



MAT Friction Group - Human Resources Policy

I. Summary

Respect for Human Rights is a fundamental value of MAT Friction Group, we strive to respect and promote international human rights within the realm of its influence and the company is committed to the highest ethical standards. These standards are the overarching principles guiding business practices and the Company expects the same of its suppliers.

The principles and concepts outlined in this Code of Conduct and Basic Working Conditions are derived from the Company's existing policies and practices. It is the responsibility of all employees to report known suspected violations or contradictions to items outlined in this policy through the proper reporting avenues (reference; MAT Holdings, Inc.'s 'Code Of Business Ethics: 2017).

MAT Friction Group will not allow any employee to be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of any lawful act done by the employee to provide information, assist in an investigation, and/or provide testimony supporting an investigation conducted by government or regulatory agencies or Company representatives regarding MAT Friction Group business activities that the employee reasonably believes constitute a legal, regulatory, or company policy violation.

II. Definitions

A. Company refers to MAT Friction Group.

III. Policy/Scope

A. Child Labour

The Company will comply with local minimum age laws and requirements and in any case will not employ child labour (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. As previously required, MAT Friction Group will not utilize suppliers that fail to comply with MAT Friction Group's policy concerning child labour

B. Work Authorization

The Company will require that all employees and the employees of our labour suppliers must meet work permit compliance, global immigration requirements as well as legal status in the respective country.

C. Compensation

The Company will compensate employees competitively, relative to the industry and local labour markets; in accordance with terms of applicable collective bargaining agreements. The company works to ensure full compliance with applicable wage, working hours, overtime and benefit laws.

D. Forced Labour

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

E. Freedom of Association and Collective Bargaining

The Company recognizes an employee's right to join, form, or not join a labour union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union the company is committed to establishing a constructive dialogue with their freely chosen representatives and recognizes an employee's right to associate with a legally sanctioned organization if he/she chooses; further the company is committed to bargaining in good faith with such representatives.

F. Discrimination and Harassment

The Company is committed to equal opportunity, intolerant of discrimination and harassment; providing a work environment where all employees and others who do business with the Company, regardless of position or status, are free from discrimination or harassment on the basis of race, sex, colour, national or social origin, ethnicity religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by law. Behaviour that undermines 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. The basis for recruitment, hiring, placement, development, training, compensation and advancement at the company is qualifications, performance, skills and experience. The Company is further committed to providing a business environment in which we value and respect the differences that make individuals unique.

G. Health and Safety

As fully stated in the Company Environmental, Health & Safety (EHS) Policy, the Company will provide and maintain for all employees a safe and healthy work environment that meets or exceeds applicable standards for occupational safety and health. As referenced on the Company's external website, the Company's commitment to protect employees and the environment is a top priority. The global Environment, Health and Safety (EHS) group develops, and helps facilities to implement, Company standards and best practices for worker safety and environmental protection. Our worldwide manufacturing facilities manage safety in accordance with a management system, either integrated as part of ISO14001 or separately under OHSAS18001 or ISO45001.

H. Work Hours

The Company 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.

I. Community Engagement & Indigenous Populations

MAT Friction Group considers local communities to be among the primary stakeholders in Company projects and activities within those communities. The Company will work constructively with local officials who have an interest in MAT Friction Group projects and activities that may impact the community.

J. Bribery and Corruption

The Company does not permit business transactions to occur which are made under the terms of bribery or corruption, including in countries or regions where the local customs may appear to make it seem typical or permissible. Both as a matter of sound procurement practice and basic business integrity, the Company makes purchase decisions solely on the basis of which suppliers offer the best value for the goods or services needed. The Company avoids doing anything that suggests that our 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, favours, gifts or free entertainment. Based upon the National Association of Purchasing Management (NAPM) "Principles & Standards of Purchasing Practice" guidelines, any 'grey' area in purchasing decisions will be addressed by using common sense and good judgment.

K. Environment & Sustainability

As fully stated in the Company's EHS policy, MAT Friction Group strives to meet applicable environmental laws and standards and improve EHS management systems. The Company is committed to protecting the environment, our manufacturing facilities are managed in accordance with the voluntary ISO14001 Standard for Environmental Management Systems, ISO50001 Energy Management (mandatory in Germany), and guidelines provided by ISO26000 Guidance on Social Responsibility.

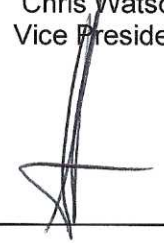
IV. Administration/Responsibilities

All Human Resource professionals are responsible for implementing and reinforcing adherence to these policy requirements, including communication to all employees. All employees are responsible for adherence to the above-stated policy. Any violation of this policy should be reported to local management.

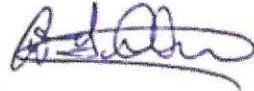
This Policy is binding for all MAT Friction Group Locations.

MAT Friction Group
Odense 30th June 2020

Chris Watson
Vice President



Graham Dobson
Friction Group Quality Manager



_____ Managing Director

_____ H.R. Manager

Change Table

21/12/2016	Released	FGHR-GL001	
07/07/2017	Modified	MATFrictionGQ0002_01	Logo Updated to MAT Friction Group
07/02/2018	Modified	MATFrictionGQ0002_02	Additional signatures
30/06/2020	Modified	MATFrictionGQ0002_03	Updated Summary / paragraphs C. E. F. G. & K.