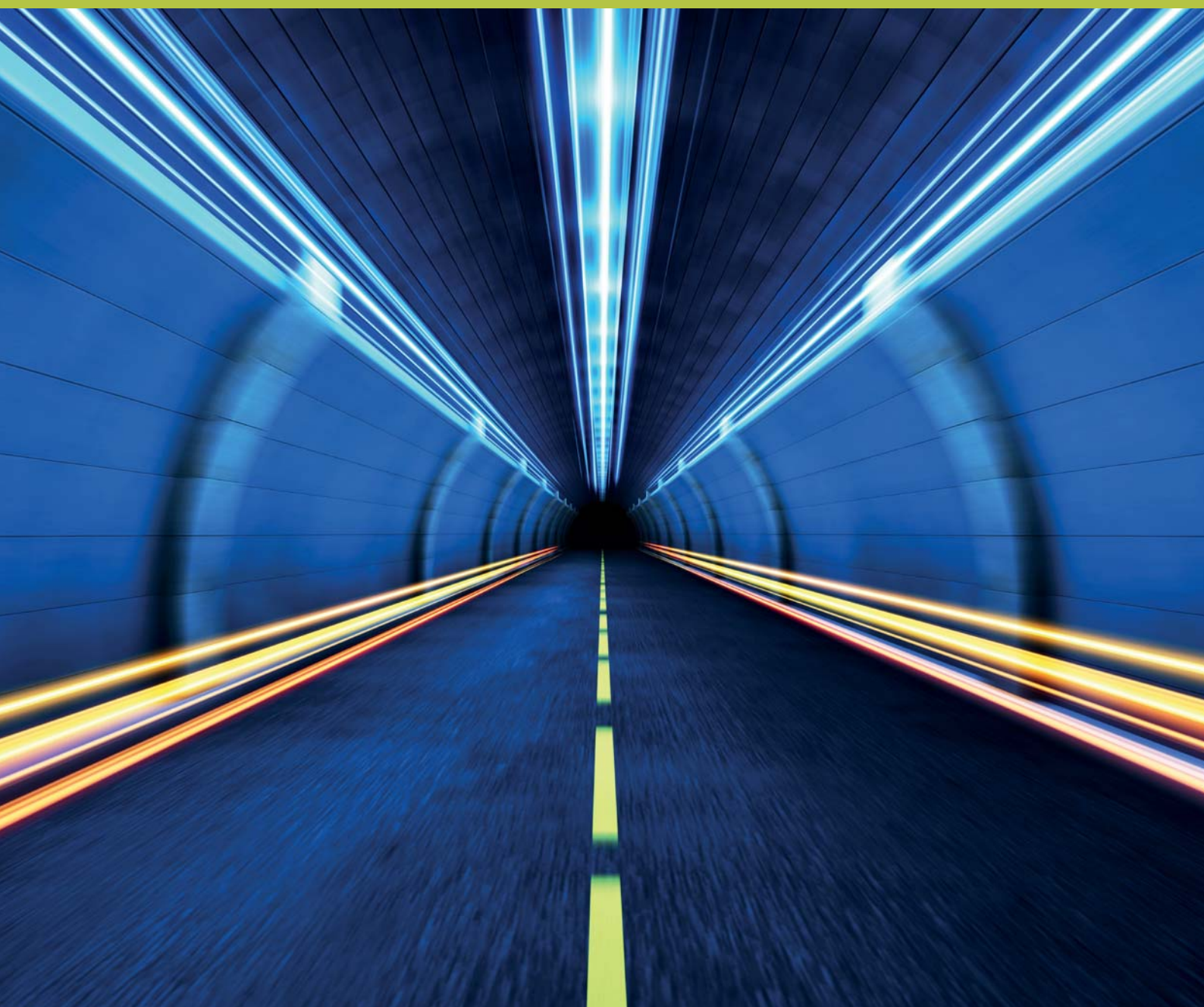




# Code of Ethics LKQ Italia S.r.l.



# LKQ Italia S.r.l. - Code of Ethics

## **Issuing Department**

Compliance Steering Committee (Board of Directors, Corporate Audit)

## **Target Audience**

Employees, external workers, sales representatives, other main stakeholders

## **Approver**

Board of Directors of LKQ Italia S.r.l., a company 100% owned by LKQ Corporation

## **Repository**

You can find the most up to date version of this document in:  
<http://intranet.rhiag.com>

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# LKQ ITALIA

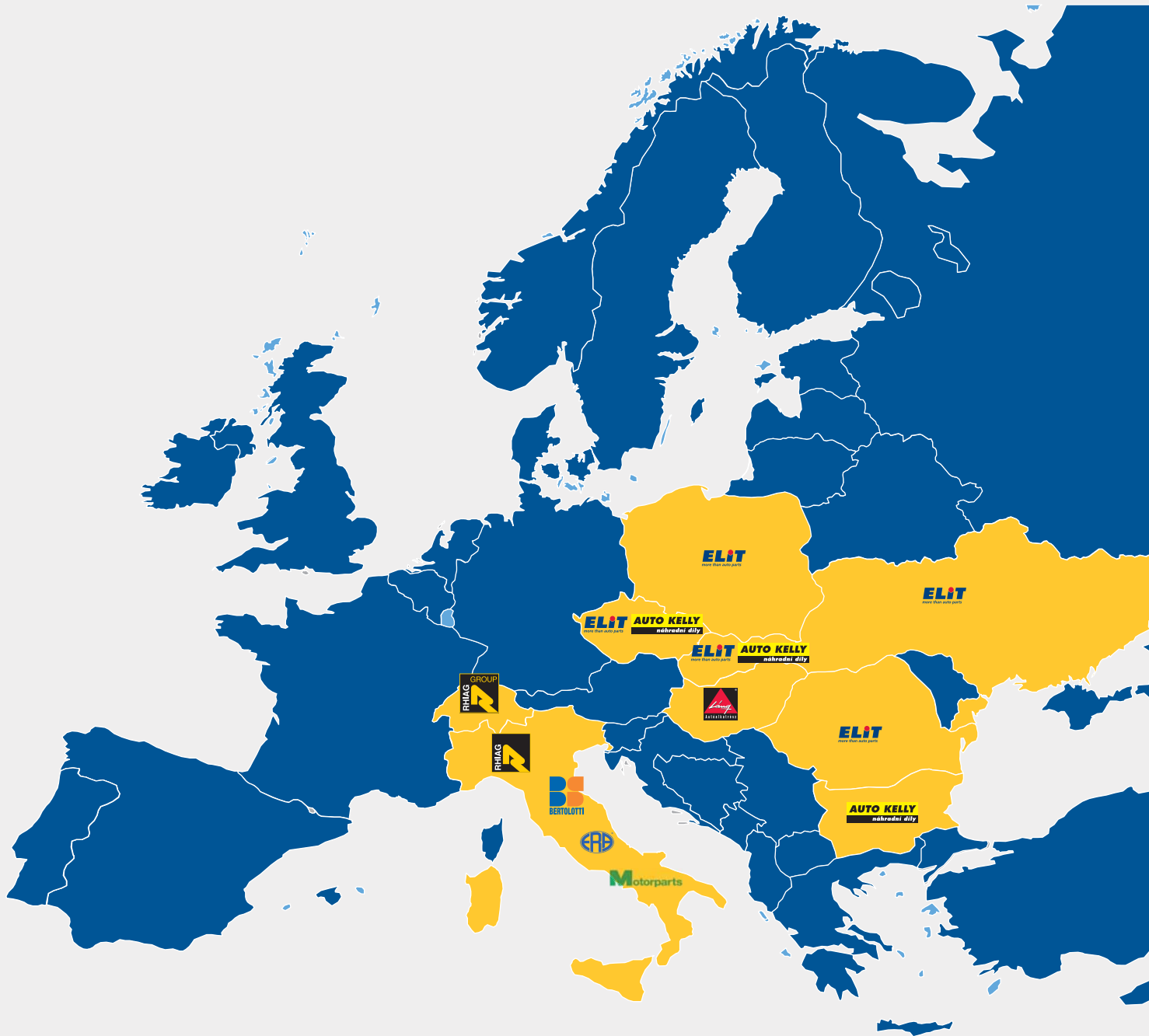
LKQ Corporation (Nasdaq: LKQ), an S&P 500 company, is a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles in North America and Europe.

In March 2016, LKQ successfully completed the acquisition process of Rhiag Group, a leading pan-European business-to-business distributor of aftermarket spare parts for passenger cars and commercial vehicles. Rhiag Group currently operates in 9 European countries (Italy, Switzerland, Czech Republic, Slovakia, Hungary, Romania, Poland, Ukraine and Bulgaria). However, the group's geographical perimeter is constantly evolving, thanks to the many M&A operations carried out.

LKQ Italia S.r.l. is currently the Holding of the Group and is a wholly-owned subsidiary of LKQ Euro Ltd, based in UK. LKQ Euro Ltd is 100% owned by LKQ Corporation.



# LKQ ITALIA



# Introduction



As part of the Group owned by LKQ Corporation Group, we manage, both independently and through our direct and indirect Subsidiaries, the distribution of aftermarket spare parts for the automotive sector. We consider fundamental to clearly define the values inspiring our business and which we intend to apply to operate successfully.

Our Code of Ethics (“Code”) represents the roadmap and compass for doing business the right way, acting ethically and consistently with our values, our policies and the law.

# Introduction

The principles set out in this document correspond to the main values that guide our actions. Compliance with the Code by our directors, statutory auditors, management and employees is crucial to achieve our objectives. Therefore:

- We promote awareness of the Code among all Stakeholders and carefully check for compliance by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measures as required.
- We share our Code with every person having business relationships with the Group.

Moreover, we consider the observance of the rules of the Code an essential part of the contractual obligations of the employees, in terms of diligence, loyalty and impartiality. Each breach of our Code may constitute non-fulfilment of the primary obligations of the employment or unlawful behavior.

Our people are obliged to abstain from behaviors contrary to these rules, collaborate to verify and report each breach and act accordingly to the principles and rules related to the Organizational Model (ex D. Lgs. 231/01) adopted by our Group.

# Principles: People



## Main principles:

- Human rights
- Freedom of speech
- Personal development
- Diversity and no discrimination
- Health and safety

People represent our **key resource**.

We treat employees, customers, business partners and all stakeholders as we would wish to be treated by them. We ensure respect for the physical and cultural integrity of the individuals and their freedom of speech. We promote people development avoiding any discrimination. Safeguarding employees' health is one of our main goals and occupational safety is also a personal responsibility of each employee. Our people represent the Group also in their personal lives and are encouraged to become involved in social activities in the communities in which we operate. This participation should never create conflict with the individual's corporate responsibilities.



# Principles: Compliance



## Main principles:

- Compliance with laws, rules and regulations
- Conflicts of interest
- No fraud, protection of company assets, fair accounting
- Anti Bribery and corruption
- Anti money laundering

## We are bound by the law.

Compliance with all applicable laws and regulations must never be compromised. Our people shall also adhere to internal rules and regulations as the Organizational Model adopted by the Group. We are obliged to act with honesty and loyalty towards the Group and to take business decisions in the best interest of the Group, avoiding any conflict of interests, even if potential. Our people must never be engaged in fraudulent or any other dishonest conduct involving the property or assets or the financial reporting and accounting of the Group or any third party. We condemn any form of bribery and corruption and money laundering activity.

# Principles: Business Relationships



Main principles:

■ Outside relationships ■ No insider trading ■ Antitrust and fair dealing ■ Gift, meals, entertainment

We base any business relationship on **honesty** and **loyalty** towards the Group.

We base relationships with public institutions and independent authorities on the respect of the current laws and regulations. Group management and employees check if suppliers are aligned with contractual conditions, also maintaining the ethical standards required. Insider trading, antitrust and fair dealing rules must be respected by all people inside our Group. Our people shall not be influenced by receiving favors nor shall they try to improperly influence others by providing favors. We may only offer or accept reasonable meals and symbolic gifts which are appropriate under determinate circumstances.

# Principles: Privacy



Main principles:

- Privacy
- Confidential information
- IT systems security

We protect our confidential information and other stakeholders' information.

We respect and protect our people privacy. We treat all information in confidential way and our people don't disclose confidential Group and external parties information. We adopt preventive security measures for all databases storing and keeping sensitive data to avoid any risk of losses or unauthorized accesses.

# Principles: Reporting



## Main principles:

- Failure to comply and disciplinary sanctions and proceedings
- Reporting illegal or non-compliant conduct
- Whistleblower protection

We are responsible for ensuring that we all act with **integrity** in all situations.

Any failure to comply with our Code may result in disciplinary actions, including legal proceedings or criminal sanctions. Our people shall report any practices or actions believed to be inappropriate under our Code. All complaints will be investigated and no retaliation guaranteed to whistleblowers in accordance to the Whistleblowing Policy.

# Standards of conduct

- Our people must observe the **value roadmap and standards of conduct** as described in our Code, knowing the content of guidelines and acting accordingly to them. Our guidelines represent the basis for our day-to-day work. Our Managers and Executives bear a relevant responsibility for communicating and implementing this value roadmap and standards of conduct.
- We treat **Group property** with same care as if it were our own. All company employees seek to protect corporate assets, to treat them with care and consideration, and not to use them improperly or without permission, or to appropriate them for their own purposes.
- **Breaches** of value-oriented principles damage our Group. Our people must report any non-observance, disregard or infringement of laws and guidelines that come to their notice. Violations of the law, value roadmap, standards of conduct or other rules may also result in consequences under criminal and liability law.

# Guidelines



## Bestowal of gifts

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- We can give promotional and token gifts of little value (<50€) identifiable as gifts and invoiced to our Group without authorization with full pre-tax deduction
- Our Compliance Office must approve greater value gifts without pre-tax deduction
- Monetary tokens of any kind (cash, bank transfers, loans, unjustified credits) must be approved by the Compliance Office after presenting supporting documentation



## Acceptance of gifts

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- We can accept promotional and token gifts of little value (<50€) without authorization
- Our Compliance Office must approve greater value gifts, compulsory documentation is required
- Acceptance of monetary tokens of any kind (cash, bank transfers, loans, unjustified credits) must be approved by the Compliance Office, compulsory documentation is required
- We cannot request gifts



## Hospitality

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- We can offer ordinary meals if business relevance exists and in accordance with the limits set by internal Company Policy
- Our Compliance Office must approve meals without directly identifiable business relevance, compulsory documentation is required
- We cannot request invitations
- We must specify guests' name and company when reimbursing costs
- We apply guidelines to invitations acceptance too



## Entertainment

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- We can attend to events with business relevance and of little value
- We can accept invitations only to events not related to travel, hotel staying or fringe events
- Our Compliance Office must approve greater value invitations or without directly identifiable business relevance, compulsory documentation is required

# Guidelines



## Public office

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- We strictly prohibit tangible and intangible tokens of any kind to employees or officers of public bodies or their families
- We strictly prohibit tokens of any kind to political parties, mandate holders and candidates for political office
- We avoid any suspicion that holders of public office should be influenced in any unlawful manner



## Environment

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- We use office material like paper, toner and writing utensils responsibly and efficiently
- We adhere to a modern and well-thought-out disposal concept in our offices



## Privacy & IT Security

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- We do not disclose confidential Group information to external parties or former colleagues
- We save Group data in our network and protect our people's particulars
- We do not use software not procured by the Group on Group computers
- We do not save private files and access pornographic or illegal Internet websites
- We do not save Group data on private data carriers



## Conflict of interests

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- We avoid any conflict of interests, even if potential, and we may not take part or support activities that constitute competition for the Group
- Our employees who holds or acquires, directly or indirectly, a stake in a customer, supplier, service provider or other business linked to the Group activity, must notify such immediately to the Compliance Office.
- It is highly recommended to inform the Compliance Office even if the business hold/aquired is not linked to our sector or business

# Guidelines



## Fairness

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- We are polite to one another and respect the opinions of our fellows
- We are open and pursue good honest relationships with others
- We always behave properly and treat everyone equally
- We do not speak badly of others and do not practice favoritism



## Money laundering

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- We adhere to all bookkeeping, recording and financial reporting duties that apply for cash payments and other payments in connection with transactions
- We notify the Compliance Officer of any suspicious behavior



## Communication

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- We promote and protect freedom of expression and discuss problems directly with people
- We do not discuss internal company affairs in social networks
- We treat all business partners with respect and we never forget our good manners
- We consider a taboo insults, an insulting tone of voice, personal criticism, shouting or physical aggression



## Discrimination

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- We work as a team with colleagues of all colors, nationalities and origin, of all ages, gender, ethnic background, religion and world view
- We actively support colleagues exposed to exclusion
- We do not tolerate discrimination. By this we understand any form of unjustified discrimination, unfair treatment and harassment of a sexual or other nature



# Whistleblowing

Our employees who know, or have good reason to believe, that laws, regulations, our Code or other internal rules have been breached, should bring the matter to attention over the in-company **Whistleblowing system**.

If desired, notifications can be passed on anonymously over the Whistleblowing system. As no clues to the identity of the whistleblower are supplied, the **BKMS System** technically protects our people's **anonymity**. Breaches should be notified regardless of the position of the person responsible for them. Our Compliance Office will examine all notifications and corrective action will be taken as necessary.

Our people can report anonymous warning through:

- **BKMS System:** Application Server Provider (ASP) based System (no e-mail based system)
  - applicable for Italy and Czech Republic based Companies
  - available through the web page:  
<https://www.bkms-system.net/rhiag>
- **Voicelntake:** Speak-Up Tip Line (telephone based)
  - applicable for all Countries Companies (except Italy)



## Whistleblowers

- Report risks and irregularities
- Receive feedback, answer questions

## BKMS System

- Guarantees reports technical security
- Protects reports from third party access

## Examiner

- Processes reports
- Conducts the (anonymous) dialogue

**Anonymity always guaranteed!**



LKQ Italia S.r.l. - Single-member private limited-liability Company  
Registered office in Via Vincenzo Monti n. 23/D Pero (MI)  
Share Capital: Euro 10.010.000 fully paid  
Register of Companies in Milan and Tax Code: 09200590967 - N. REA: MI - 2075297

Approved by the Board of Directors on 25/07/2017  
July 2017 edition