

# DAF's top 20 compliance rules



**LEYLAND TRUCKS**

A **PACCAR** COMPANY



**PACCAR  
PARTS**

**PACCAR  
FINANCIAL**

As an employee of DAF/Leyland/PACCAR Parts/PFE/PacLease, I will duly observe the following top 20 compliance rules:

### **Acting ethically**

1. I will not pay, grant or promise any amounts, favours or kickbacks (or request or accept same) in exchange for business transactions with our dealers, importers, customers or suppliers.
2. I will not pay, grant or promise any amounts, favours or kickbacks to civil-servants, political parties, individual politicians or electoral candidates in order to achieve a business advantage or to influence (local) government decisions. I will not pay any "graft" to accelerate administrative formalities.
3. I will not do business with dealers, importers, agents, intermediaries or "agents" regarding whom I know (or regarding whom I can reasonably suspect) that they will violate the above rules 1 and 2 in connection with the (re)sale of our products. I will not "turn a blind eye" in suspicious situations. I will ensure that sales commission or similar payments to parties that facilitate transactions will only be made if this is justified for clear and demonstrable services that have been provided to DAF on the basis of a written agreement.

### **Entertainment, gifts, conflict of interests**

4. I will not spend more money on entertainment, foreign trips, overnight stays or gifts for customers than what is deemed generally acceptable in business practice.
5. I will not offer to or pay (local) civil servants for any entertainment, foreign trips, overnight stays or gifts if this may appear inappropriate or if this has not been approved in advance by my own superior or their manager. I will ensure that I do not offer anything to civil servants that could constitute a violation of the applicable government policy in respect of accepting invitations and gifts.
6. In the Eurozone, I will not declare any costs for entertainment, foreign trips, overnight stays, dinners, sporting events and similar hospitality gestures of more than € 200 per person per day or, in respect of gifts, with a value of more than € 50. In other countries, I will apply similar maximum amounts with equal or lower purchasing power while taking the local prosperity standard into account. I will have all incentive programmes that are intended to reward individual members of the dealer's sales force evaluated by DAF's Law Department and my superior prior to their introduction.
7. I will not allow (potential) customers or suppliers to pay my travel or

accommodation expenses. I will not accept any gifts with a value of more than € 50. I will not attend sporting events or other events as a guest of a customer, dealer or importer more than twice a year and then only if there is no reasonable chance that this will affect my opinion or actions in my business dealings with these parties.

8. I will always involve my superior and their manager in situations in which my own personal financial interests are (or could be) contrary to DAF's interests, for example in situations in which, for any reason whatsoever, I receive benefits from dealers, customers or suppliers if I have a direct or indirect financial interest in their operations or if I have accepted an advisory position with them.

### **Money "laundering"**

9. I will not participate in "money-laundering activities" that are intended to convert the proceeds from criminal activities into apparently legitimate income.
10. I will not accept any cash payments and will ensure that invoices are paid by means of transfers from the bank accounts that are ordinarily used by our customers for their operations.

### **Competition**

11. I will not exchange or discuss any information of any nature whatsoever with our competitors, for example regarding actual or expected figures related to the number of sales, deliveries, registrations (or other internal company statistics) or regarding production capacity, dealer workshop rates, current or future prices, delivery periods, product innovations, market strategies or any other information whatsoever that may be commercially sensitive.
12. I will not enter into any agreement or make any practical arrangement with our competitors that reduces the level of uncertainty regarding our competitors' conduct on the market (for example regarding pricing, production, technical specifications, etc.) (even if that were only possible in theory).
13. I will not have any personal contact with our competitors unless this takes place at officially convened meetings of sector organisations in which subjects are discussed that are in the interest of the entire sector and that are also on the agenda of said meetings. Those agendas must be evaluated by DAF's Law Department. I will immediately leave those meetings if competition-sensitive information is exchanged with competitors or if agreements are made directly

between the competitors there. Meetings with representatives of competitors at trade fairs must be courteous discussions and may not erroneously be contrary to rules 11 and 12.

14. I will not enter into agreements or make practical arrangements with our dealers or importers directly or indirectly (or facilitate the same in any manner) if, as a result, our customers' freedom to purchase our products where they wish is limited (for example due to restrictions on purchasing from parties other than the "designated dealer", parallel trade from other countries, online sales) or if, as a result, customers are unable to benefit in full from competition in the market (for example due to customersharing agreements, the mutual coordination of quotes, imposing fixed or minimum prices/resell margins).
15. I will not develop any discount or bonus programmes that are based on prohibited "loyalty schemes" and that apply retroactively to the entire annual sales if successive thresholds are exceeded (instead of programmes that only reward the additional tranches in the case of increasing sales volumes). I will not implement any discount or bonus programmes in which the sale of products in highly competitive market segments (for example, competitive parts) are only rewarded if certain targets are achieved in the sale of products in segments with little competition (for example, captive parts).

### **Trade sanctions**

16. I will not, directly or indirectly, sell products to countries or customers that are subject to a trade embargo or other, similar EU, US or UN sanctions. Before doing business, I will determine the envisaged destination, the identity of the customers and the use of our products and have DAF's Credit Control department verify whether such trade embargos are applicable.
17. I will not enter into sales transactions with dealers, importers, agents, intermediaries regarding whom I know (or regarding whom I can reasonably suspect) that they will violate a trade embargo in connection with the resale of our products. I will not "turn a blind eye" to suspicious situations.

### **Privacy**

18. I will comply with applicable data protection legislation and adhere to DAF's internal policy rules and procedures regarding

privacy. In particular, I will only use personal data for legitimate and approved business purposes and only in so far as these personal data are strictly necessary for the relevant business purpose. I will treat personal data confidentially and with due care and, with due observance of DAF's policy rules, I will also be transparent and clear regarding when and how we collect, use and share personal data.

### **Insider information**

19. I will not disclose any information that is not in the public domain that may affect the stock exchange value of PACCAR Inc's shares and I will treat this information as strictly confidential until it has been disclosed by the competent management. I will not trade PACCAR Inc shares directly or indirectly while I have this information at my disposal.

### **Applicable legislation; PACCAR's policy rules**

20. When doing business, I will always act responsibly and deal with our customers candidly and ethically. I will not act contrary to applicable laws, generally accepted ethical standards, the PACCAR Code of Business Conduct, the PACCAR Standard Policies or the PACCAR EU Compliance Manuals (in which DAF's policy regarding the subjects discussed in this brochure are explained in more detail).

## **Sanctions**

A violation of the foregoing top 20 compliance rules or the directives referred to in rule 20 may lead to disciplinary sanctions (including dismissal), irrespective of further civil or criminal-law measures that may be taken against individual employees by the government or third parties.

## **Deviations, interpretation**

Every deviation from the foregoing rules requires the prior written consent of the responsible member of DAF's Board of Management (or the CEO of Leyland/PFE/PacLease) in the form of a Compliance Deviation Form, which can be downloaded from DAF's intranet. Unless expressly indicated otherwise, it may not be assumed that deviations, once approved, also apply to similar deviations in the future. You should submit questions about the interpretation of compliance rules to your Compliance Officer (usually the controller).

The list of Compliance Officers and the contact details of the Compliance Director and the Data Protection Officer are available on the intranet: <https://paccar.sharepoint.com/sites/DAF/SitePages/Compliance.aspx>

## **Reporting incidents**

I will report all previous or current incidents to my own superior or their manager if I know or can reasonably suspect that the foregoing rules or policies have been violated. I can also report said incidents to my organisation's Compliance Officer or to the PACCAR Ethics Hotline ((see the Compliance site on DAFweb: <https://paccar.sharepoint.com/sites/DAF/SitePages/Compliance.aspx>)). Employees need not fear that the relevant reports will lead to disciplinary measures.

## **Reference material**

The documents referred to in rule 20 are available:

- a. on the intranet portal (<https://paccar.sharepoint.com/sites/DAF/SitePages/Compliance.aspx>) the Dutch translation of the PACCAR EU Compliance Manuals:
  - NL PACCAR EU Anti-Bribery Compliance Policy Manual

- NL Competition Law Compliance Policy Manual NL PACCAR  
EU Trade Restriction Compliance Manual
- NL PACCAR EU Privacy Protection Compliance Policy  
Manual
- NL DAF Anti-Money Laundering Compliance Policy Manual
- NL PACCAR Financial Europe Anti-Money Laundering  
Compliance Policy Manual

b. on PACCAR Inc's intranet site

- PACCAR Code of Business Conduct
- SP 16: Confidential Insider Information (all information to be kept confidential that might influence an individual to buy or sell PACCAR Inc stock; no employees in possession of this information should trade in PACCAR Inc stock)
- SP 20: Conflict of Interest
- SP 24: Conduct of Business with Government Agencies
- SP 27: Ethics and Legal Compliance

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ISO 14001  
Environmental  
Management System



IATF 16949  
Quality  
Management System

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In the interest of continuing product development, DAF Trucks reserves the right to change specifications or equipment at any time without notice. For exact and recent information please contact your local DAF dealer.