlist supplier support in achieving competitive success.

Evaluate suppliers based on price and service, technical leadership, quality and reliability, among other factors. Work with suppliers that engage in ethical business practices that reflect our core values and comply with this Federal-Mogul Integrity Policy.

What to watch out for:

- Supplier contests, games or promotions.
- Suppliers that operate in a manner that does not reflect the Federal-Mogul core values.

References:

- **Code of Conduct and Basic Working Conditions (FMHR-GL039)**

Fair Competition:

Fair competition is one of the basic elements of any market economy. That's why it's vital to follow the laws in the countries where Federal-Mogul does business which prohibit actions that undermine fair and vigorous competition.

All employees must follow all antitrust and competition laws, as well as decrees or orders affecting Federal-Mogul and should familiarize themselves with the principles of fair competition. In particular, if your job involves setting prices or other terms or conditions of sale, marketing, purchasing, participating in trade associations or standards-setting groups, working on acquisitions, divestitures or joint ventures or any other matter subject to antitrust or competition laws, you must take great care to ensure that you understand the key requirements of the anti-trust and competition laws including:

- Never propose or enter into any agreement with a competitor to establish or agree upon prices of any products or services, terms and conditions of sale of any products or services, profit margins on any products or services, or other aspects relating to competition between Federal-Mogul and the competitor.
- Even where there are perfectly legitimate reasons to communicate with a competitor (for example, where customer or supplier issues arise from a genuine buyer-seller relationship), take care to avoid the appearance of improper conduct.
- Do not propose or enter into any agreements or understandings with customers to restrict the price at which the customer may resell any Federal-Mogul product or service.
- Comply with Federal-Mogul's policies for documenting competitor contacts, obtaining and handling competitive information, and participating in trade associations and standards-setting groups.

Antitrust and competition issues may be very complex. As such issues arise, you'll usually want to review this policy and discuss the situation with a member of the Federal-Mogul Legal Department.

What to watch out for:

- Making agreements with competitors on prices, terms or conditions of sale.
- Coordinating bidding activities with competitors.
- Dividing sales territories, or allocating customers or product lines among competitors.
- Discussing prices, costs, profit margins, etc., with competitors.
- Restricting a customer's right to sell a Federal-Mogul product or service at any price.
- In some countries, including the U.S., selling to different customers at different prices without first discussing it with the Federal-Mogul Legal Department.

References:

- **Antitrust Policy (FMGE-GL004)**

Your Personal Integrity:

In our day-to-day work most of us are called upon to support broad company objectives like providing equal employment opportunity and environmental protection.

However, some responsibilities are on a more personal level. For example, each of us also has a direct role in helping to keep the company's records accurate and in protecting and safeguarding company assets that we use or manage. Additionally, each of us is responsible for complying with all internal investigations, particularly those relating to a potential violation of this Integrity Policy.

Other issues can challenge individual integrity. Sometimes the chance for illegal or unethical personal gain will arise. That's when we must remember that the integrity of all of us depends on the integrity of each of us. We must not only know right from wrong but also relentlessly follow the right even at the expense of our own personal gain.

Financial Controls and Records:

Follow Federal-Mogul's financial accounting, reporting and control procedures, as well as Federal-Mogul's rules for the release of financial information outside the company.

Report all accounting, internal control or auditing integrity concerns directly to senior management or the Hotline. Accounting, internal control or auditing integrity concerns include issues that could potentially result in direct financial loss, which includes inaccurate financial reporting that would require changes to Federal-Mogul's financial statements.

All books, records and accounts must accurately reflect transactions and events, and conform to the generally accepted accounting principles in the United States (U.S. GAAP), Federal-Mogul's accounting policies and Federal-Mogul's system of internal controls. Below are additional guidelines to follow:

- False or misleading entries or omissions may not be made in any Federal-Mogul systems, books or records for any reason.
- Expense reports and time reporting must be filled out timely, accurately and completely, with expense reports showing the correct purpose and amount of each item.
- No secret or unrecorded funds, assets or accounts may be created or maintained for any purpose.
- Never make a payment or approve an invoice, expense report or other document that is incorrect, misleading or inaccurate. Always use care in reviewing documents before approving them.

Federal-Mogul's status as a public corporation requires it to conform to U.S. GAAP and the local GAAP of the countries in which we operate. Federal-Mogul's financial policies reflect these principles. All payments, transactions and accounts worldwide must be accurately and truthfully recorded and reported.

Whether you are filling out a time card, preparing a purchase order or reporting on the financial status of the entire company, strictly follow the accounting, reporting and control procedures Federal-Mogul has put in place. Keep our records accurate, timely and complete, and protect the security of our assets.

From time to time, Federal-Mogul auditors may want to look at your files and talk to you about them. You should welcome these reviews because they are designed to prevent problems from occurring. Under company policy, you are obligated to give Federal-Mogul auditors and investigators full access to your records and any other information or cooperation they require.

Be sure to keep all Federal-Mogul financial information confidential. Release it to others only after considering the interests of the company as a whole, and only when you have the proper authorization from the appropriate company officials.

The company's books, records and accounts must reflect, accurately and fairly, the business of the



company and all other events that are the subject of specific regulatory record-keeping requirements.

What to watch out for:

- Inaccurate records or measures.
- Incorrect, insupportable or unreasonable estimates.
- Inconsistent reporting procedures.
- Deliberately missed reporting deadlines.
- Weaknesses in systems intended to protect the security of Federal-Mogul financial information, including computer-based information.
- Entering into a transaction without appropriate authorization.
- Unauthorized requests for information from outside the company.

References:

- **Financial Code of Ethics (FMFN-GL001)**

Software Licensing and Use:

Only legally licensed software may be installed on corporate computing resources. Personally owned software is generally NOT licensed for business purposes. If you have a business use for software, follow Federal-Mogul procurement processes to purchase a license for the software.

The reproduction of copyrighted material (software, documents, pictures, videos, etc.) without required authorization violates copyright laws in many countries. In the U.S., unauthorized software reproduction is a federal offense, and exposes both individuals and the Corporation to criminal penalties including fines and imprisonment. Software Vendors conduct compliance audits and can charge \$150,000 per violation.

What to watch out for:

- Inaccurate records or measures.
- Sharing of installation media (example: CD or DVD).
- Obtaining software at no cost. Free software normally restricts business use.
- Use of demonstration software beyond its evaluation time limit.
- Software downloaded from non-reputable web sites (examples: The Pirate Bay, RapidShare, Megaupload, Hotfile)

References:

- **Chapter 5 (Information Protection Manual)**

Electronic Media Policy:

Federal-Mogul employees use a variety of electronic media during each business day in order to conduct business. It is important for each employee to have a clear set of guidelines to follow regarding the use of Federal-Mogul provided business equipment and systems and the protection, privacy and confidentiality of electronically produced documents, information and communications. If you do not know what these guidelines are, contact your local Information Systems organization.

An employee's use of company-provided business equipment including, but not limited to, facsimiles, computers, Smart Phones (Blackberry, I-Phone, etc), cell phones, copiers, scanners and voice mail should be for Federal-Mogul related purposes. By way of example, company-wide electronic distribution of invitations to or solicitations on behalf of non-Federal-Mogul supported charitable organizations or events are not considered to be an appropriate business related use of Federal-Mogul provided business equipment. The company strictly forbids the use of its systems to disseminate, engage in or further any illegal activity, such as the distribution of chain letters, or to display or transmit anything that may be construed as harassment or disparagement of others. All communication and information transmitted by, received from or stored in this equipment or by these systems are the property of Federal-Mogul and are provided to employees to conduct company business. Abusive personal use or improper use of Federal-Mogul provided business equipment or systems may result in appropriate disciplinary action, up to and including termination of employment.

Federal-Mogul has a right and duty to protect itself from unauthorized disclosure of information. Unless specifically and expressly authorized by the company, employees cannot speak on behalf of Federal-Mogul when engaging in any form of social media, including, without limitation, chat rooms and blogs, whether anonymously or personally attributed to you. Federal-Mogul recognizes that employees may wish to participate in various forms of social media on an individual and in some cases on a company- authorized basis. This policy sets forth guidelines and additional references for appropriate conduct when engaging in any form of social media. All employees must act in compliance with this policy guideline and in accordance with National, Country, Federal, State, Local laws and company policies.

Federal-Mogul realizes that the use of social media networks is fundamentally changing the way people work and engage with fellow employees, clients and vendors. The company expects use of social networks to occur in a legal and responsible manner that does not put the company at risk.

References:

- **Electronic Mail (Information Protection Manual)**
- **Internet Access (Information Protection Manual)**
- **Personal Data Protection (Information Protection Manual)**

Privacy of Communications and Documents:

Employees should not expect incoming or outgoing e-mail communications, voicemail communications, computer communications, instant messaging or facsimile communications to be secure or private. Employees should be aware that these types of communications are easily misdirected, intentionally forwarded and otherwise made available to persons other than their intended recipients. In addition, for audit and other purposes, Federal-Mogul may have business reasons to examine the contents of an employee's computer, BlackBerry, company-provided mobile phone, copier or voice or electronic mail box. Therefore, each individual employee should treat computer-generated documents, as well as voice, fax and e-mail messages, with the same care he or she would apply to material intended to be published on the front page of the newspaper.

Employees should not assume that documents that exist only in electronic form are inaccessible once they have been deleted. Documents and other information deleted by employees are not automatically and immediately deleted from all of Federal-Mogul's systems. The deleted information may still be available on back-up tapes for a period of time, which may vary depending on business needs and legal requirements. Additionally, information that has been successfully deleted can often be recreated by experts.

Confidentiality Relating to Third Parties:

Federal-Mogul generally has a duty to keep property of, or sensitive information about, its customers confidential and not to disclose that information to third parties. Under certain circumstances, however, Federal-Mogul may be compelled to disclose information about its customers and business relationships to third parties. Employees should not rely on written confidentiality agreements nor should they count on the existence and applicability of a legal privilege to prevent Federal-Mogul produced documents and communications related to its customers and their business relationships from being turned over to third parties with interests potentially adverse to Federal-Mogul or its customers.

Access to Information:

Authorized Federal-Mogul representatives have the right to access all of the information transmitted by, received from or stored in company-provided systems. Federal-Mogul is the exclusive owner of all work product of any employee, including computer programs developed for Federal-Mogul or during the company's business hours or on company property. Accordingly, restrictions on access such as the use of passwords, restricted directories, personal directories, or copying files or information to any storage device should be considered only as a deterrent to other employees' access to that information not as a limitation on Federal-Mogul's right to access the information.

Confidential Information:

Federal-Mogul operates in a very competitive market. Each day we must strive to find innovative ways to excel beyond our competitors.

One of our most valuable assets is confidential information. Confidential information can be information about business plans and strategies, product development and new technologies, contracts with customers, financial performance or other important information you may hear about Federal-Mogul that has not been announced publicly.

Whenever you are working with sensitive information about the company, whether it is something you have written, read or discussed, make sure you take all necessary precautions to keep that information confidential.

Do not discuss confidential information in places where you risk being overheard, such as restrooms,

elevator areas or the cafeteria. Only discuss confidential information with employees who need to know about the information. Never discuss confidential information with non-employees of the company, including any representatives of the media. Promptly file documents to keep them out of view, or shred them when you no longer need them.

What to watch out for:

- Confidential information should not be discussed in public spaces including the cafeteria, restrooms and the elevators.
- Copies and work papers should be shredded when no longer needed.
- Sensitive information should be shared only on a “need-to-know” basis with other employees.
- Important company information should never be discussed with non-employees, including former company employees.

References:

- **Confidentiality and Intellectual Property Assignment Agreement (FMHR-GL004)**

Avoiding Conflicts of Interest:

Financial, business, or other activities in which you participate outside of your Federal-Mogul job must be lawful and free of conflict with your responsibilities as a Federal-Mogul employee.

Avoid actions or relationships that might conflict or appear to conflict with your job responsibilities or the interests of Federal-Mogul. In your outside activities, you must not misuse Federal-Mogul resources or rely on the company's name or reputation.

Obtain the required approvals before accepting any position as an officer or director of any outside business concerns. It is extremely important that you promptly make a written report of any potential conflict of interest that may arise involving your activities outside of Federal-Mogul. Often, the issue can then be quickly resolved before it hurts you, the company or anyone else.

What to watch out for:

- Gaining a controlling interest or making a large personal investment in any company that does business with or is in competition with Federal-Mogul.
- Hiring, supervising or doing Federal-Mogul business with friends or relatives.
- Accepting payments, gifts or favors from firms or individuals doing business with Federal-Mogul.
- Using Federal-Mogul resources in another business.
- Using company time for outside activities.
- Working in a related field even on a part-time basis.

Corporate Opportunities:

Vendors, suppliers or customers might approach you with ideas or opportunities for Federal-Mogul. We expect that the information you learn through work or as a result of your employment or service with Federal-Mogul and its subsidiaries will be used for the benefit of Federal-Mogul and such subsidiaries. It is not acceptable for you or any employee of Federal-Mogul or its subsidiaries to use corporate opportunities or information for personal gain or to support an outside business venture.

Insider Trading and Stock Tipping:

Never buy or sell Federal-Mogul's or any other company's stock or other securities while you are aware of material non-public information (inside information) about that company. Never suggest that anyone else trade in the securities of a company while you are aware of inside information about Federal-Mogul or that company. Never pass on inside information if you suspect that it will be used for improper trading.

When is information "inside" information?

- When it is "material." Information is material when there is a substantial likelihood that a reasonable investor would consider it important in investing. The very fact that information makes you think about trading a security can make it material.
- When it is "non-public." Information should be considered non-public until the information has been released and reported in the media, and investors have had time to absorb it (usually about 48 hours after official release). Only then should you consider it public.

Don't disclose inside information to anyone else if it's likely that disclosure could lead to improper trading. Of course, you may share information with Federal-Mogul colleagues or others as required in the course of the company's business as long as you have no reason to believe it will be misused or improperly disclosed by the recipient. In all such instances, be sensitive about who gets the information and how it might be used.



Many of us, in the course of our work, could learn of inside information. It could relate not only to Federal-Mogul, but also to other companies, for example, news of a major contract award, or an acquisition. If your job might ever expose you to inside information, make sure you carefully read the full text of this policy. If you still have questions, talk to a member of the Federal-Mogul Legal Department.

What to watch out for:

- Buying or selling stock in a company when you're aware of significant nonpublic information acquired in connection with your Federal-Mogul employment.
- Giving stock tips to or receiving them from friends or colleagues when the original source is or seems to be someone with inside information.

References:

- **Insider Trading Policy (FMGE-GL005)**

Asset Protection and Use:

The protection of company assets, both human and material, is the responsibility of every Federal-Mogul employee. That responsibility includes taking appropriate measures to prevent loss, including personal injury, property damage, misuse, theft, fraud, misappropriation, embezzlement and similar bad faith acts. Asset loss should be reported to your local supervisor, our Hotline or Global Security. Management has the further responsibility to immediately report any such loss to Global Security.

References:

- **Asset Loss, Incident and Investigation Policy (FMHR-GL031)**

Weapons and Illegal Drugs:

Federal-Mogul does not allow employees to possess any weapons or illegal drugs on company premises or while conducting company business. Employees will be terminated for violations.

We need to adhere to this policy in order to assist us in providing a safe work environment. Any known violations of this policy should be reported immediately to management, our Hotline or Global Security for investigation.

Equal Employment Opportunity:

Federal-Mogul provides equal employment opportunity to all persons and it is your obligation to:

- Extend equal opportunity and fair treatment to all employees without regard to their race, color, religion, national origin, sex, age, sexual orientation, disability, veteran status or other characteristic protected by each country's law.
- Use merit, qualifications and other job-related criteria as the sole bases for all employment-related decisions affecting employees. Comply with the spirit and letter of all laws in taking affirmative action to make sure a diverse mix of people apply for and are considered for jobs and promotions.
- Foster cooperation and teamwork among your co-workers. Always respect the rights and dignity of those who may be different from you and others.

What to watch out for:

- A workplace environment that is hostile to persons of a particular sex, race, religion or any other characteristic protected by law.
- Making unwelcomed sexual advances.
- Employment practices not based on merit, qualifications and other job-related criteria.
- Letting race, color, religion, national origin, sex, age, sexual orientation, disability, veteran status or other characteristic protected by law be a factor in hiring, promotion, compensation, or other employment-related decisions.

Workplace Harassment:

Federal-Mogul is committed to providing a work environment where all employees and others who do business with the company, 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. Behavior that undermines gender equality, reduces the quality of working life or jeopardizes the well-being of employees will not be tolerated, whether committed by or directed toward subordinates, co-workers, managers, suppliers or customers.

At work each day, we can measure our high standards and our unyielding personal integrity in part by how we treat our fellow employees, suppliers and our customers.

We will not compromise on our commitment to provide a workplace environment where all employees and others who do business with Federal-Mogul are treated with dignity and respect. Harassment in the workplace is illegal, and Federal-Mogul will not tolerate it, whether it is committed by or directed towards co-workers, managers, suppliers or customers.

Among the types of behavior that will not be tolerated are sexual harassment and any other form of discriminatory harassment. There is no place for harassment at Federal-Mogul.

Supervisors or managers who lawfully and respectfully instruct and admonish employees to perform their assigned jobs are not considered to be engaging in harassing behavior. Harassment does not include supervisory direction, instruction and discipline that are undertaken respectfully and in accordance with National, Country, Federal, State, and Local laws and company policies.

Sexual Harassment:

What is sexual harassment and how do we know when it occurs? Sexual harassment can be any type of conduct of a sexual nature that is unwelcomed by a person who is affected by it. Sometimes a person does not intend to harass another person, and each of us reacts differently to different behavior. The conduct may be in the form of a *direct or indirect* sexual advance, but may also be in the form of less direct or *indirect* verbal or non-verbal behavior. Behavior may be unwelcome even if it is not intended or perceived as such by the person engaged in it.

Sexual harassment occurs when:

- The person on the receiving end of the behavior believes or is made to believe that the terms of his or her employment may depend on whether he or she submits to or accepts the behavior; or
- The behavior is unwelcomed or interferes with another person's work performance because it creates an intimidating, hostile or offensive work environment.

Although not limited to this list, here are examples of sexual harassment:

- Verbal: sexual comments, direct or indirect advances, language which can be interpreted as a sexual advance, innuendoes, slurs, jokes or insults based on sex, suggestive comments on appearance.
- Non-verbal: sexual gestures, leering or staring, whistling.
- Visual: displaying or openly accessing sexually explicit or suggestive material.
- Physical: inappropriate touching, blocking someone's movement, or physical violence.
- Threats: threatening or insinuating reprisal for refusing sexual demands.

Other Discrimination and Discriminatory Harassment:

Other forms of discrimination and harassment are also prohibited. All behavior, regardless of the level and position of the involved individuals, creating hostile, offensive, intimidating or threatening working conditions will be viewed as moral harassment. In addition, any behavior that creates hostile, offensive, intimidating or threatening working conditions will be viewed as harassment, regardless of the position held by the involved individuals. Verbal or non-verbal conduct that shows hostility or disrespect toward an individual or group because of race, religion, national origin, color, gender, age, marital status, sexual preference, height, weight or disability and any other characteristics protected by National, Country, Federal, State or Local laws will not be tolerated. As with sexual harassment, behavior of this kind may take a number of forms, including oral, written and electronic communications, the display of printed or graphic material, slurs, gestures, jokes and physical acts.

What you should do if you believe you have been harassed or discriminated against or if you believe another employee is being harassed or discriminated against:

It isn't always easy to tell the person who is offending you to stop the unwelcomed or offensive behavior. You owe it to yourself and your individual commitment to the integrity of Federal-Mogul to report the individual and the offensive behavior to any Human Resources representative, member of management within the company, or the Hotline.

Federal-Mogul's Commitment to You:

Federal-Mogul is committed to providing a work environment where all employees and others who do business with the company, 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 and in an environment free of discrimination. Behavior that undermines gender equality, reduces the quality of working life or jeopardizes the well being of employees will not be tolerated, whether committed by or directed toward others, including subordinates, co-workers, managers, contractors, suppliers or customers.

Some people are afraid to report harassment because they think they will be subject to retaliation at work. This will not occur. It is extremely important that we each take personal responsibility for and ownership of our company's environment. Employees must either confront the harasser or report conduct they believe to be harassment. Federal-Mogul will support you and will take all steps necessary to protect anyone who complains of harassment or who participates in an investigation from retaliation of any kind.

References:

- **Harassment in the Workplace (FMHR-GL021)**
- **Workplace Violence (FMHR-GL025)**
- **Code of Conduct and Basic Working Conditions (FMHR-GL039)**

Environmental, Health and Safety Protection:

It is your obligation to follow the applicable law and company procedures in order to protect and enhance health, safety and the environment.

Making sure we follow all applicable environmental, health and safety laws is the job of every Federal-Mogul employee at every level. Federal-Mogul's goals in this area are critical to the success of our businesses and each of us must:

- Comply with all relevant laws and regulations,
- Work to eliminate workplace injuries and illnesses,
- Find ways to reduce or eliminate waste and emissions from our processes,
- Address our past problems in a cost-effective manner, and
- Cooperate with the communities in which we operate to ensure we are an environmental good neighbor.

We will continue to improve our environmental, health and safety compliance. As we work together to reach our objective, Federal-Mogul encourages all of its employees to take personal responsibility for health, safety and the environment.

What to watch out for:

- Unsafe activities.
- Ignoring health, safety or environmental regulations and procedures.
- Unreported health, safety or environmental hazards or accidents.
- Failing to report or follow-up on reports or concerns about possible workplace safety problems.
- Use of hazardous materials and processes, and manufacturing of products, without appropriate safeguards and approval of the business leader.

Retaliation and False Reports:

Any retaliation or other manner of discrimination against someone who reasonably believes a violation or suspected violation of Federal-Mogul's Integrity Policy has occurred, or is about to occur, is strictly forbidden and should be reported immediately. However, making malicious or intentionally false reports of a violation of this Federal-Mogul Integrity Policy is also a violation of this Federal-Mogul Integrity Policy.

Compliance Review Board:

The Federal-Mogul Compliance Review Board's (CRB) mission is to develop and review (1) current and new policies; (2) program education and training; and (3) case disposition for Federal-Mogul Corporation's compliance and ethics programs and policies. The CRB reports at least annually, or as required, to the Audit Committee of the Board of Directors of Federal-Mogul Corporation.

The CRB is composed of officers of Federal-Mogul, including representatives from the General Counsel's Office and the Finance, Human Resources and Internal Audit Departments.

The CRB meets at least two times per year or more often if necessary, to review and monitor integrity policy communications efforts, employee training, and compliance issues and to guide the effective and timely resolution of any Federal-Mogul policy deviations.

The CRB will review the process for investigating reports of violations of company policies and will make necessary changes to improve this process. The CRB will review recommended actions for the resolution of any integrity issues.

Link to the Audit Committee:

All allegations of inappropriate instances of accounting, internal control and audit issues will be reported to the Audit Committee of the Board of Directors. The Audit Committee, at its discretion, has the ability to utilize resources outside the company to fully investigate and resolve the reported issue(s). Annually, management will summarize for the Audit Committee of the Board of Directors all issues reported to the Hotline. Issues reported to the Hotline can also be reported directly to the Audit Committee.

Annual Employee Acknowledgement/Certification:

Annually, Federal-Mogul asks employees to acknowledge their commitment to Federal-Mogul policies. All newly hired employees must sign the acknowledgement upon commencement of employment. This annual update is required under Federal-Mogul policy. Compliance with this annual acknowledgement requirement is critical and will be monitored. The annual update will cause each salaried/professional employee to review the Integrity Policy and sign a document agreeing to comply with the policy. These will be compiled, retained and subject to audits as evidence of the employee's acknowledgement to the policy.

Waivers:

The Federal-Mogul Compliance Review Board must approve in advance any waiver of any provision of the Integrity Policy. Any waiver with respect to any executive officer or member of the board of directors of Federal-Mogul shall also be approved by the board of directors of Federal-Mogul and publicly disclosed, in each case to the extent required by law.



CERTIFICATION

Employee Orientation & Annual Review

I certify that I have reviewed the Integrity Policy in its entirety and thoroughly understand the guidelines it communicates. I will comply with its terms throughout my employment with Federal-Mogul. I also certify that if at any time during my employment I become aware of any violations of Federal-Mogul policy, I will immediately report the misconduct to my supervisor or responsible parties at World Headquarters.

Name

Signature & Date

Location



Exit Interview Certification

I certify that I have reviewed the Integrity Policy in its entirety and thoroughly understand the guidelines it communicates. I complied with its terms throughout my employment with Federal-Mogul. I also certify that I am not currently aware of any violations of such policies.

Name

Signature & Date

Location