 Global Leader <i>in Stored Electrical Energy</i>	Section 1: General. 1.02 Code of Ethics Addendum: Government Contracts		Global Finance Manual Policies and Procedures
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SCOPE: Exide Companies Worldwide

PURPOSE:

To communicate the corporate Policy regarding United States (U.S.) Government contracts and ensure that all Exide employees doing business with U.S. Government officials comply with U.S. laws and regulations on government contracting. Failure to comply with U.S. laws and regulations on government contracting may result in civil and/or criminal penalties or imprisonment for the Company and/or the individuals.

POLICY:

1. General.

The U.S. laws and regulations governing Government contracting and relations with U.S. Government officials are complex and strictly enforced. Government contracts take many forms, including contracts from standard non-Government commercial ("commercial") entities that nonetheless impose Government regulations on the Company. Company employees experienced in dealing with Government contracts must process and/or review each and every proposal to a Government customer and where applicable, every contract.

2. Coordination with Other Policies and Provisions.

This Policy is an addendum to Section III (B) (6) "Government Contracts", found in the Exide Technologies Code of Ethics and Business Conduct (the "Code"). Company employees dealing with Government contracts must be familiar with the Company's Code provisions and other Company policies applicable to Government contracts and applicable to doing business with U.S. Government officials, which are listed in Section 19 of this Policy. Employees should carefully review all of these provisions and policies to ensure compliance.

3. Reporting Non-Compliance.


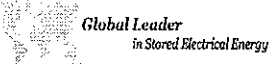
If you believe that (a) you or someone else has violated or potentially may have violated this Policy, or (b) if you are unsure whether conduct you or someone else is considering engaging in may violate this Policy, you must report the matter following the process outlined in Section II of the Code. The toll free Feedback line (the "hotline") includes a mechanism for reporting on an anonymous basis, if desired. The Company will not retaliate against anyone who in good faith reports a violation or a suspected violation. The Code provides an outline on the Company's process for Investigations, Consequences and Discipline in response to such reports.

4. Questions Regarding This Policy.

The Company is committed to providing accessible, timely and specific guidance to employees who have questions regarding this Policy. If you have a question regarding this Policy, please follow the process found in Section II of the Code.

5. Interactions with U.S. Government Officials.

For purposes of this Policy, a U.S. Government official is any individual employed directly by a Government, officers or employees of a political party, candidates for political office, and, unless specifically excluded from coverage by a specific provision of this Policy, individuals employed by or contracting with any entity (commercial, non-profit, or Government) that holds or is performing a Government contract. Thus, for the purposes of this Policy and unless specifically excluded from coverage by a specific provision of this Policy, an employee of a subcontractor to Exide working on an Exide Government contract and an employee of a company that is a prime contractor to the Government (where Exide is the

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subcontractor) are also considered to be Government officials. U.S. Government officials would also include close relatives of any Government Official. Further, any parent, sibling, spouse or child of a staff member for a political candidate is considered a Government official.

a. Bid Pricing and Government Contract Proposals.

U.S. Government contracts are awarded subject to a strict set of laws and regulations. U.S. statutes make it illegal, during the conduct of any U.S. agency procurement of property or services, for the Company through its employees to solicit, obtain, or disclose Government source selection or a competing contractor's proprietary bid or proposal information.

The Company will not discuss, disclose to, or otherwise coordinate Government contract pricing with any other entity unless the Company is part of a team, such as a prime contractor/subcontractor relationship, a joint venture, etc. When the Company is part of a team, the Company can discuss prices with other team members. If the Company is participating in more than one team, it may not discuss pricing for one team with members of another team. All bid responses to U.S., state and local solicitations shall be submitted in full compliance with the requirements of the solicitation documents and all applicable laws and regulations.



The Company will compete fairly and ethically for all business opportunities. Generally, the Company may not receive access to, or information about, any aspect of procurement, except as provided to the Company by the Government during the course of the procurement process. If an employee has reason to believe that the release or receipt of non-public information is unauthorized, the employee should not attempt to obtain the release or should refuse to accept such information. This prohibition on receiving information includes information about competitors, including pricing, specifications, product offerings, etc. Even if information is not marked "confidential", it may not be acceptable for the Company to receive the information. "Informal", "off-line" or "out of school" transmission of information is often a sign that the information should not have been provided.

b. Hiring Former U.S. Government Officials/Discussing Future Employment.

Employees should be familiar with and follow the Company's policies regarding Conflicts of Interest. U.S. statutes also make it illegal, during the conduct of any U.S. agency procurement of property or services, for the Company through its employees to discuss future employment with, or to make an offer or promise of future employment to, a Government procurement official or to hire a former Government procurement official who participated personally and substantially on a procurement with the Company to work for the Company within a two-year period from the conclusion of the procurement and contract award.

All new Company hires who may be involved in U.S. Government contracts must indicate, prior to being hired, whether the Government at any point in the past 10 years has employed them. If they respond in the affirmative, they must provide details, including particular agencies, involvement in U.S. Government contracts, and any post-employment restrictions of which they are aware. Applicants who have worked for the Government within the past 10 years are encouraged to obtain written guidance from the Ethics Office (or equivalent) at their former Government employer regarding any post-employment restrictions.

Human Resources must review the hiring of any new employee with a Government background as described above to determine whether the Company may hire the applicant in the proposed position. Human Resources written approval should be filed in the employee's personnel file. Human Resources will provide similar review for proposed transfers or promotions and must approve any transfer or promotion. Specifically, a former U.S. Government official hired for an "acceptable" Company position should not then be moved to a position where he or she is improperly working on matters relating to his or her former Government program.

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c. Federal Procurement Policy Act.

The Federal Procurement Policy Act requires that each employee involved in U.S. Government contracts certify that he or she is familiar with the Federal Procurement Policy Act, will comply with the Act, and will report all violations. For all contract proposals more than \$100,000, the Company must certify in writing that every employee who has participated personally and substantially on the proposal has provided an individual certification.

d. Gifts and Gratuities to or from U.S. Government Officials.

Employees should be familiar with and follow Company policies regarding gifts and gratuities. Under U.S. laws and regulations, the Company and its employees cannot offer or furnish anything of value to any U.S. Government officials. The Company interprets this restriction to mean that even certain items that might otherwise be considered to be of nominal value, such as coffee and donuts, may not be provided to U.S. Government officials. Likewise, Exide employees may not accept lunch, gifts or gratuities from any U.S. Government officials. Recognizing that this provision may raise questions of implementation, the following non-exclusive examples are offered:



- A Government official may partake from coffee makers, water coolers, and similar sources at Exide facilities.
- If Exide employees go out for a meal with Government officials, separate checks or other means must be used to ensure that Exide employees do not pay for the meals of Government officials, even in the case of lower priced meals such as "fast food."
- If meals, coffee, sodas, donuts, etc., are brought in to a meeting at an Exide facility, a cup or other type of "kitty" should be placed in a prominent location with a notation inviting outside participants to contribute to the cost. For modest refreshments (i.e. coffee, sandwiches, etc.) exact contributions need not be tallied. For more elaborate meals or orders from a take-out menu, an exact contribution is appropriate.
- Government officials may share rides in personal or rented vehicles (for example, to an airport) with Exide employees if the Exide employee is making the trip anyway. For rides in taxi cabs, shuttle services, etc., a pro-rata contribution should be made by the Government official.

This provision does not apply to employees of private companies even if the employee in question meets the definition of "Government official" in the first paragraph of Section 5 of this Policy, unless the private company has been contracted by the Government to perform Government-like audit, oversight, procurement, or similar services over Exide, in which case the provision applies. Further, Exide employees should take reasonable steps to avoid inadvertent violations of the Gifts and Gratuities (or similar) policies of any private company described in the first paragraph of Section 5 of this Policy.

e. Authority to Contract.

Government regulations strictly limit who can bind the Government to a Government Contract. Responsible Company employees must ensure that the Company is contracting with, and receiving direction from, only those individuals authorized to bind a Government customer – typically, the "Contracting Officer." When dealing with individuals other than the Contracting Officer, Company employees must be aware of the limited scope of authority that each individual may possess.

In very limited circumstances, the Company may accept verbal directions or instructions from a Government customer. However, standard Company Policy is that all directions or instructions from a Government customer must be in writing, or memorialized in writing as soon as possible after receipt of verbal directions or instructions.

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It is the Company's responsibility to determine which individuals at our Government customers possess what level of authority. In particular, when receiving any direction or instruction affecting contract terms and conditions, the Company should resolve any doubts concerning the authority of the issuing individual by confirming that the direction is from an authorized individual. Example: A Government Quality Assurance Inspector generally has the authority to reject a part, but may lack authority to direct the Company to modify a specification or a delivery date.

Acting upon direction or instructions from unauthorized employees may create a situation where the Company cannot recover for additional work performed, or where the Company could be held to have violated a regulation or contract provision without proper authorization. Generally, U.S. Government contracts contain a "changes" clause that allows the Contracting Officer to make unilateral changes, in designated areas, within the general scope of the Government contract, by issuing written change orders ("Change Orders") on Standard Form 30, Amendment of Solicitation/Modification of Contract (SF 30). Except in unusual circumstances, all Government contract change orders issued to the Company must be in writing. Verbal change orders must be approved, prior to work commencing, by a Company employee authorized to bind the Company.

Generally, work done in advance of a contract award is "at risk." If the Government does not ultimately award a contract, the Company will not be paid, regardless of any verbal assurances made by U.S. Government officials.

6. Lobbying.



Company employees are prohibited, in all instances, from using any funds received from the U.S. Government (including grants and cooperative agreement funding) to pay, influence or attempt to influence any person, agency or third party to solicit/lobby for or otherwise obtain a Government contract on behalf of the Company.

7. Representations, Warranties, and Certifications.

Employees should be familiar with Company Policy and Government requirements prohibiting employees from making false statements. All information provided to the Government, including representations, certifications, warranties, invoices, requests for payment, statements of compliance with specifications, and other statements of fact, are subject to broad requirements of honesty and accuracy. All communications and information provided to the Government, whether written, oral, or electronic, must be factually accurate. If communications are estimates or opinions, they must be clearly identified as such. Even if a Government request for communication does not carry an "under penalty of perjury" or similar label, it may be a criminal offense or subject the Company to civil penalties to make such a communication with knowledge that the communication is false or inaccurate or with a "reckless disregard" for its accuracy. This includes indirectly misleading the Government. This provision also applies to information supplied to a private party that an employee knows, or should know, will be provided to the Government, or incorporated into other information to be provided to the Government.

U.S. Government contracts require persons signing contracts (as both a corporate entity and in an individual capacity) to make many explicit statements of fact. Many of these will be construed as "representations," "warranties" (in the sense of the Company stating, "we warrant that the following is true," rather than a product warranty), and "certifications" (collectively referred to as "RWC"). Some of these statements take the form of checks in boxes, others are made by submitting a proposal or other document, and still others require a written statement. If a RWC appears to be "self-deleting" (for example, the contract dollar threshold for that RWC has not been met), you should not complete the RWC, as it will have the effect of a standard RWC and apply to the contract and the Company. Instead, employees should request that the "self-deleting" RWC be excluded from incorporation into the contract so it is clear that the RWC does not apply to the Company.

Every explicit RWC is submitted to a Government Customer (or to a non-Government customer for eventual submission to a Government Customer) under penalty of perjury, even if a "penalty" statement is not included with the RWC. This

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penalty of perjury covers the Company as a corporate entity, as well as the individual signing the proposal or making the RWC. In addition, in most cases, individuals who provided information to the individual making the RWC are also covered by this penalty provision.

If a RWC is not correct, it is often referred to as making a “false statement.” A false statement can exist when an employee “knowingly” submits a false statement to the Government. “Knowingly” includes situations where the employee “deliberately ignores” or “recklessly disregards” a false statement. As an example, an employee overseeing submissions of invoices to the Government may be charged with violations of the False Claims Act in some cases even if the employee did not know that the invoice was incorrect. In such a situation, it is sufficient if the supervisory employee “recklessly disregarded” the incorrect invoice (i.e., the false claim) for the employee to be charged with a violation.

You can violate Company Policy and/or the False Claims Act even if you do not personally make the false statement or conceal the material fact. For example, employees are prohibited from providing false information to any other employee or third party “knowing” that, or if under the circumstances it is likely that, the information will later be provided to the Government. On the other hand, good faith, honest mistakes are not false statements, although an individual or the Company may have an affirmative burden to demonstrate that an otherwise incorrect statement was, in fact, a good faith error.

False Claims Act violations commonly occur when Government contractors submit invoices to the Government which contain incorrect information or when a Government contractor provides a product to the Government and represents that it complies with a Government specification when it, in fact, does not. All factual information submitted to a Government Customer is accorded the same status as an actual RWC. For example, a capability statement in sales literature provided to a Government Customer is treated under the law as a RWC. Information may be in writing or verbal. Thus, the form or format of information submitted does not limit coverage under false statement prohibitions. When providing opinion or prediction to a Government Customer, clearly identify it as such, not as a fact.

Note that an invoice submitted to a Government Customer may be considered both a false statement and a “false claim” (a different criminal offense) if the underlying contract award was based on a false statement, or if information in the invoice (for example, the number of hours billed) is false. Failure to comply with all contract provisions could, among other things, subject the Company to liability under the civil False Claims Act based on submitting a false claim (for example, an invoice) to the Government, either directly or to a higher-tier contractor.



8. General Services Administration (“GSA”) Contracts/Most Favored Pricing.

General Services Administration (“GSA”) contracts are negotiated contracts allowing Government Customers to buy specific products at pre-negotiated prices. These prices or discounts are to be as favorable as those granted to certain identified commercial customers of Exide. For this reason, special discounts granted by any Exide business unit on even a single sale to a commercial customer may result in requiring a price reduction for all Government Customers on affected products and may make Exide liable for penalties. Discounts in this context are defined broadly and include special offers to provide extra capabilities or services beyond normal practice and any other form of nonstandard discounting.

No Exide business unit should provide special discounts that differ from Exide's published price and discount schedules without determining whether the item is included on a GSA contract and whether the proposed special discount may affect Government pricing.

9. Accounting and Audit Requests.

The Company may receive audit requests related to U.S. Government contracts. Employees should be familiar with and follow Company policies and the Code provisions requiring the Company to keep accounts which accurately reflect all transactions and other events that are the subject of specific regulatory record keeping requirements. “Mischarging” on

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Government contracts is a violation of regulations, criminal law and Company Policy. Each billable employee must accurately record time worked and charge that time only to authorized billing numbers.

10. Small Business Laws.

Some U.S. Government contracts may require the Company to file a "small business subcontracting plan". Such a plan would set percentage goals for the Company's subcontracting efforts with small businesses. If a Government customer imposes such a requirement on the Company, the Company must follow the plan.

Various U.S. Government contracts may be set aside for "small businesses." Others may exempt a contractor from various requirements if the contractor is a "small business." Regardless of the size of the Company business unit, no Company entity is a "small business," and no Company entity may complete a RWC that indicates the unit is "small."

On occasion, the Company may be a subcontractor to a business that has been awarded a Government Contract under a small business or disadvantaged business preference program. It is particularly important that all such subcontracts be at arms length, and that the Company may not have an unusual degree of involvement in the prime contractor's business affairs. Examples of such an unusual degree of involvement include the prime contractor being owned or managed by a former Company employee; the Company writing the prime contractor's proposal; the Company's subcontract accounting for over half of the prime contract's value; or the Company bringing the business opportunity to the attention of the prime contractor, rather than vice versa.

11. Product and Service Quality.

It is important to follow the Company's policies regarding quality. The Company's products and services should: (a) conform to all Government Contract specifications and requirements; (b) comply with applicable Government standards and regulations; and (c) all required inspection and testing operations must be completed properly.

12. Combating Trafficking in Persons.



The U.S. Government has adopted a "zero tolerance" policy regarding trafficking in persons. The Company, its employees and subcontractors, may not engage in trafficking in persons, procure commercial sex acts (defined as any sex act on account of which anything of value is given to or received by any person), or use forced labor. This Policy applies both to actions performed while on the job and to after hours activities.

13. Country of Origin.

Many U.S. Government contracts contain provisions that require products to be produced in a particular country or countries (a "Country of Origin" provision). These requirements may be known as "Buy American," "Free Trade Agreement," "Trade Agreements Act," "Berry Amendment," "specialty metal rules," or similar names. The requirements may be imposed by a particular narrative statement in a contract. The Company's Policy is to comply with the letter and spirit of all such requirements.

All Country of Origin provisions in a solicitation or contract must be reviewed carefully, especially if they are incorporated by reference. The Government has several versions and Company employees must not assume that the provision in a particular contract is the same provision that was in a previous contract.

When a solicitation or contract contains a Country of Origin provision, and the Company submits a proposal to a Government Customer, the Company has certified its compliance with that provision. Once a certification is made, the Company must monitor the certified item for the life of the contract to ensure that changes to components, parts, raw materials, etc. do not change the certified character of the product during the life of the contract.

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The Company may rely upon the certification of its suppliers, vendors, and subcontractors in complying with the Country of Origin provision in a contract. If the Company will rely upon another party in this manner, the certification should be in writing, and should be maintained in the Company's contract files. The supplier, vendor, or subcontractor should be asked to certify to the same Country of Origin provision as the Company is being asked to certify to.

The tests and rules imposed by import and export laws (including Customs regulations) are different from those imposed by U.S. Government contracts. For example, a Customs definition of "Made in America" may not mean that the product meets the terms of the Government Contract.

14. Intellectual Property (Patents, Copyrights, Trademarks, Trade Secrets and Other Confidential Information) – Special Considerations.

Confidential Information including trade secrets is a valuable asset to the Company and must be kept confidential. In most firm fixed price contracts, the Company will be delivering commercial, off-the-shelf products and services. In those situations, the Company likely will not be providing any intellectual property to its Government Customers.

If the Government Contract contains a requirement for the delivery of intellectual property, including technical data, contact the Legal Department. Also, contact the Legal Department if the contract provides for research or development work that is funded, in whole or in part, directly or indirectly, with Government funds.

Note that any Government contract that references Federal Acquisition Regulation ("FAR") Part 27 or Clause 52.227-x, or Department of Defense FAR Supplement Part 227 or Clause 252.227-x, may transfer intellectual property rights of the Company to the Government (or effectively provide the Government with certain license rights). The Company requires that such provisions must be reviewed carefully to ensure that the Company is not inadvertently transferring rights to either its own intellectual property or the intellectual property of a third party. If the Company is a subcontractor, at whatever tier, extra care must be given to ensure that rights transferred to the Government are not also inadvertently transferred to the prime contractor, or other, intermediate tier contractors.



If a Government Contract requires the Company to deliver third party computer software to a Government Customer, the Company must first ensure that it has the legal right to make such a transfer, and that the rights it is purporting to give to the Government Customer are consistent with the rights the Company received in the software.

The Government will usually not enter into non-disclosure agreements. Any confidential or proprietary information transmitted to the Government as part of the contracting process should be assumed to be at risk. Government statements that it will not release the information, and protective legends (such as marking each page "Confidential") may reduce, but may not eliminate that risk.

Other entities may attempt to procure Company information from the Government pursuant to a request from the Freedom of Information Act. Often, the Government will be required to notify the Company if the Company's information on file with the Government is being sought by another entity. Employees should consult the Legal Department if the Company receives notice that Exide's information in the Government's possession has been requested pursuant to the Freedom of Information Act.

15. Classified Information.

If Exide enters into a contract that requires the Company to protect classified information (e.g., Confidential, Secret, Top Secret DOD, etc.) received from the U.S. Government, the employees who handle classified information are required to be familiar with the specific rules governing its protection. Review of classified materials should take place only in secured areas, and these materials should not be removed from a facility without specific authorization. Access to

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classified information is permitted only for those who have a "need to know" and have been specifically authorized to have access to the information involved.

16. Termination.

If you receive a termination for default on a Government Contract, report it to the Legal Department as soon as possible (preferably within forty-eight (48) hours) if you believe that the stated grounds of termination may be incorrect or that the termination is otherwise not the fault of the Company. There are very strict deadlines for requesting review or reconsideration of such actions.

17. Protests.

Notify the Legal Department if you receive notice that any contract for which the Company is competing or has been awarded is the subject of a protest. No bid protest may be initiated without the prior approval of the Finance and Legal Departments as well as the Division President.

18. Compliance with Defense Priority Ratings.

Under the Defense Production Act of 1950, the Government has authorized certain programs that are crucial to national security. For those rated contracts (generally the contract rating will be "DO" or "DX" followed by a number), the Company is required to fill those orders before all other contracts. (In other words, if a rated order comes in after a standard commercial order, the Company must fill the rated order first, even if by filling that rated order, it means that the Company may default on delivery of the commercial order.) It is the Company's Policy to comply with any such direction.

19. Related Policies and Provisions:


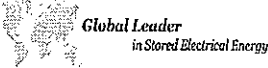
Employees should also refer to the following related Code provisions and Company policies:

EXIDE TECHNOLOGIES CODE OF ETHICS AND BUSINESS CONDUCT:

Section III. Legal And Ethical Standards. Part B. Description of Certain Key Laws And Ethical Principles

- 2. Conflicts of Interest (Including The Requirements Regarding Gifts)**
- 5. Improper or Unrecorded Payments; Excessive Gifts**
- 8. Intellectual Property.**
 - B. Trademark Protection**
 - C. Trade Secrets and Confidential Information**
- 10. False Statements and Schemes to Defraud**
- 12. Record Keeping**
 - A. Preparation of Records**
 - B. Retention and Preservation of Records**
- 14. Political Activities and Contributions.**
- 15. International Business**
 - A. The Foreign Corrupt Practices Act**
 - C. Export Controls**

Addendum: Export Policy (Located on Inside Exide-Corporate Services tab in Import Export Popular Documents of the Compliance folder)

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GLOBAL FINANCE MANUAL POLICIES AND PROCEDURES:

Section 1: General

1.04. Travel and Entertainment

Section IV. Policy, Procedures, and Reporting

O. Meals, Entertainment, Gifts, or Travel Reimbursement for Government Officials

1.09. Anti-Bribery and Anti-Corruption Policy

HUMAN RESOURCES POLICIES AND PROCEDURES

Section 1: Federal Regulations

I-01. Equal Employment Opportunity and Affirmative Action

Section 5: Health and Safety

V-01. Drug/Alcohol Use and Dependency (requiring compliance with the Drug Free Workplace Act)

END