

ETHICS

is good business and
integrity is the bottom line



MERITOR®

OUR VISION

To be the recognized leader in providing advanced drivetrain, mobility, braking and aftermarket solutions for the global commercial vehicle and industrial markets.

OUR MISSION

We anticipate our customers' needs by developing innovative products that provide superior performance, energy efficiency and reliability.

We provide a leading portfolio of differentiated services supporting our customers' products throughout their life cycle.

We distinguish ourselves through our ability to consistently deliver on our commitments while maximizing value for our shareholders, customers and employees.

OUR CORE VALUES

Pursuit of Excellence

We exceed customer expectations.

We deliver superior results.

We commit to innovation and continuous improvement.

Integrity

We do the right thing.

We deliver on our commitments.

We are socially and environmentally responsible.

Teamwork and Respect

We recognize the power of collaboration.

We respect each other's opinions.

We empower employees to make decisions.

Meritor Employee,

At Meritor, we expect the highest standards of honesty and integrity from every employee.

We are committed to transparency in our global operations and accuracy and reliability of our financial disclosures. We consistently work to ensure not only compliance with the latest regulatory measures, but also to demonstrate exemplary business practices.

It is critical to the success of Meritor and M2016 that we demonstrate high ethical standards, sound corporate governance practices and unquestioned integrity on a daily basis – regardless of the language we speak or the country in which we live. As part of our culture, we expect proper business conduct from all our employees.

I urge you to carefully consider your actions and conduct yourself in a manner that continues to enhance our reputation. If you should witness unethical business practices in others within the company, please understand that you have the responsibility to report that violation.

I strongly recommend that you review the Ethics handbook and commit yourself to the highest standards of business and personal integrity. Should a situation arise that is not covered by your handbook, or if you have questions concerning possible violations, please talk to your supervisor or any member of the leadership team.

Maintaining trust and respect of our shareholders, customers, business partners and communities is everyone's responsibility. Our behavior and values define us as a company.

Thank you for your commitment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay Craig', written in a cursive style.

Jay Craig
CEO and President

TABLE OF CONTENTS

ETHICS IS GOOD BUSINESS.....	5
PROBLEM REPORTING AND RESOLUTION.....	7
CONFLICTS OF INTEREST	9
GIVING AND RECEIVING GIFTS AND GRATUITIES	11
PUBLIC COMMUNICATIONS AND INTERNAL RECORDS	15
USING COMPANY RESOURCES	17
PRODUCT INTEGRITY	19
PROTECTING SENSITIVE AND CLASSIFIED INFORMATION	22
EXPORT AND IMPORT CONTROLS	25
COMPETITION AND ANTITRUST.....	28
PROHIBITION ON INSIDER TRADING	30
RESPECT FOR THE ENVIRONMENT	32
RESPECT AND CONCERN FOR EACH OTHER	35
NEPOTISM.....	38
HUMAN TRAFFICKING AND SLAVERY	41
CORPORATE POLICIES.....	44
Corporate Policy A-03 Conflicts of Interest Policy	44
Corporate Policy A-03, Appendix A, Conflict of Interest Disclosure Summary – Sample Format & Guidelines.....	46
Corporate Policy A-08 Standards of Business Conduct Policy.....	47
Corporate Policy A-08, Appendix A, Standards of Business Conduct – Implementing.....	47
Corporate Policy A-08, Appendix B Standards of Business Conduct Regarding Representatives and Representative Agreements.....	50
Exhibit 1, A-08 Appendix B, Sample Format Conflict of Interest and Disclosure Clause for Representative Agreements	51
Corporate Policy EHS-001 Environmental, Health and Safety Policy.....	52
Corporate Policy HR-019 Nepotism Policy	52
Corporate Policy B-04 Innovation Protection and Award Policy	52
Corporate Policy B-05 Safeguarding Company Sensitive Information Policy	54
Corporate Policy L-103 Human Trafficking and Slavery.....	55
Corporate Policy HR-050 Social Media.....	57

**Note: Not all policies referenced are in the handbook; the complete list of Meritor's Policies and Procedures are located on Imagine.*

The Bottom Line • *Meritor policy is to conduct its business in accordance with all applicable laws and with the highest standards of business conduct.*

ETHICS IS GOOD BUSINESS

Why It's the Meritor Way • We want to be respected for honesty and unquestioned integrity. Our continued business success depends on our customers and shareowners recognizing these qualities as Meritor hallmarks. Even a perception of less than the highest ethical standards by any Meritor board member, officer or employee can damage the reputation of our company.

Q: *I do my job and I follow the rules. Frankly, I think we're all ethical employees. Why does Meritor keep reminding us to be ethical? Does someone think we're not?*

A: Not at all. We certainly aren't implying that anyone is dishonest. But we believe it is important to remind ourselves of the many rules and policies concerning standards of business conduct. We expect our employees to be familiar with those rules that apply to their jobs.

Q: *Will this handbook be available to every Meritor employee?*

A: Yes. This handbook will be available to all Meritor employees in the HR office at each location and on the Ethics page of the *Imagine* website.

Q: *Parts of this handbook don't appear to apply to my job, but I'd like to learn more about the subjects. Where do I turn for help?*

A: Start with your supervisor, your local HR representative or the *Imagine* website. It is not expected that every section of the handbook will apply to the work every Meritor employee does, but each section is an important statement of the value Meritor places on ethical business conduct.

The Bottom Line • *If you have knowledge of any activity that is or may be a violation of the company's Ethics policies or guidelines, it is your responsibility to report the violation to your supervisor or member of local management. If further action is required, contact one of the corporate representatives or the Helpline.*

For issues specific to internal controls, accounting or auditing, contact the Audit Committee of the Board of Directors on a confidential basis.

Corporate representatives, Helpline and Audit Committee information can be found on the Ethics Contacts poster at each location or on the Ethics page of the Imagine website.

Harassment of, or retaliation against, an employee for making a disclosure to the Helpline or any member of management is prohibited by company policy. Deliberately making a false report is also prohibited.

PROBLEM REPORTING AND RESOLUTION

Why It's the Meritor Way • Meritor employees must conduct all business activities in a way that is consistent with the company's standards of business conduct. Unethical behavior is wrong and can damage the company. Employees are urged to seek answers or clarification if there are any doubtful or "gray" areas. To help ensure that the company's standards of business conduct are enforced, all employees must understand and accept their obligation to report any violations and know that they can do so in confidence and without fear of retaliation.

Q: *I know of a violation of company policy related to standards of business conduct. Do I have to call the Helpline?*

A: You are required to disclose the violation as soon as possible to an appropriate authority. Appropriate authority means your supervisor, other member of management, Office of General Counsel, or if you prefer, the Helpline.

Q: *If I identify myself when I call the Helpline, who will be told that I was the caller?*

A: Any contacts with the Helpline are held in extreme confidence. You need not give your name, but if you do, your name will be held in confidence.

Q: *What can I do if I think someone is retaliating against me for reporting a matter to management or for contacting the Helpline?*

A: Report it to the Helpline immediately. Retaliation is a violation of company policy, and appropriate action will be taken to stop the retaliation and to prevent future occurrences.

Q: *I called the Helpline to report an incident. The person I called about is still working here. Why wasn't I told what happened?*

A: When the investigation resulting from a call to the Helpline or disclosure to management is completed, appropriate corrective action is taken. If you want to be informed of the results of an investigation, you should make your desire known when you first report the matter. Please be aware, however, that the specifics of employee discipline are confidential.

Q: *I suspect that there is an issue with financial reporting at my facility. Should I call the Helpline or contact the company Legal department?*

A: You should first consider using the Ethics Contacts poster to locate the contact name for your area of concern - in this case Finance. If you are not comfortable reporting the issue to your business unit controller, Vice President of Finance or the company's Chief Financial Officer, consider contacting the Helpline. The Helpline will ensure your anonymity and will address your concern quickly. Since this issue involves internal financial reporting, you may choose to contact the Meritor Audit Committee of the Board of Directors by regular mail or through e-mail.

The Bottom Line • *All employees, officers, and board members must conduct themselves with the highest standards of integrity, honesty and fairness to avoid any conflict between their personal interests and the interests of the company. No employee, or member of the employee's related family, may be involved with any business that competes with Meritor or does business with Meritor unless the involvement is disclosed and approved as required in Corporate Policy A-03, "Conflicts of Interest."*

CONFLICTS OF INTEREST

Why It's the Meritor Way • Meritor has an obligation to its customers, suppliers and shareowners to ensure that business decisions are based on quality, price, delivery, and supplier experience and reputation. Business decisions must not be influenced by personal considerations or interests.

Q: *How do I know if I have a reportable conflict of interest?*

A: You need to report a potential conflict of interest if you or a related family member has any direct or indirect interest in, renders any service to, or is otherwise involved with any competitor, supplier or customer.

Q: *What is meant by "related" family?*

A: "Related" family members include an employee's spouse, children, parents and in-laws.

Q: *What is wrong with having a relative who works for a customer or supplier?*

A: In most cases nothing, but the company needs to know about it so appropriate action can be taken to protect potential conflicts from affecting, or appearing to affect, Meritor decisions. For example, if your son works for a supplier and the company is aware of this relationship, you cannot be involved in the selection process for this supplier. This will ensure that no questions can be raised about your relationship affecting selection of that supplier.

Q: *My mother owns a machine repair shop and believes her shop can provide better service, price, and repair time than our current supplier. Can she be put on our "bidders" list?*

A: Your mother may apply to be placed on the "bidders" list, but you must disclose the relationship and relevant facts. If you are in a position to influence the selection process, it is unlikely that your mother will be placed on the "bidders" list. However, she may be placed on the list if you are not involved in the selection process.

References

Corporate Policy A-03, "Conflicts of Interest"
Corporate Policy A-08, "Standards of Business Conduct"

The Bottom Line • *Meritor and its employees and representatives must conduct business with customers, subcontractors and suppliers on the basis of service, quality, performance and price without giving or accepting anything of value that could influence or appear to influence the outcome of a transaction.*

Further, it is against the law for employees or representatives of a U.S. corporation regardless of global location to give anything of value, directly or indirectly, to an official of another country in order to obtain or retain business or influence an official act or decision.

GIVING AND RECEIVING GIFTS AND GRATUITIES

Why It's the Meritor Way • Sales, purchases and other business decisions must not be influenced or appear to be influenced by the personal considerations of employees. Further, the company has a long-standing tradition of not doing anything that might cause others to violate the law or the policies of their employer.

Q: *Does this mean I can never accept a gift from a business contact?*

A: No. Exchanging modest gifts is usually acceptable. Each Meritor business is familiar with the customs, practices and restrictions that govern the markets it serves, and has established rules as to what employees may accept as business gifts. Ask your management for the guidelines applicable to your business.

Unless your business or function has established a more restrictive policy, company policy permits employees to accept gifts of modest value, consistent with generally accepted ethical and legal business practices. The value of these gifts or gratuities may not exceed \$200 U.S., or a comparable amount based on local policies in other locations, for any employee in any year from any single source.

Q: *Exactly what is a gratuity?*

A: A gratuity is anything of value given voluntarily, usually in appreciation or expectation of some service. It may be monetary or nonmonetary (e.g., money, a clock, a vacation trip, an expensive dinner, or tickets to a theater or sports event).

Q: *What should I do if I'm offered an inappropriate gift such as a weekend vacation? Refusing it could embarrass the giver.*

A: Tell the giver that accepting the gift violates company policy. You could also say that the company wishes to avoid any suggestion of impropriety. It may be appropriate to acquaint your customers and suppliers with Meritor's policies prior to holidays or other events where a gift customarily might be presented.

Q: *What should I do if a high-level government official of another country gives me an expensive gift?*

A: Where the return of the gift may be interpreted as an insult because of local business customs, the gift should be accepted and acknowledged, but referred to the Chief Financial Officer and to the Senior Vice President, General Counsel & Secretary for disposition.

Q: *Can we offer U.S. government employees meals and other non-monetary gifts?*

A: As a general rule, it is best to follow a basic policy of not providing gifts to U.S. government employees. However, there are ways to allow them to participate in business activities without causing an uncomfortable situation. For example, when there is a working lunch, a cash box can be provided so your customer may contribute voluntarily to the cost of the meal.

Q: *If I am invited to lunch or dinner while on a business trip to a supplier's plant, may I accept?*

A: Unless your business or function has established a more restrictive policy, you may accept when the lunch or dinner is part of, or a logical conclusion to, a meeting. However, meals at expensive restaurants should be avoided.

Q: *In some countries, personal gifts are regarded as common courtesy. Does our policy prevent such gifts?*

A: It depends on the circumstances. You need to check if the gift is proper under the laws and customs of the recipient's country. In addition, gifts to government officials with a value of more than \$50 U.S., or a comparable amount based on local policies in other locations, must first be approved by the Office of the General Counsel.

Q: *In some countries, cash has to change hands before government clerks will perform certain routine duties. Are such payments forbidden?*

A: Not necessarily. Under U.S. law, for example, there is an exception in the Foreign Corrupt Practices Act for payments made to "facilitate routine government actions." However, you must check with the Office of the General Counsel before making such a payment.

Q: *I'm in Sales. What kind of promotional activities, gifts and gratuities can I provide to potential customers?*

A: Generally, the exchange of modest gifts, gratuities, or providing business courtesies is acceptable as long as the offer made by company personnel, and the receipt by the potential customer, would not violate the law or conflict with the applicable policies of our company or the recipient's employer. Business courtesies may include meals, entertainment, transportation, or lodging in connection with the marketing, product information, or public relations activity of the company. However, they should not be in connection with, or give the appearance of giving something of value that could influence the outcome of, a transaction or negotiation. Contact the Legal Department for guidance if you have any questions or concerns, or if any of the following situations exist: if an anticipated gift or gratuity or business courtesy is to be provided to an individual or agency associated with any government; if the value of a gift, gratuity, donation, or business courtesy value exceeds \$200 U.S., or a comparable amount based on local policies in other locations; or if a gift, gratuity or business courtesy could be readily converted to cash.

Notes

References

Corporate Policy A-08, "Standards of Business Conduct"

The Bottom Line • *As a large, publicly held corporation, Meritor has a legal and ethical obligation to fully and fairly disclose to the investing public material information about the company. Each employee, officer and board member has a responsibility to ensure the integrity of company documents by providing complete and accurate records.*

PUBLIC COMMUNICATIONS AND INTERNAL RECORDS

Why It's the Meritor Way • Meritor is committed to providing shareowners and other investors with accurate and complete information as to its business and financial condition and timely disclosure of material developments regarding the company.

The integrity of company books and records begins with each of us. Whether the records are timecards, expense reports, accounting, purchasing or manufacturing records, each of us has a responsibility to ensure that every document is complete and accurate.

Accurate books and records, together with effective reporting processes and systematic, open communication among different business units and functions, are important elements of ensuring that the company's financial statements and filed documents are accurate, complete and timely.

It is also important that all public communications, including press releases and the non-financial portions of the company's Annual Report to Shareowners, be accurate and complete. Such communications must undergo extensive internal review and verification prior to publication.

Q: *If I suspect that published company data is incorrect, who should I contact?*

A: If you suspect that published data is incorrect, please contact the Communications department.

Notes

Q: *What should I do if I suspect that a co-worker is deliberately falsifying company records?*

A: To report your suspicion, contact the lead management representative(s) on site including the lead Human Resources contact. If the situation is not resolved, call the appropriate representative on the Ethics Contacts poster or contact the Helpline.

Q: *Must I have receipts for all business expenses?*

A: Where receipts are normally obtainable, they must be attached to expense reports in support of amounts claimed. Please refer to the Business Travel and Expense Policy on Imagine for more details.

Q: *What exactly is the Sarbanes Oxley Act?*

A: The Sarbanes Oxley Act was signed into U.S. law during the summer of 2002. The legislation requires, among other things, that the company CEO and CFO annually confirm to its shareowners the integrity of company financial statements and that the company's internal controls are working effectively. Internal controls have always been important to Meritor, but the company previously was not required to extensively document and provide evidence to external auditors of financial processes and key internal controls. The law has broadened both the internal and external audit requirements and has more explicitly defined company's reporting responsibility to its shareowners

Q: *How is Meritor responding to the Sarbanes Oxley requirements?*

A: The company ensures that the internal procedures and practices fully satisfy the legislative requirements and that each employee has access to the applicable company policies by their effective date.

Notes

References

Corporate Policy A-08, "Standards of Business Conduct"

The Bottom Line • *Employees are required to confirm through their management and/or relevant company policies what constitutes appropriate use of company resources and property.*

It is also imperative that each employee makes a concerted effort to protect company resources from theft or damage and to ensure that the resources or property are not used wastefully or carelessly. Further, employees are prohibited from taking opportunities that belong to the company and using them for personal gain.

USING COMPANY RESOURCES

Why It's the Meritor Way • Meritor's continued success depends on effective use of available resources and opportunities. Using resources for nonbusiness purposes may reduce profit to our shareowners or increase prices to our customers, resulting in less business and fewer jobs.

Q: *May I give the Global Contacts List to people outside the company?*

A: No. It is company proprietary information and is not for external distribution.

Q: *Over the years, I have developed a file containing documents relevant to my job, including organization charts, product information, and customer and supplier contracts. Since I developed the file as my own reference data, may I take it with me if I leave the company?*

A: No. Company data belong to the company. Since you developed it in connection with your job, it is not your personal property.

Q: *I am taking college courses and want to use company-owned computer software on my home computer for homework. May I do so?*

A: Meritor encourages continuous learning by our employees, but it must be in accordance with ethical and sound business practices. Using company-owned software on your home computer, therefore, depends on the licensing agreement between Meritor and the software supplier. Since use of company-owned software must be authorized, you should first check with your supervisor and then seek guidance from your Information Systems or Purchasing department.

Q: *May I use the company computer after hours to work on college homework?*

A: With your supervisor's approval, you may use company computing resources.

References

Corporate Policy A-08, "Standards of Business Conduct"
Corporate Policy B-04, "Innovation Protection & Rewards Policy"
Corporate Policy B-05, "Safeguarding Company Sensitive Information"
Corporate Policy B-07, "Copying Copyrighted Publications of Others"

The Bottom Line • *Meritor products must meet the required specifications. There can be no unauthorized substitutions.*

PRODUCT INTEGRITY

Why It's the Meritor Way • Meritor is committed to being the outstanding provider of quality systems and technology solutions to our customers worldwide, with a strong focus on our goals to generate superior shareowner value. Our reputation depends on diligent adherence to customer and contractual specifications. Any unauthorized variance could violate the contract and our customers' faith in the integrity of our products.

Q: *We've been processing a product a certain way for*

A: Only with proper approval. Documented approval by engineering and quality is required before changing

Notes

years. We believe we can change temperature and process times to speed up production. May we change the process?

a manufacturing process. There may be reasons, such as changes in material strength or corrosion resistance that might make the product performance unacceptable or violate contractual obligations to our customers. If you believe there is a better way, please submit a request to change in writing to seek approval from product engineering and quality management. We encourage “Lean” to improve productivity; however, changes cannot be made until appropriate management approval (possibly including customer approval) has been obtained.

Q: *The specification for a particular product calls for a plate of a specific size and thickness with two holes placed in particular locations. We have plates that are the same except with a third hole. May we use them since the only difference is the extra hole?*

A: Not without written product engineering and quality approval of the material substitution on a variance and in some cases customer approval. There may be reasons, such as weight or strength tolerances, that make the third hole unacceptable.

Q: *We have been making a product a long time and there are many inspection criteria that the product always meets. May we skip these inspection steps?*

A: You may not eliminate any required inspection procedures without proper approval. If you believe some steps are unnecessary, please submit your suggested change in writing and obtain approval from product engineering and quality management. We encourage cost savings measures, however, changes may not be made without engineering and quality management (and possibly customer) approval

Q: *We are late on our production schedule. Can we modify the quality assurance procedures to support a schedule recovery plan?*

A: Only with approval of appropriate company management and, if necessary, the customer. We are required to establish and maintain a quality program acceptable to our customers. This includes, for example, in-process and inspection controls that, if not strictly adhered to, could result in a product that fails to meet basic requirements. Meritor allows procedural exceptions only when all responsible functions are informed and approve the changes in writing.

Q: *A customer has just rejected a number of our parts due to a wrong component. We've shipped*

A: Yes, all customer rejections must be reported properly per the global Meritor standards. The amount of the rejection can only be reduced or a rejection removed from the quality metrics by the site Quality

the replacement parts and the customer has agreed to replace them. Some people do not want to count these in our customer rejections because it will make our quality metrics look bad. Do we have to count these since the customer is fixing at their location?

Manager with evidence that the customer is not counting the rejection against Meritor.

References

Corporate Policy A-08, "Standards of Business Conduct"

The Bottom Line • *Information that is not public, whether it is sensitive Meritor information or sensitive information received from a third party, may not be disclosed except as authorized. Employees must be familiar with established policies and procedures that govern the protection of sensitive, proprietary, confidential and classified information. It is the responsibility of every employee to protect the company's informational assets and communications through proper password management, file sharing, document control, and discreet conversations. If governing laws are violated, the company and the person or persons involved in the violation could face substantial fines and imprisonment.*

PROTECTING SENSITIVE AND CLASSIFIED INFORMATION

Why It's the Meritor Way • Most employees come into contact with information or processes that give Meritor a competitive edge or involve matters of personal privacy. Unauthorized disclosure of classified and company-sensitive information, or unauthorized possession or use of another company's sensitive information, could compromise customer trust in Meritor.

Employees may work on government classified contracts or may work on projects that, although not classified, may involve information protected by export regulations or copyright laws or the provisions of confidentiality agreements.

Q: *A recruiter from another company called to inquire about the performance experience and work habits of a former employee who reported to me. What should I tell the recruiter?*

A: Tell the caller that a written request must be directed to Human Resources. The requested information is company confidential and should only be disclosed through proper channels.

Q: *A professional society has requested that I make a presentation at a seminar. I want to participate. What approvals do I need?*

A: If the area of expertise to be addressed is nontechnical, the presentation should be approved by your department management and Communications. If it is technical, it also should be reviewed by the appropriate technical staff and the Intellectual Property Department. If it involves a classified government contract, it may require government approval. Stick to the approved material during your remarks and in response to questions that may arise during or following the presentation.

Q: *An extremely sensitive business project on which I work was mentioned in today's newspaper. Now that it is public, am I free to discuss it?*

A: No. If asked, you should neither confirm nor deny the existence of any sensitive project. Wait until your supervisor advises you that the project is no longer sensitive and may be discussed openly.

Q: *A consultant has offered me information about a competitor's bid in an upcoming government procurement. Should I accept that information?*

A: No! To do so could violate the law and result in loss of the contract. Company policy prohibits employees or consultants from seeking or accepting procurement information in a manner not permitted by law, regulation or the procurement process.

Q: *What should I do if I inadvertently receive proprietary data of a competitor?*

A: Immediately notify your manager and contact the Office of General Counsel representative listed on the Ethics Contacts poster.

Notes

Q: *Meritor is in competition with my former employer for a major contract award. A pricing system I developed when I worked for that company is still being used today. If I share some of the information that I have with my new boss, Meritor will have a clear advantage. Would this present a problem for either me or Meritor?*

A: Yes! Your former company's pricing system is probably considered proprietary by that company, and you have an obligation to your former employer not to disclose such information to any unauthorized persons.

References

Corporate Policy A-08, "Standards of Business Conduct"
Corporate Policy B-05, "Safeguarding Company Sensitive Information"

The Bottom Line • *Sharing, selling, giving, or otherwise transferring company products, services or technical data to another country or to citizens of another country must be in compliance with applicable laws and regulations of the countries involved in the transaction.*

EXPORT AND IMPORT CONTROLS

Why It's the Meritor Way • It is Meritor policy to abide by all applicable governmental rules and regulations wherever Meritor business is being conducted. Many countries have Import and export regulations that control the movement of certain goods, software and technical information. Pursuant to these regulations, certain licenses or other government authorization may be required to export Meritor's products, services or technical data. The U.S. export regulations apply broadly and extra-territorially. In addition to controlling exports from the U.S. to other countries, these regulations also control the transfer of technical information to citizens of other countries within the U.S. and the sale or resale of certain products by Meritor distributors inside and outside of the U.S. Employees involved in the export of controlled goods, software or technical data must understand and fully comply with all governing rules and regulations. The U.S. and other countries also have import regulations that govern the movement of goods, software and technical information into a country. Employees also must abide by all rules and regulations regarding the import of materials and equipment into the U.S. and other destinations.

As a member of the Customs-Trade Partnership Against Terrorism (C-TPAT) program, Meritor has made the commitment to do everything possible to improve the security of

our international supply chains, both in the United States and abroad, including ensuring that the shipments we import are not tampered with and verifying that our vendors and carriers use appropriate measures to safeguard our materials while at their facilities and in transit.

Q: *While I am in Paris for a technical meeting, I plan to contact several companies to discuss Meritor products and capabilities and to review with them the technical specifications and drawings. Do I need any special approvals to have these discussions?*

A: You should contact local Export Compliance personnel to determine if an export license or other government authorization is required to discuss the data with the companies involved.

Q: *May I fax technical data to a business associate in another country? May I send it via the Internet? May I hand-carry technical data to another country?*

A: It depends on the person, the technical data, and the country. An export license may be required, even if the technical data is to be sent to a Meritor employee of a subsidiary in another country. Further, export regulations prohibit exports to certain persons and/or countries on “prohibited” lists. You should check with local Export Compliance personnel to determine specific export requirements. You need to be aware also that the Internet lacks sufficient security to ensure confidentiality.

References

Corporate Policy A-08, “Standards of Business Conduct”
Imagine – Business Groups/Functions – Legal –Global Trade Compliance

The Bottom Line • *We must comply with all applicable laws regulating competition. Agreements between competitors regarding prices or sharing of markets and customers and similar arrangements affecting competition are prohibited under these laws and regulations.*

COMPETITION AND ANTITRUST

Why It's the Meritor Way • It is Meritor policy and good business to obey the laws of every country where we do business.

Q: *One of our U.S. customers has asked for a discount from the standard price. The customer says one of our competitors has offered to sell him the same quantity of a similar product at a lower price than Meritor is offering him. May we give our customer the discount?*

A: In the U.S., it is unlawful for a seller to charge a price that is different from the price charged to other buyers for products of like grade and quality, where the difference in price produces a competitive injury. There is, however, an exception for meeting (not beating) the competition. The Office of the General Counsel should be consulted to assist in drafting forms to document competitors' offers.

Q: *One of our U.S. businesses wants to enter into a contract under which a customer will agree to buy only Meritor products for a period of one year. Is this legal?*

A: This is called "exclusive dealing" and may be illegal. A seller may not sell a product on condition that the buyer not deal in products of a competitor where the effect may be to lessen competition substantially. Questions should be referred to the Office of the General Counsel.

Q: *After a trade association meeting, representatives of several competing companies often get together to socialize. If one of the representatives asks the others to review their companies' pricing policies, is there any problem?*

A: Yes. Agreements among competitors to fix prices (i.e., to adopt similar prices) are illegal under antitrust laws. Even if there were no such agreement, it may look like there were if the discussion of prices were followed by similar pricing action. It is a good idea never to discuss prices with competitors. You should let the representatives know that it is Meritor's policy not to discuss prices with competitors, then leave the room.

References

Corporate Policy A-08, "Standards of Business Conduct"
Corporate Policy B-04, "Innovation Protection and Rewards"
Antitrust Compliance Manual (US)
Competition Law Compliance Manual - European Community Antitrust Compliance Manual

The Bottom Line • *Board members, officers and employees must not trade in Meritor securities when they possess material inside information about the company.*

PROHIBITION ON INSIDER TRADING

Why It's the Meritor Way • Board members, officers and employees must comply with all applicable laws, including laws regarding insider trading. We have a responsibility to our shareowners and to the securities markets to ensure that everyone who makes a decision to buy or sell company stock has access to the same information.

Information gained through an individual's position with the company, which is not available to the public and which could affect the market for Meritor stock either positively or negatively, may not be used for that individual's personal gain. For instance, if you have earnings information for Meritor or another public company, trading in securities for that company before that information has been released to the public is prohibited.

Failure to comply with applicable laws and regulations can carry substantial fines and criminal penalties and can expose you to private lawsuits seeking monetary damages. Board member and officers are required to consult with the Office of the General Counsel prior to trading in Meritor securities. All employees are encouraged to contact the Office of the General Counsel prior to trading in Meritor securities if they have any questions regarding insider trading.

Q: *What should I do if I suspect insider trading?*

A: You have a responsibility to the company and your fellow employees to immediately report suspected insider trading activity to the Office of the General Counsel.

Notes

Q: *How can I be certain that my trading activities will not be viewed as suspect, a violation of company policy and/or the law?*

A: When in doubt, contact the Office of the General Counsel to ensure that your activities are compliant with both company policy and the law. Refer to the complete Insider Trading Policy on Imagine for more details.

The Bottom Line • *Meritor seeks to reduce or eliminate the generation of waste or the release of potentially hazardous materials into the environment; prevent adverse impact on the environment and on the health and safety of our employees and communities as a result of our operations; create a corporate culture in which environmental concerns are recognized as priority considerations in all our decisions; and recognize and respond to community concerns. All Meritor operations must comply with company policies, standards and procedures as well as governing environmental laws and regulations.*

RESPECT FOR THE ENVIRONMENT

Why It's the Meritor Way • Failure to conduct operations properly can have serious and damaging consequences for our employees, neighborhoods, customers and shareowners. The potential risk of even minimal exposure to various substances has focused public and political attention on environmental issues. Governments have established strict standards for the storage, use, treatment and disposal of a wide variety of materials. Meritor has pledged to ensure that our company, employees and communities are not exposed to risks that may result from violating these laws.

Q: *Environmental law is complex and changes frequently, and the civil monetary penalties for violations can be high and in some cases the company as well as individuals can have criminal liability. How are we supposed to know what laws and regulations apply to us?*

A: Each site has an environmental, health and safety (EHS) representative who helps ensure compliance with governing environmental laws and regulations, and who knows where to obtain clarification on any unusual situations. If you are unsure of what laws or regulations may apply in a given situation, discuss your concern with your supervisor, your site EHS representative or a Corporate Environmental Manager in Troy.

Q: *A permit license or authorization for air emissions or water discharge will be expiring shortly. We know that the permitting authority will give us a new permit after submitting a renewal application,, but we want to wait until we move to another facility next year. May we wait to obtain the permit?*

A: Current permits, licenses and authorizations must be maintained at all times regardless of the situation, otherwise the company can be exposed to civil penalties and possibly criminal liabilities. In many jurisdictions, employees can also be exposed to criminal prosecution for environmental violations, especially if the violations are the result of intentional or willful actions. In this example, the existing permit must be renewed and a separate new-source permit application should be processed in advance of moving to the new facility.

Q: *Two maintenance employees are working on the production line and they spill some lubricating oil on the floor, where the oil flows to a floor drain and enters the sewer system. Neither scientist is injured. What should be done?*

A: Any employee becoming aware of a hazardous material spill must immediately report the incident to the facility EHS representative and his/her supervisor. Certain hazardous material spills must be reported to environmental authorities. Concealing a spill violates company policy and may violate the law exposing the company and the employees to potential civil and criminal actions. A spill of hazardous materials should also be reported to the company's Incident Management Hotline in Troy (1-248-435-1530).

Q: *A facilities engineer asked a plumber to replace some rusted pipes. In order to get to them, some walls that are known to contain asbestos must be torn down. What should be done about the asbestos?*

A: The facilities staff must tell the plumber and any nearby employees about the asbestos. Demolition work involving asbestos must be done by a properly licensed asbestos contractor before the plumbing work can begin.

Q: *We use solvents to clean our paint spray equipment. Are there rules for storing these solvents?*

A: Yes. Flammable solvents must be stored in flammable storage cabinets for small quantities and in approved, explosion-proof storage facilities for larger quantities such as drums. In addition, storage facilities should have physical barriers and containment to prevent solvent spills from reaching drains and surface areas.

Q: *You hire a contractor to excavate soil for the foundation of a new structure at your site. The soil is stained and has an oily smell. What do you do?*

A: Stop the work immediately and contact your site EHS representative. The soil should be quarantined, covered with plastic and it should be tested for hazardous substances. If hazardous substances are confirmed the soil should be disposed at a licensed disposal facility.

References

Corporate Policy A-08, "Standards of Business Conduct"
Corporate Policy EHS-001, "Environmental, Health and Safety Policy"

The Bottom Line • *Meritor will not tolerate discrimination, sexual harassment, or physical or verbal threats, all of which deny employees the opportunity to contribute to the best of their abilities and deprive the company of their full talents.*

RESPECT AND CONCERN FOR EACH OTHER

Why It's the Meritor Way • Integrating the unique attributes and talents of a diverse workforce allows for greater flexibility and creativity in the workplace and in the community.

Preventing harassment, discrimination and threats is a matter of respecting each other's rights and dignity, which is a basic value at Meritor.

Meritor employees and business associates are entitled to conduct their business in a work environment free of these distractions. To help ensure such an environment, we must all take any discrimination, harassment or threat seriously and promptly advise appropriate management and/or Human Resources

Q: *I overheard a manager say he would not promote a particular individual because the person is of a different race. He also used a racial slur about that person. What should I do?*

A: As a Meritor employee, you must take immediate action. Discrimination is not right, is against company policy, and is illegal in most countries. Race must never be a factor in making a personnel decision. Contact the offender's supervisor, Human Resources, Office of General Counsel or the Helpline to report the manager's comments.

Q: *I have a disability. Am I entitled to accommodations to enable me to perform my job?*

A: It is Meritor policy to work with employees with disabilities to find reasonable accommodations. If you believe you have a disability that requires a reasonable accommodation(s) to perform the essential functions of your job you should approach your supervisor and/or Human Resources to discuss what, if any, accommodations may be available..

Q: *What is sexual harassment?*

A: There are basically two kinds of sexual harassment. The first kind is when unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature is made a term or condition of an individual's employment, or when rejection of such conduct by an individual is used as the basis of employment decisions affecting that individual. The second kind is when ongoing offensive conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment.

Q: *One of my coworkers has a temper and often uses threatening and abusive language with others. I'm concerned about working near him, and I don't know what to do about it.*

A: Report your observations and concerns to your supervisor,, Ethics Helpline,, or Human Resources.

Notes

Q: *A recently terminated employee has been in the parking lot several times and has been overheard telling former coworkers of his intent to "get even" for being terminated. Should I do something about this?*

A: The situation you describe could be an indication of potential violent behavior and should be reported to your supervisor, Security, or Human Resources immediately. If the issue is not resolved, contact the Ethics Helpline.

References

Corporate Human Resources Policy HR-017 "Equal Employment Opportunity/Affirmative Action Programs Policy" (U.S. only)
Corporate Human Resources Policy HR-025 "Sexual Harassment" (U.S. only)
Corporate Human Resources Policy HR-026 "Workplace Violence Policy (U.S. only)
Corporate Policy EHS-001 "Environmental, Health and Safety Policy"

The Bottom Line • *No “related employees” are permitted to improperly influence the hiring, work responsibilities, salary, hours, career progress, benefits, termination or other terms and conditions of employment of other “related employees.” To ensure no employee is in such a position, employees may not supervise, directly or indirectly, other employees related by blood, marriage, or engagement to be married. Individuals who are “related employees” can work for the company provided no actual or perceived reporting relationship exists.*

NEPOTISM

Why It’s the Meritor Way • Meritor has a responsibility to its employees to ensure personnel decisions are based on qualifications, abilities, merit, service and performance and not on personal considerations. Company policy prevents “related employees” from supervising other “related employees” to ensure no actual or perceived favoritism exists in the workplace.

Q: *I have an open position in my department for an engineer who would report to me. One of the potential candidates is my sister-in-law. Can I interview her for the position?*

A: Company policy states that employees are not permitted to improperly influence the hiring of “related employees.” Related employees are considered anyone related by blood, marriage, or engagement to be married. The policy also indicates that a reporting relationship between “related employees” is not permissible, so your sister-in-law is not eligible for a position in which she would report directly to you. She could, however, report to someone else in a different department.

Q: *Two of my co-workers announced they are engaged to be married. Once married, can they continue to work together?*

A: Your co-workers are considered “related employees” now that they are engaged. If they do not have a working relationship in which one reports to the other, they can continue to work together. If a reporting relationship does exist between them, one of them will have to transfer to another supervisor or department within 30 days following the said marriage.

Q: *Two brothers work in my department. Their direct supervisor is retiring, and the older brother has applied for the position and is the best candidate to fill it. If the older brother does become the new supervisor, his younger brother would report to him, which is not permissible under company policy. As the department manager, how should I handle this situation to comply with company policy and keep both brothers employed by the company?*

A: As part of the job offer to the older brother, inform him of the policy that prohibits him from supervising his brother. If he intends to take the position, assist the younger brother to find a different position or place him under a different supervisor.

Q: *I have always wondered about a co-worker's qualifications for her job and was recently surprised when she was promoted. I overheard our supervisor mention that she is her distant cousin. As far as I know, their relationship is not common knowledge, but I believe it was a factor in my co-worker's hiring and promotion. What should I do?*

A: It is against company policy for your supervisor to have a "related employee" as a direct report. You should report your concerns to a member of management, Ethics Helpline, or Human Resources.

Q: *My niece would like to apply for a position as a summer co-op in my department. She would not report directly to me but to one of my supervisors. Can I tell my niece that she can apply for the co-op position?*

A: It is against company policy for you to supervise, directly or indirectly, any "related employee" in any position for any amount of time. Suggest that your niece apply for another co-op position in another department.

Q: *A supervisor at our plant has been dating one of her employees for several months. Since they are not married, and therefore not "related employees," they are not in violation of the company's nepotism policy. Other employees, however, have expressed concern that the supervisor has given better shifts and more overtime to the employee she is dating. As a fellow supervisor, what should I do, if anything, about this situation at our plant?*

A: Consider discussing your concerns with the supervisor or your manager. Personnel decisions must not be influenced by personal considerations. Even if the supervisor is making every effort to ensure personal considerations do not influence work decisions regarding the employee she is dating, the perception of favoritism by other employees is resulting in a negative work environment. The best scenario would be for the supervisor and plant management to find another position for the employee, so he no longer reports to the supervisor he is dating.

References

Corporate Policy HR-019, "Nepotism Policy"

The Bottom Line • *We must comply with those laws of the United States and elsewhere which prohibit human trafficking and slavery and/or knowingly benefiting from any such activity. This policy applies to all Meritor facilities, both domestic and foreign. It is the responsibility of all Meritor employees worldwide to ensure that the provisions and guidelines of Corporate Policy L-013 “Human Trafficking and Slavery” are followed.*

HUMAN TRAFFICKING AND SLAVERY

Why It’s the Meritor Way • In furtherance of our commitment to ensure that we respect the rights and dignity of others, it is important that we do not engage in, or benefit from, slavery, and other forms of forced labor and human trafficking. In particular, we need to be sure that we do not cause, participate in, assist, or knowingly benefit from the enslavement, involuntary servitude, forced labor, or debt bondage of any person.

Q: *What is meant by forced labor or “involuntary servitude”*

A: The term "involuntary servitude" includes a condition of servitude induced by means of (A) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (B) the abuse or threatened abuse of the legal process.

Q: *What is “Sex Trafficking?”*

A: The term "sex trafficking" means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

Q: *What is debt bondage?*

A: The term "debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

Q: *What are the red flags or Indicators of Human Trafficking?*

A: Some of the red flags or indicators of Human Trafficking include, but are not limited to: the individual has bruises or other signs of physical abuse; defers to someone else to speak for them; isn't allowed to socialize with others; is doing a different job than expected; or is a minor engaged in commercial sex.

Q: *What are the requirements for Government Contractors such as Meritor?*

A: Meritor must notify its employees of the United States government's zero tolerance policy. Actions taken against employees and subcontractors for violations of the policy may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment.

Q: *What should employees do if they think that there has been a violation of this policy?*

A: Any employee of the Company who becomes aware of any violation of this policy shall be required to report such violation to his or her supervisor, another member of management or the Company's Helpline.

References

Corporate Policy L-013, Human Trafficking and Slavery

CORPORATE POLICIES

For a complete list of policies, go to the Policies and Procedures page on Imagine.

Corporate Policy A-03 Conflicts of Interest Policy May 1, 2001 (Revised March 31, 2011)

5.0 Policy

It is the policy of the company that no employee, nor any member of the employee's related family, shall have any direct or indirect interest in, render any service to, or represent or undertake to act for, any outside concern or competing concern unless the interest, service, or representation is disclosed and approved as provided in this policy.

All employees must conduct themselves with the highest standards of integrity, honesty and fair dealing to preclude conflicts between the interests of the company and the personal interests of employees. Employees will avoid any actions or relationships which could adversely affect, or have the appearance of adversely affecting, their judgment or actions in performing their duties.

4.0 Definitions

4.1 Company: Meritor, Inc., and all of its organizational components (i.e., all offices, business units, plants, locations, and subsidiaries of the company in all geographic locations).

4.2 Immediate: Family Member: For purposes of this policy only, a spouse, child or parent of the employee.

4.3 Concern: Any competing concern, outside concern, or any other corporation, partnership, individual, trust, joint venture or governmental entity having interests in conflict with the interests of the company. For purposes of this definition, the terms "competing concern" and "outside concern" mean:

Competing Concern—Any type of concern, regardless of its form (e.g., a corporation, partnership, individual, trust or joint venture), which competes with the company or which competes with anyone who sells any products manufactured, distributed, or sold by the company.

Outside Concern—Any type of concern, regardless of its form (e.g., a corporation, partnership, individual, trust, joint venture or governmental entity), with which the company does business or to which the company provides business in any way, whether directly or indirectly (e.g., vendors, suppliers, or subcontractors furnishing substantial components or services to vendors, agents of vendors, dealers, contractors, advertising agencies, scrap dealers, law or accounting firms, or investment bankers).

4.4 Conflict of Interest (or Conflict): A circumstance in which the interests, duties, obligations or activities of an employee or an employee's immediate family member with respect to any concern are, or may be, in conflict or incompatible with (i) the interests of the company or (ii) the

duties or obligations of the employee to the company in general, or with respect to any transaction.

5.2 Disclosure of Interest

The company must have complete information regarding actual or potential conflicts of interest at all times. Accordingly, the company requires each employee to disclose any interest in, obligation or duty to, or activity for any concern in which an employee or an employee's related family member is or may be involved (i) that might create an actual or potential conflict of interest or (ii) that might have the appearance of adversely affecting the employee's judgment or actions in performing his or her duties.

The following are examples of actual or potential conflicts of interest that require disclosure:

- a) An action not in conformity with the company's Purchasing policy (see Corporate Policy GP.P.7.4.01, Purchasing"
- b) An investment or beneficial interest of an employee or an employee's immediate family member in any concern (excluding federal credit unions, publicly owned insurance companies, and corporations whose stock is listed on a national stock exchange or otherwise generally held by the public, provided stock ownership or beneficial interest of such corporation by the employee and the employee's immediate family member is not more than one percent of the total stock outstanding).
- c) A loan to or loan guaranty for an employee or an employee's immediate family member from or by any concern having any dealings with any component of the company (excluding commercial and savings banks, federal credit unions, and publicly owned insurance companies).
- d) Participation by an employee, directly or indirectly, in any transaction involving any of the company's components, other than in the normal capacity as an employee of the company.
- e) Acceptance by an employee or an employee's immediate family member of any gratuity, gift of more than nominal value, entertainment, or favor from any concern beyond common business courtesies.
- f) Service by an employee or an employee's immediate family member as an officer, director, partner, or employee of, consultant to, or witness for any concern in any capacity which could involve (i) a conflict of interest, (ii) the appearance of a conflict of interest or (iii) the inadvertent or intentional disclosure of confidential, trade secret or other proprietary information of the company to the

concern by or through the employee or the employee's immediate family member.

3.0 Responsibilities

3.1 The Senior Vice President, Human Resources is responsible for implementation of and compliance with this policy. The Senior Vice President, General Counsel & Secretary is responsible for interpreting this policy and determining the appropriate resolution of any conflict of interest submitted under Section 4.d.3 of this policy.

3.2 All levels of staff and line management shall:

3.2.1 Maintain a constant awareness of potential conflict of interest problems;

3.2.2 Encourage disclosures of possible conflicts of interest to the company by subordinates, even in doubtful cases; and

3.2.3 Initiate prompt remedial action in the event any actual conflict of interest arises.

3.3 Employees within the position classifications specified in Section 5 of this policy must notify the company of any actual or potential conflicts of interest on the occasions indicated in Section 6 of this policy. Employees must notify their immediate supervisors of any previously unreported conflicts of interest as soon as they arise or are anticipated by the employee.

3.4 The component's senior Human Resources executive will review each disclosed potential conflict of interest with the component's senior managing executive, and other members of line management if appropriate. The component's executives have the following authorities and responsibilities.

3.4.1 If the component's senior managing executive determines, after consultation with the Office of the General Counsel and the component's senior Human Resources executive, that there is or could be an actual conflict of interest, the component's senior Human Resources executive will notify the employee and take appropriate action to eliminate the conflict.

3.4.2 If an employee's related family member is employed by a concern, but neither the employee, the related family member nor the concern can improperly benefit from the relationship or use it to harm the company, the component's senior managing executive may determine, after consultation with the Senior Vice President and General Counsel and the component's Senior Human Resources executive, that there is no conflict and so notify the employee.

3.4.3 In all other situations, the component's senior Human Resources executive, after consulting with the component's senior managing executive and the Office of the General Counsel, will prepare a Disclosure Summary and forward it, together with a copy of the certificate and all related documents, to the Senior Vice President, General Counsel & Secretary for decision. The Disclosure Summary shall include the comments and recommendations of the senior managing and Human Resources executives of the component and of the attorney consulted in the Office of the General Counsel. The Senior Vice President, General Counsel & Secretary

will communicate the decision to the component's senior Human Resources executive, who will notify the employee and implement any required action.

5.3 Employees Required to Execute Certificates

Employees will complete and file Standards of Business Conduct and Conflict of Interest Certificates when hired, transferred or promoted into any of the following position classifications, and annually thereafter:

a) All salaried-exempt employees and employees who, though not exempt from overtime pay requirements, perform work that would be considered salaried-exempt effort.

b) All other nonexempt employees who are responsible for, engaged in, or in a position to influence:

1) Purchasing and material activities;

2) The establishment of criteria or specifications for outside procurement of products or services;

3) The selection, qualification, or surveillance of actual or potential suppliers of products or services;

4) The acceptance of goods or services from suppliers to the company;

5) The sale of the company's products or services, or the preparation and/or negotiation of proposals and contracts for the sale of the company's products or services;

6) The sale, lease, rental or acquisition of real estate for the company;

7) The participation in accounting or financial activities involving suppliers to the company; and

8) Financial, legal, human resources, corporate development, and strategic or business planning activities.

5.4 Executing and Processing Certificates

For each employee in a position classification for which execution of a certificate is required under Section 5.3 of this policy, the component's Human Resources function shall take the following actions:

a) New Hires

Human Resources will apprise each applicant for employment of this policy during the interview process. (An out-of-area applicant will be apprised of this policy at the time an offer of employment is made.) If hired, the employee will be required to execute the Standards of Business Conduct and Conflict of Interest Certificate upon reporting to work. Copies of this policy and other referenced policies must be made available for the employee to read before the certificate is signed.

b) Transfers

Human Resources will require each transferred employee's personnel file and certificate to be transferred to the employee's new component.

Human Resources either will require each transferred employee who completed a certificate at the former component to sign a new certificate, or obtain the employee's certificate from the Human Resources function at the former component.

c) Promotions

Human Resources will require a promoted employee to complete and submit a certificate within 15 days of promotion from a position for which no certificate is required by this policy to one in which a certificate is required.

d) Annual Submittals

Each year, certificates will be distributed to employees required to execute certificates. Each employee will sign a certificate which will be retained by the component's Human Resources function.

e) As-Needed Submittals

Employees who become aware of potential unreported conflicts of interest must notify the company immediately by completing an Internal Letter which discloses the activity. If an employee indicates no knowledge of any activity which creates or may create a conflict of interest on the certificate, the employee will return the completed certificate to the Human Resources function for retention. If an employee indicates knowledge of any activity which creates or may create a conflict of interest on the certificate, the employee shall disclose the activity in an Internal Letter addressed to the component's senior Human Resources executive.

This Internal Letter will include:

- (i) The employee's name, department, component, position classification and title;
- (ii) A brief description of the employee's duties and responsibilities as an employee;
- (iii) The employee's interest in or relationship with the concern;
- (iv) All facts pertinent to the circumstance or activity disclosed, including its potential impact, if any, on the company and on the employee's activities as an employee of the company; and
- (v) The employee's view as to whether a conflict of interest exists and the basis for that view.

The employee must sign the Internal Letter, mark it "Company Official", and submit it and the certificate to the employee's immediate supervisor. After suitable investigation, the employee's immediate supervisor will provide comments and an opinion as to whether a conflict of interest exists on the Internal Letter or a continuation sheet. The supervisor will sign the statement, and submit it to the component's senior Human Resources executive along with the employee's Internal Letter (if separate) and the certificate.

5.5 Retention Period

All certificates of current or former employees and related correspondence will be retained for 10 years from filing or, if

incorporated by reference, 10 years from the latest date of such incorporation by reference.

5.6 Further Implementing Documents

The Senior Vice President and General Counsel must approve in advance any documents such as policies, directives, or procedures (other than duplicates of this policy) which are proposed to be adopted by any component to implement this policy further. In addition, the Senior Vice President and General Counsel will coordinate any policy, directive, or procedure proposed to be adopted by any component located outside of the United States with local counsel in the country where that component is located to assure compliance of the proposed documents with local legal requirements.

5.7 Sanctions for Noncompliance

If an officer or employee fails or refuses to comply with this policy or to abide by any decision of the Senior Vice President and General Counsel regarding the remedial action required to eliminate a conflict of interest, the company will take appropriate action which may include discharge and, if warranted, legal proceedings.

**Corporate Policy A-03, Appendix A,
Conflict of Interest Disclosure Summary – Sample
Format & Guidelines**

May 1, 2001 (Revised March 31, 2011)

To: Senior Vice President, General Counsel, World Headquarters, Troy, Michigan

Subject: Potential Conflict of Interest Involving
(Employee's Name)

Identify the employee by name, department, component, position classification and title.

Describe the employee's duties and responsibilities as an employee.

Identify the concern involved by name, address, type of business, and goods or services provided to, or in competition with, the company or any of its components.

If an immediate family member is involved, identify the immediate family member by name, address, and employer or other business affiliation.

If the employee or the immediate family member is an officer, director, employee, representative or agent of, or has any financial interest in, the concern involved, state the employee's or related family member's interest in or relationship to that concern.

Describe the conflict of interest, stating and explaining the circumstances in which the interests, duties, obligations or activities of the employee or the employee's immediate family member with respect to the concern are, or may be, in conflict or incompatible with (i) the interests of the company or (ii) the duties or obligations of the employee to the company in general, or with respect to any transaction.

Comment as to whether a conflict of interest does or may exist and, if so, recommend the appropriate remedial

action to be taken (to be provided by (i) the senior managing executive of the component, (ii) the senior Human Resources executive of the component, and (iii) the attorney of the Office of the General Counsel consulted by the senior Human Resources executive).

*(Senior Human Resources Executive)
(Component)*

cc: Senior Vice President — Human Resources, World Headquarters, Troy, Michigan

cc: As appropriate, senior Human Resources executives of businesses of which the employee's component is a component, if any.

Corporate Policy A-08 Standards of Business Conduct Policy May 1, 2001 (Revised March 31, 2011)

5.1 Policy

It is the policy of the company to conduct its business in accordance with applicable laws of the United States and other jurisdictions in which the company operates and in accordance with ethical standards of business conduct. All employees and consultants retained by the company to perform services on its behalf shall adhere strictly to this policy.

All illegal or unethical acts are prohibited under this policy. Special care should be exercised to assure that:

- No bribes, kickbacks or other illegal payments are made by or on behalf of the company, directly or indirectly.
- No funds or assets are maintained by the company for any illegal or improper purpose, and no funds or assets which are not clearly disclosed in the books and records of the company are maintained for any purpose.
- No false, misleading or artificial entries are made in the books and records of the company.
- No payments are made by or on behalf of the company for any purpose other than that described by the supporting documents and records maintained by the company.
- No illegal political contributions are made, directly or indirectly, by or on behalf of the company.
- No data concerning customers or competitors are obtained or solicited contrary to law, regulation or authorized government procurement process.

Corporate Policy A-08, Appendix A, Standards of Business Conduct – Implementing May 1, 2001 (Revised March 31, 2011)

1.0 General

1.1 The company's reputation for integrity is an invaluable and essential asset. Each employee must recognize that fact. Each employee must be guided at all times by the highest standards of integrity and personal conduct in work for the company.

1.2 It is the personal responsibility of each employee to observe diligently and thoroughly the policies and procedures on standards of business conduct set forth in this policy.

1.3 No employees may do indirectly, through consultants, agents, representatives or otherwise, anything the employee is prohibited from doing under this policy.

1.4 Each consultant retained by the company to perform services on its behalf shall be apprised of the company's commitment to this policy, and of his or her obligation to refrain from any conduct for or on behalf of the company that would affect adversely the company's reputation for integrity.

1.5 Each supervisor shall take all action necessary to assure that those employees and consultants reporting to him or her are apprised of the company's commitment to, and of their obligations under, this policy.

2.0 Dealing With Others

2.1 Customers, suppliers and public agencies properly expect to be dealt with fairly and honestly. While the requirements and obligations imposed by laws, regulations, contract provisions, a customer's policies and procedures, and those of the company are many and often complex, employees nevertheless are expected to be fully aware of and to comply with the substance of all applicable requirements. They are expected to act with integrity in discharging their assigned responsibilities. Supervisors are responsible for insuring that employees reporting to them are fully aware of all applicable requirements and obligations. All employees must obtain guidance concerning the propriety of any course of conduct about which they have any doubt. Some of the requirements which require particular attention and monitoring are described in greater detail in other sections of this policy. It is the responsibility of each employee to be aware of, understand and adhere to the company's policies in these areas in particular.

2.1.1 Providing Information to others: Information provided to customers, suppliers and public agencies must be accurate and must comply with any requirements established by the intended recipient for the submittal of such information. The recipient should be advised if and to what extent any information provided does not meet the recipient's requirements.

2.1.2 Sensitive, confidential or proprietary information of or about the company, whether prepared by the company or by others, shall be disclosed within the company and to persons outside the company only in accordance with applicable company policies.

2.1.3 Obtaining Information from others

No employee, either directly or through an intermediary, may knowingly obtain information from or concerning a customer, supplier or competitor which would be treated as confidential by the company if the information concerned the company, unless the information is provided with the consent of all concerned parties.

3.0 Gifts, Business Courtesies and Gratuities – Customers, Subcontractors, Suppliers and Others

3.1 Definitions

3.1.1 Gifts – Items of value (i.e., goods, services, use of property or facilities) either given or received by an employee or representative of the company in connection with the marketing, product information, procurement or public relations activities of the company, its suppliers, or other interested and affected parties.

3.1.2 Business Courtesies – Accommodations such as meals, refreshments, entertainment, transportation or lodging either extended or received by an employee or representative of the company in connection with marketing, product information, procurement or public relations activities of the company, its suppliers, or other interested and affected parties.

3.1.3 Gratuities – Gifts or business courtesies given voluntarily and beyond the company's obligation in return for, or in anticipation of, some service or courtesy.

3.2 Policy

It is the policy of the company that no employee, member of an employee's immediate family, or other representative of the company shall give or receive any cash, gift or gratuity in connection with the negotiation or transaction or its business activities.

The underlying premise of this policy is that the company and its employees and representatives will conduct business with customers, subcontractors, suppliers and others on the basis of product and/or service quality, performance and price without giving or accepting anything of value that could, in fact or in appearance, influence the outcome of a transaction or negotiation.

In situations where such activities are consistent with generally accepted ethical business practices and not prohibited by law or standards of conduct applicable to customer or supplier representatives, this policy is not intended to preclude the giving or acceptance of gifts of modest value, limited in the aggregate to \$200 (U.S.) for a year to or from any individual; gifts, promotional items or sales aids bearing a company logo which are distributed generally; or business courtesies (neither lavish or excessive) extended or received in connection with marketing, product information, procurement or public relations activities of the company.

The company competes in government, commercial and automotive markets. There are distinctive practices by which business is conducted in each of these markets and any employee or representative in a position to deal with the company's customers, suppliers or other interested parties must be knowledgeable of applicable laws, regulations and standards. It may be appropriate in the case of selected businesses to establish guidelines more restrictive than those permitted by this policy.

3.2.1 Commercial Business in the United States – The company's objective is to compete on the basis of providing superior value to its customers and not through gifts, gratuities or business courtesies. The general managers of the businesses competing in U.S.

commercial markets, with the assistance of the Senior Vice President, General Counsel & Secretary, shall establish unique guidelines for their employees, if necessary, based on generally accepted business practice in their addressed markets. However, in no case will such guidelines permit lavish, extravagant or excessive business courtesies or gifts.

3.2.2 Automotive Business – The Foreign Corrupt Practices Act of 1977, as amended (see Section 4 of this appendix), shall guide the company's employees and representatives relative to gifts and business courtesies in their relations with officials of governments of countries other than the United States. The company's competitive objectives and strategies are the same for Automotive customers as for its U.S. customers. However, the value (greater or lesser) of business gifts or courtesies customarily extended may differ from the general guidelines set forth above. The general managers of the company's businesses, with the assistance of the Senior Vice President, General Counsel & Secretary, shall establish unique guidelines for their employees and representatives for each of the countries in which they pursue business, if necessary, based on local culture and generally accepted business practices in the locale.

3.2.3 U.S. Government Business – U.S. Government regulations permit government employees to accept gifts and business courtesies of strictly limited value under certain conditions. The general managers of businesses competing in these markets, with the assistance of the Office of the General Counsel, shall establish uniform guidelines for their employees based on their customers' standards. However, in no case should the guidelines be inconsistent with the underlying premise of this policy.

3.2.4 Suppliers, Subcontractors and Others – It is the policy of the company (see Purchasing Policy GP.P.7.4.01, "Purchasing Policy") to make all of its purchases on the basis of quality, delivery, and price or best value. Business gifts and courtesies may never be solicited, but may be accepted if proffered within the guidelines set forth in this policy. Gifts received in excess of these guidelines either should be returned to the giver, if practicable, or given to a charity. Appropriate correspondence should be forwarded to the giver acknowledging, but declining, the gift and outlining our policy.

In the event a valuable gift is received from a source other than a vendor (e.g., a dignitary from another country), or under other circumstances where the return or charitable disposition may be interpreted as an insult based on local business custom, the gift should be accepted and acknowledged, then referred to the Chief Financial Officer and Secretary for disposition.

4.0 Compliance With Laws Relating to Gifts and Payments to Individuals Associated With Non-U.S. Governments, Governmental Agencies or Instrumentalities, or Political Parties

The Foreign Corrupt Practices Act of 1977, as amended by the Foreign Corrupt Practices Act Amendments of 1988 (15 USC Sec. 78m(b), 78 dd-1, 78dd-2) (the "FCPA"), prohibits all payments and gifts to individuals associated with governments

of countries other than the United States, agencies or instrumentalities of such governments, or with political parties in such countries for the purpose of obtaining or retaining business, of influencing an official act or decision, or of inducing an individual to do or not to do any act in violation of the individual's official duties. Most countries have laws with similar general effect.

The FCPA includes a specific exemption for facilitating or expediting payments "to expedite or to secure the performance of a routine governmental action" (as "routine governmental action" is defined in the FCPA) and exempts a payment or gift if it was "a reasonable and bona fide expenditure, such as travel and lodging expenses...directly related to ...the promotion, demonstration or explanation of products or service or...the execution or performance of a contract with a foreign government of agency thereof."

Moreover, the FCPA has been construed to exempt a gift made solely as a courtesy, a token of regard, or in return for hospitality if of modest value and given on a customary occasion so that it is clear that it is not made "corruptly" (i.e. intent is of paramount importance in determining permissibility).

The FCPA applies to corporate entities organized under the laws of the United States, and to all officers and employees of the company, including any of its subsidiaries (whenever organized) who are citizens, nationals or residents of the United States.

Violations of the FCPA, which include not only making a payment or gift but also authorizing a payment or gift, may result in imprisonment for up to five years for employees, severe fines and penalties for employees and the company, loss of export privileges, debarment from government business, and treble damage suits by injured competitors.

All officers and employees of the company and its subsidiaries whose duties involve contact with individuals associated with governments, governmental instrumentalities, or political parties in countries outside the United States, or whose duties involve the supervision or approval of the activities of other officers or employees who contact such individuals, must be familiar with the requirements of the FCPA and the comparable requirements of the laws of the countries with which they work. Before making or authorizing any gift or payment to such an individual of more than nominal value (i.e., U.S. \$50 or less), approval of the gift or payment must be obtained from the Senior Vice President, General Counsel & Secretary. Any question as to the applicability of these laws is to be referred to the Office of the General Counsel.

5.0 Compliance With Competition and Antitrust Laws

The company's policy of compliance with the competition and antitrust laws of the United States and other jurisdictions is set forth in the company's "Antitrust Compliance Manual." Because the antitrust laws of the United States may apply to the company's activities both inside and outside the United States, and the competition laws of other countries also may affect the company's activities outside of the United States, all supervisors must be familiar with that policy, take adequate precautions to assure compliance by employees reporting to them, and obtain legal guidance from the Office of the General Counsel as appropriate. Copies of the "Antitrust Compliance Manual" are available to all employees from business unit Human Resources, or the Office of the General Counsel.

6.0 Required Approval for Corporate Political Contributions

Direct or indirect contributions to any political party or candidate for political office, or regarding any ballot measure, by any organizational component of the company are prohibited unless previously approved in writing by the Office of the General Counsel and the Chief Financial Officer.

7.0 Overbilling

"Overbilling" constitutes increasing the sales price billed to a customer or a representative by an amount agreed to with the customer or representative which is over and above the sales price if, upon collection of the billed amount from the customer or representative, the amount received over and above the sales price is held for the amount of, or ultimately paid or credited to, a third party, the customer, or the representative from which said amount was received. Overbilling is prohibited by this policy.

8.0 Cash Payments

No payment by or on behalf of any organizational component of the company may be made in cash except cash disbursements which (a) are for routine services, (b) do not exceed \$1,000 (U.S.), (c) are properly documented, and (d) are made with the prior written approval of the senior financial executive of the organizational component concerned.

9.0 Representatives

Any arrangement or agreement by the company with any distributor, sales representative, dealer, agent, consultant, service contractor, broker of similar person or entity relating to sales or services must conform to the requirement set forth in A-08, Appendix B.

10.0 Compliance Oversight

10.1 The Business Standards Compliance Committee (the "Committee") shall review and provide or direct inquiries into potential violations of the Policy including those inquiries received through the company Helpline.

10.2 Any employee may report any information concerning violations or potential violations of the company's policies related to standards of business conduct directly to the Helpline, Office of the General Counsel, or the Committee.

10.3 The Committee has available to it all resources of the company necessary to discharge its responsibilities under this policy. Internal Audit is responsible for auditing compliance with this policy under its ongoing audit program and by such special audits as the General Auditor or the Committee may believe appropriate.

10.4 The Committee in accordance with its procedures will be advised promptly by the manager of every organizational component of the company of the following:

10.4.1 Any external allegation (whether by an individual or government agency or customer) that there has been any fraud, false statement, false claim or other violation of law in connection with any contract of the company with the United States government or any other governmental entity,

10.4.2 Any report received in any organizational component of the company from any employee of any

actual or potential violation of the company's policies related to standards of business conduct, and

10.4.3 Any other actual or potential violation of the company's policies related to standards of business conduct which the manager regards as potentially significant.

10.5 The Committee also will be advised of the results of audits performed by Internal Audit or under Helpline procedures for compliance with the company's policies related to standards of business conduct.

10.6 The Committee will meet at least quarterly with the Committee's Secretary or the Operating Committee to review all reported violations of the company's policies related to standards of business conduct which have come to the attention of the Helpline or have been otherwise reported to the Committee, and the actions taken to resolve such violations to ensure that the letter and spirit of such policies are fulfilled.

10.7 The manager of each organizational component of the company shall maintain ongoing oversight of his or her organization's compliance with the company's policies related to standards of business conduct, including implementation of training and communication programs appropriate to the business.

The Committee shall review each such organizational component's compliance with company's policies related to standards of business conduct regularly, and each such manager shall report to the Committee regarding the actions taken within his or her organization to assure compliance with the company's policies related to standards of business conduct as directed by the Committee.

10.8 In coordination with the Committee, the designated corporate executives shall have the following responsibilities for implementing this policy and shall report to the Committee as required on their execution of these responsibilities.

10.8.1 The Senior Vice President–Human Resources is responsible for development and management of the business ethics training program required by this policy.

10.8.2 The Senior Vice President–Corporate Communications is responsible for development and management of the communication program prescribed by this policy.

10.8.3 The General Auditor is responsible for the ongoing audit/review of the operation of the training, communication and reporting systems.

The head of each of the company's business units and of each corporate function shall be responsible, in coordination with the Committee, for implementing practices and procedures in support of this policy within each such organization.

11.0 Obligation of Employees to Report Violations and Assist in Investigations

11.1 It is the responsibility of an employee having knowledge of any activity that is or may be in violation of law, or of any

of the company's policies related to standards of business conduct, promptly to disclose such activity to the employee's supervisor or if the employee prefers, to the Helpline. The activities to be reported include any request to engage in any activity which the employee believes would be contrary to this policy, and any information that gives the employee reason to believe that any other employee is engaged in conduct prohibited by this policy or that any other person or firm representing the company is engaged in such conduct.

11.2 Any supervisor receiving a report under Section 13 will promptly report the matter to higher management and to the Committee and take such further action as higher management or the Committee may direct.

11.3 Harassment of or retaliation against an employee for making a disclosure required by section 11.a is prohibited. An employee who has violated the company's policies related to standards of business conduct cannot avoid responsibility and appropriate disciplinary action for such violation merely by disclosing it as required by Section 11.a; however, such disclosure will be considered as a mitigating factor in determining appropriate discipline.

11.4 It is the responsibility of every employee to cooperate fully with any investigation of any alleged violation of the company's policies relating to standards of business conduct.

11.5 The Helpline and the Committee's records shall be confidential in order to assure that employees may raise concerns without inhibition. Employees referring matters to the Helpline may choose to withhold their identities or may request that their identities be held in confidence. Information contained on the Helpline and the Committee's records, including the identities of employees who have requested confidentiality, shall be disclosed only as necessary to enable the committee to carry out its responsibilities.

11.6 Employees subject to the certification requirements of Corporate Policy A-03, "Conflicts of Interest," also shall be required to certify annually as to their knowledge of the existence of any actual or potential violations of company policies related to standards of business conduct.

Corporate Policy A-08, Appendix B Standards of Business Conduct Regarding Representatives and Representative Agreements May 1, 2001 (Revised March 31, 2011)

1.0

a) Fees – Any and all amounts paid or payable to a representative.

b) Representative – Any distributor, sales representative, dealer, agent, consultant, service contractor, broker or other similar entity with whom an arrangement is made by the company relating, directly or indirectly, to sales or services.

c) Representative Agreement – An arrangement or agreement with a representative.

2.0 Use of Representatives

- a) All representative agreements shall be in writing.
- b) Normally, fees payable to a representative will be paid by check and either mailed to the principal office of the representative or, if the additional expense is warranted, sent to such principal office via a bonded independent courier service having a bonded office in the country in which the principal office of the representative is maintained. The Senior Vice President & Treasurer of the company, with the approval of the Executive Vice President & Chief Financial Officer, may authorize payment via personal delivery of a check of the company to the principal office of the representative by an employee of the company, provided that he or she shall have determined that delivery by both mail and courier service is unreliable. In that event, the Senior Vice President & Treasurer may authorize payment by wire transfer to the account of the representative at a bank in the city in which the principal office of the representative is maintained, provided that all wire transfers will be processed only through the Office of the Senior Vice President & Treasurer.
- c) In addition, with the approval of the Office of the General Counsel, such payments may be sent or made, by the methods prescribed in the preceding paragraph, to the representative at a location outside the country in which he or she maintains his or her principal office if so directed by the representative in writing, and provided local counsel for the company confirms that such procedure is not in violation of local legal requirements.
- d) All other forms of payment of fees to representatives are prohibited unless specifically authorized by the Executive Vice President & Chief Financial Officer with the approval of the Office of the General Counsel except that, if the representative purchases products or services from the company, it is permissible:
- 1) to offset against accrued fees due to representative any amounts due to the company for its products shipped or services rendered for the representative if the representative has its principal office in a country that does not prohibit the offsetting of receivable and payments in Automotive trade and either:
 - a) the offset is requested by the representative and the products were shipped to, or the services rendered for, the representative in the country in which his or her principal office is located or
 - b) the amount owed the company is overdue and deemed uncollectible by the Senior Vice President & Treasurer.
 - 2) to delay payment of accrued fees to assure payment by the representative for the company's product or services.
- e) All representative agreements shall contain a conflict of interest clause as set forth in Exhibit 1 to Appendix B of this policy or in a form otherwise approved by the Office of the General Counsel. Any representative who declines to execute such agreement shall be reported to the Executive Vice President & Chief Financial Officer and the Senior Vice President, General Counsel-

- f) Copies of all representative agreements shall be filed with the financial department of the organizational component concerned, and no payments will be made under or in connection with a representative agreement except to the extent authorized by that financial department.
- g) The financial department of the organizational component concerned will maintain appropriate documentation with respect to all fees paid.

3.0 Approvals of Representative Agreements Relating to Business Between the United States and Another Country or to Business in Such Other Country

Representative agreements relating to automotive business shall be approved by the head of the organizational component concerned to whom such authority has been delegated specifically, the senior financial executive of that organizational component, and the Office of the General Counsel.

In those cases where it is anticipated that payment of fees under the representation agreement may exceed \$500,000 (U.S.) for an individual transaction or a group of related transactions, the approval of the Executive Vice President, Chief Financial Officer and the Senior Vice President, General Counsel shall be obtained.

Where a representative agreement exists with an established representative, any new business commitment which may result in total payments of fees in excess of \$500,000 (U.S.) for an individual transaction or a group of related transactions, requires the approval.

Exhibit 1, A-08 Appendix B, Sample Format Conflict of Interest and Disclosure Clause for Representative Agreements

_____ hereby represents and covenants that neither the representative nor any of its employees or representatives has or shall have, directly or indirectly, any agreement or arrangement with any official, employee or representative of any customer or of any government or governmental agency or of any political party under which any such official, employee, representative or political party shall receive, either directly or indirectly, anything of value whether monetary or otherwise as the result of or in connection with any actual or contemplated sale of any product of service or the company or any of its subsidiaries to any customer, government or governmental agency or as the result of or in connection with any action or contemplated action taken or requested to be taken by any government or governmental agency of any nature relating to Meritor, Inc. or any on its subsidiaries.

_____ further represents and covenants that neither its owners, stockholders, employees nor representatives are or will be, during the affectivity of this agreement, (1) officials of any government or (2) officials of any political party or candidates for any political office.

As used in the foregoing paragraph, the term "official of any government" means any officer or employee of a government or any department, agency or instrumentality thereof, or any

person acting in an official capacity for or on behalf of such government or department, agency or instrumentality.

It is understood and agreed that the company shall have the right, in its discretion, to disclose the terms and conditions of this agreement (as it may be amended from time to time), including without limitation commissions paid pursuant hereto, to agencies of the United States government or to agencies of the government(s) in _____(s) market area.

***Note:** Publicly owned companies may be unable to certify to the second paragraph. In that event, the business unit processing the agreement shall present the circumstances to the Office of the General Counsel for review and possible modification or deletion.

Corporate Policy EHS-001 Environmental, Health and Safety Policy March 19, 2010

5.0 ArvinMeritor will conduct its business in a manner intended to be protective of the environment, human health and employee safety. We consider Environmental, Health and Safety (EH&S) an integral part of the overall Sustainability business strategies of ArvinMeritor and a prerequisite for continued commercial success. This policy applies to all operations and employees globally including majority owned or managed joint ventures.

ArvinMeritor is committed to:

- Complying with all applicable environmental, health and safety laws and regulations of the jurisdictions in which we do business;
- Operating our facilities in a manner that will provide our employees with a safe workplace and minimize the potential for adverse impacts on health and the environment;
- Implementing our EH&S standards and procedures through the use of management systems and standardized best practices;
- Consider EH&S impacts in business decisions and work with our suppliers, contractors and customers to mutually address EH&S issues;
- Minimize adverse EH&S impacts from our operations by conserving natural resources and reducing, minimizing, or eliminating the generation of waste and the release of pollutants to the environment;
- Adopt appropriate metrics, objectives and targets in order to achieve continual improvement;
- Include EH&S responsibility and performance as relevant factors in employment, retention and performance decisions;
- Maintain open and constructive relationships with regulatory agencies, public officials, other internal and external interested parties and the communities in which we operate, and;
- Maintain a performance-based culture that encourages our employees to strive for best practices in business and

operations while continuously improving our EH&S performance.

Corporate Policy HR-019 Nepotism Policy February 2007 (Revised April 5, 2011)

4.3 Related Employees: For purposes of this policy only, "related employees" are those related by blood, same-sex domestic partner, or engaged to be married.

5.0 Policy:

All employees, Corporate Officers, and board members must conduct themselves with the highest standards of integrity, honesty and fairness to avoid any conflict between their own interests and the interests of the Company. It is the policy of the Company that no "related employees" are permitted to improperly influence the hiring, work responsibilities, salary, hours, career progress, benefits, termination or other terms and conditions of employment of the other. In no instance, may one "related employee" supervise, directly or indirectly another "related employee." "Related employees" are allowed to work in the same department or facility provided no implicit or explicit reporting relationship exists.

Employees who marry, or are in a same-sex domestic partnership, while both employed by Meritor and are in a direct reporting relationship to each other are required to report said marriage or same-sex domestic partnership, to management immediately. Employees who marry while both employed by Meritor are "related employees" and treated in accordance with these guidelines. One of the married or same-sex domestic partnership employees will be required to transfer to another supervisor or department within a reasonable time frame, but not more than 30 days, following said marriage.

Any employee who believes there has been a violation of policy should promptly report the facts of the incident or incidents and the names of the individuals involved to her or his supervisor, to the Human Resources Department and/or the Ethics Helpline. All complaints will be promptly investigated and, where appropriate, corrective action will be taken.

**Note: Any "employee related" reporting relationship existing prior to the date of this policy will be reviewed on a case-by-case basis.*

Corporate Policy B-04 Innovation Protection and Award Policy Sept. 15, 1991 (Revised April 30, 2010)

5.0 Policy

5.1 Applicability It is Meritor's intent to establish and implement intellectual property strategies in each of its businesses. These strategies should support the objectives of the businesses. These strategies should also protect the core technologies of the company as intellectual property assets.

It is also the intent of Meritor to provide certain incentives for the creation of innovations that are legally protectable. The form of the incentives allows the company, at the same

time, to give recognition to innovative accomplishments of its employees.

This policy is directed at all inventions, discoveries and improvements arising out of research and development performed by or on behalf of ArvinMeritor. This includes any system, machine, device, process, know-how, method, composition of matter, software, firmware, or any other scientific or technical advancement. It includes all these regardless of whether they were generated under company-funded programs, government contract, or purchased research and development performed by others on behalf of ArvinMeritor.

5.2 Implementation

5.2.1 Establishment and Execution of Business Intellectual Property Strategies.

Each business should establish and implement an intellectual property strategy. The strategy should support the specific objectives of the business unit and provide intellectual property protection for the core technologies of Meritor. In formulating and implementing its strategy, consideration should be given to the ways in which the protection and utilization of the Intellectual Property can:

- 5.2.1.1 Enhance strategic product and marketing plans;
- 5.2.1.2 Strengthen strategic partnering plans; and
- 5.2.1.3 Improve access to technologies and freedom from claims of infringement, through potential cross licensing.

Employees will disclose to the Legal Department, using the appropriate paper or electronic forms, all innovations and the product or process in which these innovations are most useful. Supervisors will ensure such identification and, if requested, have the employee prepare a detailed disclosure of such innovation. The Light and Commercial Vehicle Systems businesses ("LVS" and "CVS") shall each appoint an Intellectual Property Committee to evaluate disclosures of innovations. With the assistance of the Legal Department, the Committee is to make recommendations on which of the disclosed innovations should be protected under intellectual property laws in accordance with the intellectual property strategy of the business unit, including recommendations on whether patent applications should be filed. In addition, the Committee may recommend some of the awards described in this policy. Where required by law or statute, the Committee will also determine, with the assistance of the Legal Department and the Human Resources Compensation Department, the appropriate employed inventor compensation.

5.2.2 Role of the Legal Department in Resolving Potential Intellectual Property Disputes.

Any questions arising as to whether or not Meritor is entitled to rights in or ownership of, any intellectual property contribution of an employee of the company must first be referred to the Legal Department for resolution. Likewise, any potential dispute with contractors, suppliers, customers or service providers regarding intellectual property rights must first be referred to the Legal Department for resolution. Any correspondence or other document alleging or claiming that ArvinMeritor or any of its subsidiaries is infringing any patent, copyright, mask work, or trademark must be promptly referred to the Legal Department for appropriate handling. Likewise, any correspondence alleging that Meritor is

misusing the proprietary or confidential information of another must be promptly referred to the Legal Department for appropriate handling. Further, any requests that ArvinMeritor evaluate or express its interest in developing, using or licensing an idea submitted by an inventor outside the company must be promptly referred to the Legal Department for reply.

5.2.3 Awards.

5.2.3.1 Authorizing Awards – Senior business unit executives, specifically including the Vice President of Engineering for the Business Unit, are authorized, but not obligated, to grant Meritorious Disclosure Awards, Application Filing Awards, Patent Issuance Awards, Royalty Awards and Competitive Technology Awards as described in Appendix A of this policy, which also includes the details of eligibility for the awards and other procedural matters.

5.2.3.2 Publicizing Awards – An important part of incentive awards is that contributions of innovators be recognized at all levels of ArvinMeritor and be appropriately publicized. Accordingly, formal presentations of the awards are strongly encouraged. Patent Award Plaques, which may be presented as a part of the Patent Issuance Awards, will be provided by the Engineering Department of the business unit. Business units are encouraged to publicize awards by internal means. Since patents are a matter of public record, Patent Issuance Awards and the titles of the associated patents should be announced in publications, including company newspapers. In the formal presentations or publicity that may occur, appropriate recognition should be given to the manager under whose supervision the innovative work was done.

Corporate Policy B-05
Safeguarding Company Sensitive Information Policy
March 20, 2006 (Revised April 14, 2010)

5.0 Policy

Company Sensitive Information is a valuable asset of the company and shall be protected and used only to promote the company's interests. The courts generally have provided protection for company sensitive information, such as formulas, patterns, devices, or compilations of scientific, technical, financial or commercial information (including computer programs and data bases), provided the owner has taken reasonable precautions to maintain it as confidential.

5.1 General

The identification, availability and dissemination of Company Sensitive Information shall be governed by the following principles:

5.1.1. Confidential Information - Confidential electronic documents and information should be protected via password or stored on protected shared drives. Electronic copies should be marked "Confidential" or if in a presentation form created on the "Confidential" template with predetermined distribution listed on the first page/slide. It is the company practice that all Confidential Information papers and physical items must be kept in a locked area if not locked file or storage cabinet at the end of each business day. Exceptions to these requirements are specified in Section 5.1.5.

5.1.2 Company Official Information – All company official electronic documents and information must be password protected and all copies accounted for. Absolutely no company official information may be stored on the company share drives. Share drives may be used only for expeditious transferring of these documents. Electronic copies should be marked "Company Official" or if in presentation form created on the "Confidential Official" template with predetermined distribution list on the first page/slide. Hard copies and disks should be disposed of via shredders or secured disposal bins. Private directories on shared files should be used for documents or information of this sensitivity. Contact your IS support for guidance in establishing these directories. All confidential papers must be kept in a locked file or storage cabinet at the end of each business day and preferably also behind a locked door at the end of each day. Hard copies and disks should be disposed of via shredders or secured disposal bins. Exceptions to these requirements are specified in Section 5.1.5

5.1.3 Routine Information - No special actions other than reasonable business sense is needed for securing these documents and communications whether electronic, paper, or physical samples to prevent their distribution outside of the company.

5.1.4 The employee who originates Company Sensitive Information and the employee's supervisor are responsible for ensuring that such information is properly marked upon its origination and is safeguarded in accordance with this policy.

5.1.5 Company Sensitive Information otherwise requiring markings in accordance with this policy need not be so

marked when the cognizant corporate officer (or a direct report to whom such authority has been expressly delegated) determines that it is not practicable or necessary to mark it, that it is for internal use only, and that all the following precautions are in effect and are reasonable to protect unmarked Company Sensitive Information:

5.1.5.1 Access thereto is restricted to a limited number of employees having a "need to know" in order to carry out their duties;

5.1.5.2 Those employees allowed access thereto are made aware of its sensitive nature; and

5.1.5.3 Procedures have been established to prevent the release thereof outside the company unless it is appropriately marked before release.

5.1.6 The release, whether written, oral, by demonstration, visual or electronic, of Company Sensitive Information to persons, firms or organizations outside the company is authorized only where such release serves a legitimate business purpose of the company, and:

5.1.6.1 Its release is approved by the cognizant corporate officer (or a direct report to whom such authority has been expressly delegated);

5.1.6.2 It is appropriately marked and a confidentiality agreement has been entered into between the recipient and the company or an appropriate relationship securing confidentiality such as the Attorney-Client relationship exists;

5.1.6.3 It is furnished in connection with government procurement and it is marked with an appropriate legend authorized by the procurement regulations of the agency involved;

5.1.6.4 It is furnished to the government as material exempt from disclosure under the Freedom of Information Act or its equivalent and in accordance with Corporate Policy B-02, and it is marked in accordance with that policy; or

5.1.6.5 Its disclosure is required by legal process or court order, as determined by the Office of the General Counsel.

5.1.7. Employees having access to Company Sensitive Information who are terminating their employment with the company shall, in addition to any applicable State or Federal laws to which they are bound, be advised as to their responsibilities with respect to Company Sensitive information under the policy. The terminating employee shall be alerted to the legal consequences of (1) using or disclosing Company Sensitive Information for any purpose not expressly authorized by the company, with the advice and assistance of the Office of the General Counsel, and (2) retaining or using any correspondence, notes, depictions, models, data, experimental results or any other manifestation of Company Sensitive Information.

5.1.8 The supervisor of a terminating employee having access to Company Sensitive Information shall require the employee to deliver promptly to the supervisor all materials, including documents and software which may contain Company Sensitive Information, and to acknowledge in writing that all such materials so required to be delivered have been delivered.

5.2 Unauthorized Release Any employee having knowledge of any unauthorized disclosure or removal of company sensitive information shall promptly inform his or her immediate supervisor, the Office of the General Counsel, or the Security Council.

Corporate Policy L-103 Human Trafficking and Slavery

Revised March, 2014

1.0 Purpose

This policy establishes guidelines and procedures for assuring compliance with those laws of the United States which prohibit human trafficking and slavery and/or knowingly benefiting from any such activity.

2.0 Scope

This policy applies to all Meritor facilities, both domestic and foreign.

3.0 Responsibility

It is the responsibility of all Meritor employees worldwide to ensure that the provisions and guidelines of this policy are followed.

4.0 Definitions

4.1 Coercion: The term "coercion" means -- (A) threats of serious harm to or physical restraint against any person; (B) any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or (C) the abuse or threatened abuse of the legal process.

4.2 Commercial Sex Act: The term "commercial sex act" means any sex act on account of which anything of value is given to or received by any person.

4.3 Debt Bondage: The term "debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

4.4 Involuntary Servitude: The term "involuntary servitude" includes a condition of servitude induced by means of – (A) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (B) the abuse or threatened abuse of the legal process.

4.5 Severe Forms of Trafficking in Persons: The term "severe forms of trafficking in persons" means - (A) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or (B) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of

subjection to involuntary servitude, peonage, debt bondage, or slavery.

4.6 Sex Trafficking: The term "sex trafficking" means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

5.0 Policy:

5.1 Overview

Meritor is committed to comply fully with all applicable state and federal United States (" U.S. ") and non-U.S laws and regulations, including laws prohibiting human trafficking and slavery. Meritor establishes appropriate written procedures, creates awareness/visibility, and takes appropriate actions to ensure the Company's compliance with these requirements. This policy sets forth the authority and responsibilities of Meritor's policy against human trafficking and slavery.

Failure to observe this Policy may create substantial exposure, both to Meritor and its employees, including criminal prosecution, fines, imprisonment of individuals, debarment from government contracting, civil penalties, and serious damage to Meritor's good name and reputation.

5.2 Applicable Laws of the United States against Human Trafficking and Slavery

5.2.1 Chapter 77 of Title 18 of the U.S. Code, entitled " Peonage, Slavery, and Trafficking in Persons", was adopted to prevent persons and entities from engaging in, or benefiting from, slavery, and other forms of forced labor, and human trafficking. Specifically, these laws prohibit any person or entity from causing, participating in, assisting, or knowingly benefiting from the enslavement, involuntary servitude, forced labor, or debt bondage of any person.

5.2.2 Title 48 of the Code of Federal Regulations, Section 52.222-50, and entitled " Combating Trafficking in Persons" was adopted to ensure that government contractors and their employees do not engage in or support severe forms of trafficking in persons, procurement of commercial sex acts or use forced labor during the performance of the contract. This law requires that a contractor establish policies to ensure that its employees do not engage in or support any such activity by, at a minimum:

- Publishing a statement informing its employees of the foregoing law and the fact that any violation of the law will lead to sanctions of the employee that can include, but not be limited to, removal from the contract, reduction in benefits or termination of employment.
- Establishing an awareness program to inform employees of the foregoing policy, the sanctions

that may apply as a result of any violations of such policy and that compliance extends to contracts performed outside the US, and includes the obligation to comply with any comparable laws of the host government where contract performance is taking place.

- Providing any employees directly engaged in the performance of the contract with a copy of the above statement and obtaining such employees' written agreement to abide by the terms of this policy.

Taking appropriate action, up to and including termination, against any employees or subcontractors violating this policy.

- 5.2.3** The California Transparency in Supply Chains Act of 2010 requires retailers and manufacturers doing business in California to disclose, on their websites, what efforts they are making to combat human trafficking and forced labor in their own supply chains.

5.3 Procedure

- 5.3.1** This policy shall be included in the Policies and Procedures of the Company and shall be available on the Company's internal website.
- 5.3.2** Employees of the Company shall be made aware of this policy and how to comply with it through the Company's annual ethics training program administered to all employees of the Company.
- 5.3.3** Each employee directly engaged in the performance of a government contract will be given a copy of this policy and will agree in writing to comply with its terms.
- 5.3.4** The Company's buyers will be trained to comply with this policy, including the steps to be taken to ensure that the Company's suppliers are aware of this policy and agree to comply with this policy.
- 5.3.5** The Company shall, within eighteen months after the effective date of this policy, solicit certifications from its production suppliers of their compliance with all applicable laws against human trafficking and slavery, shall solicit a similar certification from all of its new production suppliers and will periodically update these supplier certifications. In addition, the Company shall conduct an audit of any supplier which the Company has reason to believe may be engaged in activities which would violate applicable laws against human trafficking and slavery in order to ensure that such

suppliers are complying with the terms of this policy.

- 5.3.6** The Company website shall be modified, and periodically updated, to detail the Company's current efforts to combat human trafficking and forced labor.

5.4 Specific Responsibilities

- 5.4.1** The Senior Vice President and General Counsel's office has overall responsibility for the implementation of, and compliance with, this policy.
- 5.4.2** The Senior Vice President of Human Resources has responsibility for training employees on the requirements of this policy through its administration of the Company's ethics training program.
- 5.4.3** Any Business Unit performing work under a government contract will ensure that each employee of the Company directly engaged in the performance of the contract will be provided a copy of this policy and will agree in writing to abide by its terms.
- 5.4.4** The Vice President of Global Purchasing has responsibility for ensuring that the Company's buyers are trained to comply with this policy and will arrange for the solicitation of certifications from the Company's suppliers of their compliance with all applicable laws against human trafficking and slavery, and the performance of audits, of any supplier who the Company has reason to believe may be engaged in activities which would violate applicable laws against human trafficking and slavery in order to ensure their compliance with such laws.
- 5.4.5** The Vice President of Communications has responsibility for ensuring that the Company's website is modified and maintained to comply with this policy.
- 5.4.6** The Vice President and General Auditor has responsibility for auditing the company's efforts to monitor its suppliers in accordance with the terms of this policy.
- 5.4.7** Any employee of the Company who becomes aware of any violation of this policy shall be required to report such violation to his or her supervisor, another member of management or the Company's Helpline.

5.5 Violations:

Any violation of any aspect of this Policy, including a failure to report any such action, shall be reported immediately to the Senior Vice President and General Counsel's office and may result in disciplinary action up to and including termination as well as any applicable penalties allowable under the statutes listed herein.

Corporate Policy HR-050 Social Media June 20, 2013

- 1.0 Purpose:** To establish practical and reasonable guidelines and limitations for Meritor employees to use Social Media in a responsible way in both professional and personal capacities.
- 2.0 Scope:** This policy applies to all Meritor employees in North America who engage in Social Media that (a) uses Meritor information systems or (b) makes reference to Meritor's business, products, employees, former employees, policies, intellectual property, relationships and/or competitors through either personal or professional use of Social Media from either internal or external resources. This policy does not apply to an employee's personal use of Social Media if (a) Meritor Information Systems are not used and (b) no reference is made to Meritor's interests. Non-North American employees are not authorized in any manner to discuss Meritor information through Social Media beyond their personal rights available under applicable laws.
- 3.0 Responsibility:** It is the responsibility of the Communications Department to ensure that the provisions of this policy are understood by all Meritor employees. Each Meritor employee is responsible for adhering to the guidelines herein.
- 4.0 Definitions/Terms:** The term "Social Media" encompasses, but is not limited to, applications, audio Syndication (Podcasts), blogs, image sharing, microblogs, slide sharing, social bookmarking, social networks, user forums, discussion boards, video sharing, virtual worlds and wikis.
- 5.0 Policy**
- 5.1 Statement:** Meritor recognizes that online communications tools such as web site comments, blogs, chat rooms and other Social Media opportunities may serve as channels for direct interaction with current and/or potential customers, the media and other Meritor stakeholders. Meritor is committed to supporting open communications by employees and other Meritor representatives providing that such communications are transparent, ethical and accurate.
- 5.2 Necessary Disclosures:** Unless you are preauthorized to post on behalf of Meritor, the following disclaimer must be used with every contribution to Social Media. Posting(s) reflecting personal points of view must include

the following disclaimer, "I am an employee of Meritor. The statements or opinions expressed on this site are my own and do not necessarily represent those of Meritor, Inc." Comments on any aspect of Meritor's business or a Meritor policy issue must be transparent and disclose your status as a Meritor employee as stated above.

5.3 Unauthorized Disclosures:

- 5.3.1** Employees must abide by all laws and regulations controlling the disclosure of Meritor information, in addition to any confidentiality or non-disclosure agreement with Meritor.
- 5.3.2** Employee online postings shall not include any Meritor identities, logos or trademarks and shall respect copyright, privacy, fair use, financial disclosure and other applicable laws.
- 5.3.3** Online identities shall not include Meritor in a personal screen name (i.e. "MaryAtMeritor" or "MeritorEngineer").
- 5.3.4** Your Social Media postings shall not disclose any information that is confidential or proprietary to Meritor or to any third party (such as a customer, vendor, agency or other end-user) that has disclosed information to Meritor.
- 5.3.5** Employees shall not post any material on any Social Media sites which would violate the copyright or trademark rights of others.
- 5.3.6** Employees shall not disclose: (1) nonpublic information that was obtained during the course of their employment, (2) confidential and proprietary information or trade secrets, (3) information about legal matters, government investigations, litigation, communications with either Meritor legal counsel or outside legal counsel, (4) personal information about other individuals without their written consent.
- 5.3.7** Employees shall not disseminate any information captured by cameras or other visual or audio recording devices at Meritor facilities or complexes by way of Social Media unless approved in advance by the Office of General Counsel.

5.4 Content:

- 5.4.1** Employees are responsible for acting in a manner that is

- consistent with Meritor values. In support of these values, employees are expected to be respectful, courteous and thoughtful about how the Company and/or other Meritor employees may be affected by any online postings.
- 5.4.2** Comments must be truthful, accurate and respectful. Disagreement with others should be handled in a polite and appropriate manner. Avoid using coarse, profane or other inappropriate language.
- 5.4.3** Do not use any discriminatory, harassing, intimidating, or other offensive language on either internal or external Social Media. All communication must be free from harassment regarding racial, ethnic, religious, physical or sexual characteristics, sexual orientation or any other protected classification.
- 5.4.4** Do not make any statements that are false, misleading or unsubstantiated. If a mistake is made, admit to it and promptly correct any errors.
- 5.4.5** Contact Corporate Communications with any questions about whether to post or publish something via Social Media.
- 5.5 Security Awareness Training**
- 5.5.1** Employees authorized to use Social Media on behalf of Meritor will be required to take periodic security awareness training to stay informed of the risks involved with using social media sites.
- 5.6 Personal Use of Social Media in the Work Place**
- 5.6.1** Access to Social Media websites will not be automatically granted in the work place. Access will be granted on an as needed basis and requires senior management approval.
- 5.6.2** Employees with such authorization are expected to utilize Social Media for the purpose of contributing to the realization of Company goals and objectives and shall not be used for activities intended for personal gain.
- 5.6.3** Accessing, viewing or sharing non-business Social Media content that may be offensive, including but not limited to sexually explicit, racially biased material, is prohibited.
- 5.7 Additional Rules For Personal Posts on Social Media:**
- 5.7.1** Personal posts on Social Media must be generated from a personal account.
- 5.7.2** Personal posts relating to Meritor products and services are strongly discouraged. Any statements about Meritor products and services implicating any regulatory or compliance rule, law or policy is strictly prohibited.
- 5.8 Additional Rules For Meritor-Sponsored Social Media**
- 5.8.1** Meritor-sponsored Social Media is defined as Social Media officially endorsed by Meritor including, but not limited to, Meritor Facebook, Twitter, YouTube and LinkedIn accounts.
- 5.8.2** Any Meritor-sponsored Social Media must clearly disclose sponsorship by Meritor (e.g., "This page is sponsored by Meritor.").
- 5.8.3** Before any adverse event reporting is posted on Meritor-sponsored Social Media, please contact Corporate Communications for guidance.
- 5.8.4** Meritor-sponsored Social Media accounts must include legal terms setting forth the terms and conditions for use. No Meritor-sponsored Social Media account may launch without receiving such terms from the Meritor Office of General Counsel or receiving General Counsel's approval to launch without such terms.
- 5.8.5** Meritor reserves the right to preserve any information potentially relevant to an actual or reasonably anticipated claim,

litigation, investigation, subpoena or government proceeding. Accordingly, Meritor will preserve any content generated by Meritor employees or agents on Meritor-sponsored Social Media that it deems relevant information.

6.0 Penalties: Employees bear the full responsibility for the material they post on personal accounts or blogs. Violation of this policy may result in legal and/or disciplinary action up to and including termination.

7.0 References: Nothing in this Policy removes Meritor employees' responsibilities under any other Meritor policy or rule or compliance with any and all legal and/or contractual obligations. Please refer to the following policies for further guidance.

- COM-001
- L-001
- IS-002.F04
- B-07
- A-03
- HR-009
- Ethics Handbook
- HR-017
- ENG-001.P01
- IS-001
- C-03
- HR-026



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