



Volvo Group North America, LLC

CORPORATE POLICIES & PROCEDURES

INITIATOR:	Vice President and General Counsel	NO:	L-5
SUBJECT:	Standards of Business Conduct	DATE:	12-13-99
FUNCTIONAL AREA:	Legal	PAGE:	1 of 7
		REVIEWED:	5-19-04
		REVISED:	7-25-06
		REVISED:	3-16-12

PURPOSE

To establish uniform standards of business conduct to be followed without exception by all Mack Trucks, Inc. and Volvo Group North America, LLC. employees, officers and directors ("Employees").

SCOPE

This policy applies to all operations of Mack Trucks, Inc., Volvo Group North America, LLC. and their divisions (the "Corporation").

POLICY

All Employees of the Corporation have a duty of loyalty to the Corporation and an obligation to adhere to the highest ethical standards of business practice and shall conduct the business and affairs of the Corporation in accordance with the laws and regulations which govern business activities. This obligation shall be regarded as of the utmost importance. Great care should be taken to assure that the business conduct of the Corporation through its Employees is always exemplary at all levels of business activity regardless of the amount of money involved or the nature of magnitude of the conduct.

The following topics provide an overview of some of the ethical and legal challenges in day to day business activities. Many of these matters are covered more fully in other policies and procedures of the Corporation. Each Employee is responsible for reading and understanding this Policy and for reviewing all of the Corporation's policies and procedures to the extent applicable to the Employee.

Conflicts of Interest

Conflicts of interest and all situations which compromise, or appear to compromise, the judgment and decisions of Employees in the performance of their duties, must be avoided.

There shall be no conflict between the personal interest of any Employee and the interest of the Corporation. Employees shall avoid situations where their personal interests could conflict with, or even appear to conflict with, the interests of the Corporation. Conflicts of interest may arise where an Employee's position or responsibilities with the Corporation present an opportunity for personal gain apart from the normal rewards of employment. They also may arise where an Employee's personal interests are inconsistent with those of the Corporation and create conflicting loyalties. Such conflicting loyalties and opportunities for personal gain may affect an Employee's independent judgment and could cause the Employee to give preference to personal interests in situations where responsibilities to the Corporation should come first.

In exercising judgment in possible conflict of interest situations, an Employee is expected to use the care, prudence, and diligence which a reasonable and prudent person acting in a like capacity would use under similar conditions without fear of embarrassment if such action were to become known in general.



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It is not practical or possible to enumerate all situations which might be in conflict with this Policy; however, the examples given below indicate some of the relationships which should be avoided. It is considered to be in conflict with the Corporation's interest and a violation of trust:

- A. For an Employee or any member of his or her immediate family¹ to accept any commission, fee, loan, royalty, property, share in profits or other monetary benefit from any person or company that has or seeks to have a business relationship with the Corporation. Ownership of mutual funds which may invest in publicly traded stock of a company which has or seeks to have a business relationship with the Corporation, and direct ownership of not more than 1% of any class of securities of such publicly traded stock, are not conflicts of interest. Ownership of more than 1% of any class of publicly traded stock of a company which has or seeks to have a business relationship with the Corporation must be declared on the attached Certificate of Compliance.
- B. For an Employee or any member of his or her immediate family to accept from an individual or company that has or seeks to have a business relationship with the Corporation any gift of hospitality or entertainment, or the free use of any vehicle, material, equipment, tools, services, supplies or property, or any other gifts of more than nominal value, which because of its nature or value might influence the Employee's independent judgment. Each employee is expected to exercise prudent judgment consistent with the Corporation's philosophy of maintaining the highest ethical standards of business practice. The Employee is to consult with management in any situation where the appropriate course of action is not clearly defined.
- C. For an Employee or any member of his or her immediate family to buy, sell, or lease any kind of product, service, property, facilities or equipment from or to the Corporation or to any company, firm or individual who is or is seeking to become a contractor, supplier or customer of the Corporation, except with the knowledge and written consent of top management.
- D. For an Employee to serve as an officer of any other company, or in any management capacity for or as a consultant for any individual, firm, or other company which is in competition with the Corporation or which is doing or seeking to do business with the Corporation or which is in any way involved in a business transaction involving the Corporation, except with the knowledge and prior written consent of top management.

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* Immediate Family is defined as "spouse, mother, father, children, parents, parents-in-law, brothers, sisters, brothers-in-law, and sisters-in-law".



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- E. For an Employee to use any information of a Sensitive or Confidential nature to his or her personal advantage and not in the best interest of the Corporation; for example, by acquiring or inducing others to acquire any interest in securities in the Corporation or of a company involved in or which may become involved in any transaction with the Corporation which is not generally known to the public.

Confidentiality

Disclosing Sensitive, Confidential or proprietary information and trade secrets of the Corporation to any other party not authorized by the Corporation's management to receive it is prohibited. Although it is impossible to list all information that could be considered Sensitive, Confidential or proprietary or a trade secret, such information includes customer information, dealer information, materials and parts pricing, supplier support or funding, long term agreements, strategic alliances, short or long term business or product plans, proprietary technology, technical and design information, financial information, and organizational structure and plans.

Each Employee is required to execute an Employee Confidential Information and Invention Agreement, which further details this policy.

Political Contributions

No Corporation funds or resources including facilities, personnel and assets shall be paid or furnished, either directly or indirectly, to any domestic or foreign political party, candidate or other person, organization or committee for any political purpose whatsoever; provided, however, the foregoing does not preclude participation by the Corporation's personnel in legislative or regulatory processes involving legislation or regulations in which the Corporation has a legitimate interest, or sponsorship by the Corporation of one or more political action committees, provided such participation or sponsorship is legal under state and federal law.

The Corporation recognizes the importance of the political process and Employees may contribute their personal time and money in such political undertakings as they may desire, but no such contributions by individual Employee to a political candidate, political committee or a political party or any entity exempt from federal income taxes under Section 527 of the Internal Revenue Code shall be made in the name of the Corporation or be reimbursed, directly or indirectly by the Corporation. If an Employee does choose to participate in the political process, she/he must do so as an individual and not as a representative of the Corporation. In addition, an Employee may not cause any corporate funds, assets (such as corporate facilities) or personnel to be used in connection with an Employee's volunteer campaign activity.

Sales and Purchases of Goods and Services (Domestic and Foreign)

Sales of goods or services by the Corporation shall be billed to the purchaser by written invoice setting forth in reasonable detail an identification or description of the goods or services involved and the correct amounts owing the Corporation. Any amount billed subject to refund shall be separately



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identified and such refund shall be accurately stated on the invoice. No payment on behalf of the Corporation shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.

All payments and billings for goods or services shall be made in such manner that public disclosure of the details thereof will not impugn or jeopardize the Corporation's integrity or reputation.

Payments, Gifts or Gratuities to Government Officials and Employees

No Employee may offer or make any illegal or improper payments of money, or offer or give services, property or anything else of value, in order to influence governmental action or decisions or gain preferential governmental treatment. Federal, state and local governments have special regulations regarding the acceptance by their employees of favors of any sort from persons with whom they are dealing or over whom they have regulatory authority. Employees are expected to follow such regulations.

No Corporation funds or resources, including gifts and entertainment, shall be paid or furnished, either directly or indirectly, to officials or employees or any government, political party, or official agency, or any instrumentality of any government, domestic or foreign, with the purpose of obtaining or retaining business for or with the Corporation, or to influence legislation or regulations, or to procure special favors or advantages in the administration of laws or regulations by such government.

While there may be certain exceptions to the statutory prohibition respecting payments to governmental employees, such as in the U.S. Foreign Corrupt Practices Act with respect to certain non-U.S. payments or with respect to providing meals during meetings and conferences to government employees, all such payments, gifts and gratuities which an Employee believes may be lawful and permitted must be approved in advance by the General Counsel or his designee.

The Foreign Corrupt Practices Act prohibits employees or agents of the Corporation from making any payment or offer of payment to any foreign official to induce that official to affect any government act or decision or to assist the Corporation in obtaining or retaining business. Thus employees of the Corporation are prohibited from making any bribes, payments or gifts to any employee or agent of a foreign government or foreign political party, party officials, candidates for political office or representatives thereof. This policy extends to indirect payments made through agents and includes the use of personal funds.

Payments, Gifts or Gratuities to Employees or Agents of Customers or Suppliers

No Employee, in any dealings with employees or agents of customers or suppliers of the Corporation, shall offer or give any payment or thing of value which could reasonably be expected to influence improperly a bona fide business relationship between the Corporation and the customer, supplier, or the customer of the supplier or customer. Employees should be aware of and abide by vendor, supplier and customer policies regarding the acceptance by their employees of favors of any sort from persons with whom they are dealing.

Each Employee is expected to exercise prudent judgment consistent with the Corporation's philosophy of maintaining the highest ethical standards of business practice. The Employee is to consult with



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management in any situation where the appropriate course of action is not clearly defined.

Use of Brokers and Other Representatives

Payments by brokers, agents, consultants, professionals or others representing the Corporation to third parties shall be made only as expressly provided in written agreements approved by both direct reports to the President and the Legal Department; shall be limited to reasonable compensation for services rendered or reimbursement for expenses incurred; and shall be properly reflected with appropriate substantiation on the books and records of the Corporation. No such relationship shall be employed to effect any indirect payment or benefit, which conflicts with this Policy.

Misleading Transactions/Misrepresentation

No transaction shall be agreed to or consummated by an Employee which will be or which can reasonably be expected to be used or effected to violate or circumvent the laws or regulations of any jurisdiction or the policies of any vendor, supplier or customer.

Employees should not make misrepresentations concerning the Corporation to anyone. Advertising copy must be truthful and not designed to mislead.

Unauthorized Transactions

No employee of the Corporation shall order or cause to be ordered any goods or services from any supplier without proper prior approval as detailed by Corporate PAR, OPR, and purchasing policies.

Accounting Procedures

The Corporation will follow proper accounting and financial procedures in all transactions, domestic and foreign. Such procedures include, but are not limited to the following:

- A. No unrecorded or off-book fund, kitty or asset, whether the property of the Corporation or any customer, supplier or distributor of the Corporation shall be established or maintained for any purpose.
- B. No false or intentionally misleading entry shall be made in any books or records of the Corporation for any reason.
- C. No sham, dummy, built-up, or misleading invoices, sales orders or other documents shall be issued or delivered in the name of the Corporation to customers, lending institutions or other parties. All invoices shall accurately state the terms of the sale.
- D. No credits or debits shall be issued or granted to customers, suppliers or distributors unless their purpose is fully identified and described on the face of the credit or debit memo and approved at least by the supervisor of the person issuing the credit or debit memo. Credit memos issued for



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reasons other than return of merchandise or correction of errors must be approved by the local controller or business manager. No credit or reimbursement of credit will be given except in the account name with which the transaction was initially effected, and will only be sent to the regular place of business of the customer, supplier or distributor.

- E. Payments received in advance of invoices should be credited to the customer's account. Invoices should reflect the full price of merchandise with any payments received in advance shown as payments on account with the balance due.
- F. In no event shall any payment in cash (excluding checks) be made to any customer or its representatives for discounts, credits, or price reductions.

Candor Among Members of Management

Senior management must be informed at all times of matters which might be considered sensitive in preserving the Corporation's reputation. Concealment may be considered a signal that the Corporation's policies and procedures can be ignored, and such conduct cannot be tolerated. Accordingly, there shall be full communication with senior management even when it might appear to the Employee that less candor is desirable to protect the Corporation or to make the management group look good. Likewise, there shall be no concealment of information from the independent or internal auditors, the Legal Department, or the Board of Directors (through appropriate management channels).

Implementation

For any questions concerning this Policy or to report any violations or suspected violations, employees should contact either their immediate supervisor, the Corporate Compliance Officer, an attorney in the Legal department, their Human Resources Manager, or the VP of Human Resources.

Certification concerning compliance with this Policy will be required annually from all officers, directors, and exempt salaried employees. The Human Resources Department is responsible for coordinating the timely distribution of the Policy and subsequent collection of the Certificates of Compliance. Copies of Certificates of Compliance returned to Human Resources with exceptions noted will be forwarded to the Legal Department for review. Certificates of Compliance will be filed by the Human Resources Department along with other Employee records.

There will be no retribution or penalty for making a report or informing management of matters inconsistent with the law. The Standards of Business Conduct or the Corporation's policies and procedures.

Any violation of this Policy will be met with appropriate disciplinary action, including termination of employment, and, if necessary, with legal proceedings to recover the amount of any improper expenditure.



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CERTIFICATE OF COMPLIANCE

I acknowledge that I have read and understand the Standards of Business Conduct Policy of Volvo Group North America, LLC. (the “Corporation”). I have no questions concerning it, and except as set forth below, I know of no violation of the Policy or the policies and procedures of the Corporation. Neither I, nor, to the best of my knowledge, any member of my immediate family has any interest in or is engaged in any activity which might be interpreted as a violation of the law or the Policy. I agree to comply with the Policy in every respect, including the execution of the Employee Confidential Information and Invention Agreement, and the required annual review of the Policy and execution of this certificate.

Conflicts:

Signature:

Name Print:

Title:

Location:

Date:
