Code of Conduct
MTU Aero Engines
Letter to our staff and management personnel

For decades, MTU Aero Engines has been enjoying an excellent reputation as a company that operates responsibly. Our products and services are successful around the globe, and our customers and partners place their trust in us.

To keep it that way, we are meeting the challenges of the market and gearing up for the future. We expect to stay at the leading edge of technology, remain a reliable business partner, provide our customers with the finest service and product quality possible, and be a healthy company with secure jobs.

In all of our activities, projects and achievements, we at MTU have one thing in common: we all are acting in the name of MTU Aero Engines and are aware of the responsibility this places on us. Our dealings base on a code of conduct set forth for all MTU employees, management staff and board of management alike.

In the code of conduct you will find the basic tenets that are central to the way in which we act. They express our expectations of fair and respectful dealings with each other and moreover with the company, colleagues, customers, business partners and the public at large. They reflect the values and beliefs that make us a responsible company.

MTU Aero Engines’ code of conduct is intended to provide you with orientation, confidence in dealings with customers, partners and the public at large, and moreover convey to you our views in environmental protection matters. We naturally cannot anticipate all possible situations you are facing in your daily work. If you have specific questions, your supervisor will be pleased to help, or you can consult your contacts at human resources or the works council.

We all shall note and observe these basic tenets to foster MTU Aero Engines’ global reputation and secure its future success.

Reiner Winkler
Chief Executive Officer

Josef Hillreiner
Chairman,
Group Works Council
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Translation remark:

This specification is a translated (equivalent) version of the German company standard; any perceived discrepancy or dispute as to the intent within the English version shall be resolved by reference to the original German version. MTU Aero Engines will not accept any liability for damage resulting from any errors in the translation.
Translated TQO-N
MTU Aero Engines embraces a corporate culture characterized by equitable and cooperative partnership. Tolerance and trust are the basic principles of our daily dealings with each other. The workforce and management commit to adhere to conduct that is marked by responsibility and integrity. The personality and dignity of individuals shall be respected. Employees shall be responsive and tolerant when encountering other cultures and mindsets in collaboration.

Management personnel are called upon to orient their conduct along the values described herein and serve as role models in their management functions.

To uphold the company’s reputation, employees should be aware of the responsibility they bear as the company’s representatives. This makes the company fair and respectful in its dealings with customers, suppliers and other outside people doing business with the company. Accordingly, this Code of Conduct applies not only during working hours but also in off-duty activities when they touch upon the company’s interests and employees are perceived by outsiders as representing the company.

Employees shall know and observe the legal rules concerning their work. To be observed also are the provisions set forth in the employment contract and in company rules.

Preamble
Scope

The MTU Code of Conduct applies to all employees of MTU Aero Engines AG and its affiliates. Whenever reference is made to MTU in this Code of Conduct, it shall be construed to mean MTU Aero Engines AG, including all of its affiliates.

The particular situation of one or the other company affiliate or division may require rules of conduct going beyond those mentioned in this Code of Conduct. Where it does, additional rules may be formulated for individual affiliates, locations or activities in consultation with the human resources department and the works council, perhaps as part of the work rules.

The MTU Code of Conduct constitutes a binding internal standard to be observed by all employees. The company will appropriately penalize employees for any violation of this Code of Conduct or applicable law.
Relations of the company with political parties and politicians
Donations, presents, free services, payments and loans to political parties, committees, candidates or incumbents of political offices are allowable only if they comply with applicable law and have the prior approval of MTU’s board of management.

Relations of the company with national and foreign public agencies and officials
Payments, presents, entertainment or the granting of other advantages to national or foreign civil servants, military personnel or other staff of civil services or authorities (hereinafter called office holders) or to natural or legal persons close to them, made to win contracts or other advantages for MTU, are disallowable. This equally applies to the granting of advantages after contracts or advantages have been received.

Specifically, the following stipulations apply in dealings with office holders or persons close to them:

a) Entertainment shall be allowed only when necessary in the form of working meals held within the scope of normal cooperation. They shall be made in an appropriate and socially adequate fashion.

b) Presents shall be made only on very special occasions (service or personal jubilees, etc.) and where they are expected courtesies. Such presents shall be appropriate and socially adequate.

c) Additionally, advantages shall not be granted office holders or third parties close to them unless with the prior written approval of the office holder’s supervisor. This also includes advantages provided in the form of contracts, as for lecture activities. Such written approvals shall be filed for safekeeping.
MTU is a globally engaged, highly-focused company that benefits its customers through its capabilities, product and service quality, and earning power. MTU does not tolerate immoral or corrupt practices, such as bribing or accepting advantages, in business transactions. Similarly, company employees shall abstain from private business or transactions patently running counter to MTU’s best interests or prejudicing their work for the company. Where uncertainties exist in the interpretation of legal concepts or cultural differences (e.g. internationally, when the rejection of a present may be considered impolite), these shall be clarified in consultation with supervisors or human resources staff.

Specifically, the following stipulations shall apply:

**Dealings with suppliers, customers and other business partners**
• MTU personnel shall generally not request or accept from MTU’s business partners payments, loans, presents, invitations for meals or other events, nor any other favors. The acceptance of promotional material and other items shall be allowable only provided they are offered voluntarily, are socially adequate within the scope of business relations and can safely be assumed not to sway employees’ decisions. An item worth € 30 is generally considered the limit. Exceptions thereto are invitations that are part of events (congresses, trade shows, etc.) or business lunches or dinners where company employees are the guests of business partners. In that case, their supervisors shall be apprised of the frequency and reason of events funded by business partners.
• Discounts or special conditions for goods or services provided by suppliers or customers shall not be requested or accepted for private purposes. Exceptions thereto are discounts and other benefits universally granted all employees and agreed upon with MTU.
• Unless otherwise agreed upon with MTU’s board of management, business partners shall not be allowed to sponsor MTU events. Nor shall internal MTU departmental celebrations be sponsored by third parties.
• Any type of punishable attempts to affect business partners’ decisions, more particularly by cash payments, shall be disallowable. Disallowable also shall be socially inadequate presents, entertainment and other benefits aimed at winning contracts or other advantages for MTU through granting personal advantages to business partners’ employees.

**Sideline employment**
Without prior written approval, company employees shall not be members on the management, supervisory or advisory boards of other business enterprises or regularly perform sideline activities that conflict with the legitimate interests of the company.

**Financial participation**
Without prior written approval, MTU employees shall not directly or indirectly participate in companies of MTU’s business partners or competitors when amount and type of such participation may affect their work for or loyalty to MTU or give rise to conflicts of interests.

**Public appearance**
MTU generally advocates that its employees assume political mandates or serve in honorary capacities, provided such commitment does not conflict with the company’s legitimate interests. If such commitment in any way relates to employees’ work at MTU, the prior approval of the human resources department is required.

When pursuing such activities, employees shall appear to third parties as private persons and not as representatives of MTU; owing to their position in the company, management staff shall here be subject to greater restriction than other company personnel.

Interviews, lectures or publications on topics relating to the company shall in advance be agreed upon with the company’s communications department.

If employees receive fees, other compensation or reimbursement of expenses for appearing in the public, and that appearance relates to their work at MTU, such compensation shall be surrendered to MTU. Exceptions thereto shall be approved by MTU’s board of management.
Company property shall be used for company purposes only. Company employees are obliged to protect company property from loss, theft or misuse. Without prior authorization, no surplus material, samples and waste, no matter how worthless it may appear, shall be taken from the company premises. This equally applies to company vehicles and other company assets. Without prior authorization, no records, drawings, documents, copies, electronic data and data media shall be taken, sent or copied from company premises or offices or made available to unauthorized persons.

Company employees are bound to secrecy regarding company or business matters for the duration of their employment as well as after it. Legislation such as section 120 of the German Works Constitution Act (BetrVG) on breaches of confidence, as well as other secrecy regulations or data protection provisions shall be observed.
Protection of health and safety at work

MTU provides protection of health and safety at work, observing national regulations as a minimum requirement. For the purpose, it designs workplaces in accordance with legal and generally recognized rules of safety and occupational medicine. The workplaces it offers enable work to be performed without accident and with minimum stress. The company aims to minimize as much as possible any impairment of the safety and health of its workforce and third parties and to continuously achieve improvements in that effort.

The company’s management personnel at all levels will make sure that work and health protection regulations are observed and all laws, enactments, agreements and technical rules to that effect are complied with. They function as role models in that effort.

The company’s employees are challenged to actively engage in the protection of health and safety at work. Observance of the rules adopted to that effect is a primary concern in the company.

Qualification

MTU supports and fosters the qualification of employees as key to ensuring competitiveness and innovation capabilities, securing jobs and maintaining employability of its workforce. This enables the company to achieve high levels of performance and product and service quality.

Suppliers

MTU is encouraging its suppliers to adopt comparable principles on which to base and implement lasting business relations with the company.

For MTU, social responsibility plays a significant part in the company’s long-term viability. We expect social responsibility to be displayed also by MTU’s business partners, customers and employees.

The following principles apply at MTU globally:

Human rights
MTU respects and supports observance of internationally recognized human rights. MTU is committed to maintaining equal opportunities in employment and abstaining from discrimination unless national law expressly provides for selection in accordance with certain criteria. Differential treatment of employees because of sex, race, handicap, origin, religion, age or sexual orientation shall be disallowable. Employees are deployed and promoted in the complete absence of discrimination and in accordance with their competences, abilities and performance.

Relations with employees and employee representatives
MTU recognizes applicable labor and works constitution legislation. The company constructively cooperates with employees, employee representatives and labor unions. It seeks to preserve a long-term viable, trusting form of cooperation with them also in disputes.

Terms of employment
MTU recognizes that every company employee is entitled to equitable pay. The compensation and other benefits it pays comply with or exceed applicable national legal standards/collective agreements or the level paid in the national industries.
Environmental protection

MTU takes a vital interest in protecting the environment as a basis of life for today’s and future generations of mankind and therefore in observing the applicable environmental laws and standards. For that reason, the following key principles have been formulated to guide the company:

• We take our responsibility for the environment seriously.
• With our products we set standards for reduced fuel consumption, noise reduction and lower emissions.
• The long lifespans of our products, coupled with the continuous improvement in our maintenance procedures, reduces our consumption of raw materials.
• We ensure our work procedures are environmentally friendly and that materials and energy are used as economically as possible.

In this effort, the company is committed to an integrated form of environmental protection. It takes its cues from the causes of environmental impairment, anticipates the impact of the company’s production processes and products on the environment, and factors the resulting insights into its entrepreneurial decisions.

MTU expects and encourages its workforce to be environmentally aware. This applies more particularly to the use and development of new products and manufacturing technologies that economize natural resources, enable reuse, reduce environmental contamination and preserve the natural environment.
MTU observes applicable antitrust and trade laws, as well as pertinent regulations on pricing, competition law and consumer protection. It is these laws that stipulate the company’s dealings with its competitors, suppliers and customers.

They prohibit collusion and any other activities designed to affect prices or conditions, divvy up sales territories or customers or illegally constrain competition. These laws restrict the company’s options to divulge legally protected or competitive information and exclude suppliers and other business partners from competition. The antitrust and trade laws apply to all MTU’s activities inside Germany and abroad. When employees are uncertain about how these laws affect their own area of responsibility, they can consult MTU’s legal affairs department.

To obtain intelligence about its competitors, MTU will use all allowable means but forgo any course of action that is illegal or may involve liability claims.
When disclosing insider information, company employees not only violate their contractual duty to observe secrecy, but may also become liable to prosecution. Insider trading rules further prohibit the exploitation of insider information for the purpose of directly or indirectly gaining personal advantages through the purchase or sale of securities.

Dealings with foreign governments and customers

MTU strictly observes tariff laws as well as foreign trade and payments ordinances. These stipulations apply to all activities and employees of MTU.

Foreign trade and customs laws determine where and how MTU may sell its products, services and technologies and transfer information. In some cases, it is illegal to do business with certain countries; in others, the export of goods or transfer of services and technologies requires regulatory approval. Customs tariff legislation requires an accurate description, complete listing and specific valuation of the goods involved.

Anti-boycott laws may prohibit participation in boycott activities of other countries and restrict the transfer of business and personal data.

Investor relations/insider trading

As a publicly listed company, MTU Aero Engines AG is subject to German, U.S. and other stock exchange and securities regulations. Observance of these regulations, among other factors, is vital for MTU’s standing in financial markets.

MTU therefore expects its employees to treat yet unpublished company data that may impact the price of the MTU stock (insider information) strictly confidential. This may include, for instance, information about planned acquisitions, strategic alliances, financial results, new products, product problems and significant contracts.

When disclosing insider information, company employees not only violate their contractual duty to observe secrecy, but may also become liable to prosecution. Insider trading rules further prohibit the exploitation of insider information for the purpose of directly or indirectly gaining personal advantages through the purchase or sale of securities.
Compliance, and consequences upon violation

Violation of this MTU Code of Conduct or other MTU stipulations may result in disciplinary measures, termination of employment or other civil-law or penal measures.

MTU management personnel at all levels are challenged to ensure that MTU personnel know and observe the provisions of this Code of Conduct. Supervisors and the human resources department alike should be consulted if uncertainties regarding proper conduct need resolving. Management personnel, if failing to observe this obligation, may themselves become subject to disciplinary action and other legal consequences.