

A CLEAR WAY FORWARD: Our Vision and Principles



Vision for a safer tomorrow™





INTRODUCING The Clarience Technologies Vision and Principles

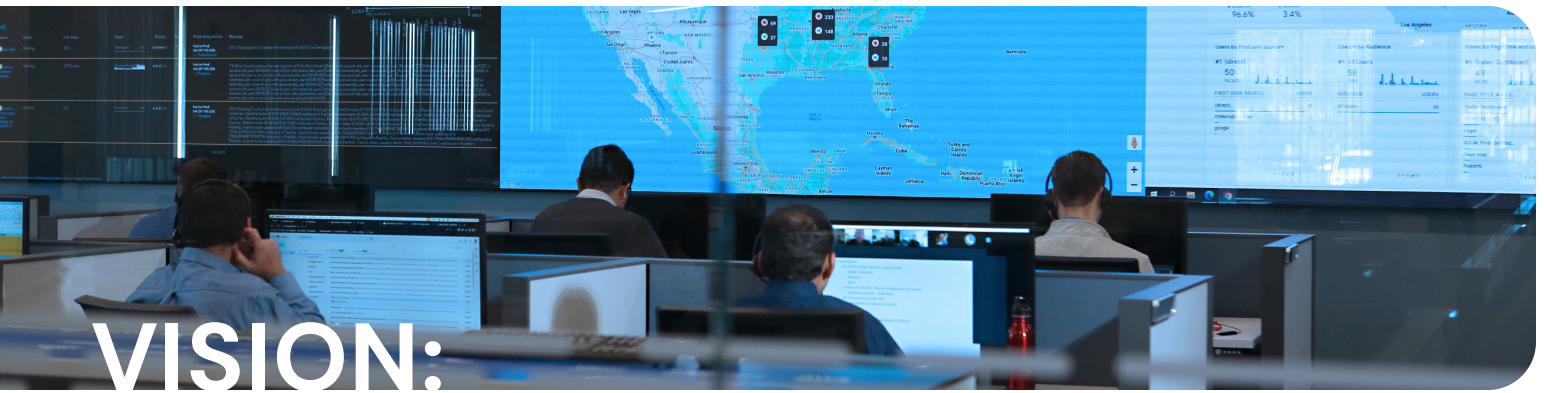
The Clarience Technologies Vision and Principles were created by people who know this company best: your fellow employees.

A diverse cross-functional team from multiple business units took several months to study the organization's strengths, weaknesses and opportunities while considering where the organization is and where it wants to go. They deliberated, debated and through that process developed our Vision and Principles, which are Curiosity, Leadership, Enthusiasm, Accountability and Respect (referred to as **CLEAR Principles**).

The Clarience Technologies Vision and Principles are intended to help guide decision making and set expectations for all our employees around the globe. They are intended to empower, to provide direction and give a common language and purpose no matter what your role, where you sit,

or what company you work for. As you will see when you get into them, the Vision and Principles are interdependent and are meant to be understood as a whole. For example, Curiosity is required to make good on our Vision to be customer focused. To have Enthusiastic employees, Respect must be present.

While all Clarience companies operate independently, we are connected and our connectedness is reflected in our Vision and Principles. That connectedness will help us thrive as we share ideas and ways of thinking and working with our colleagues around the world. We have a lot to learn from each other. That won't slow down. The pace of change is moving at ever-increasing speed; we will need everyone to work together to capture the opportunities and address the challenges that lie ahead.



Be a customer focused, solutions-oriented, sustainable and scalable organization that provides visionary technology for all transportation to create superior value for our customers, employees, shareholders and the communities we serve.

When we talk about the **customer** – think broadly. Your customer is whoever you serve in your role. This could be an external customer. If you work in an internal capability such as HR, IT, Legal, Marketing, Accounting, Finance, etc. you can include your colleagues among your customers.

— To be **customer focused** means asking yourself, “how can I provide the best experience for my customer?” Think about how you want to be treated when you are the customer: timely, courteous, respectful responses; given realistic timing on deliverables; and open, honest and direct communication. When your colleagues are your customers, remember: **We are all on the same team. Let’s be helpful to one another.**

Going beyond simply identifying a problem is being **solutions oriented**. The expectation is that if you see an issue that needs to be addressed, you raise it up. If you think that you have a way to fix an issue, offer a solution. Don’t wait for someone else to fix it or assume someone else will see the issue the way you do. We are all in this together and we all have unique perspectives. Of course, there may be limitations in your role that will not allow you to fix an issue, but you are expected to dig in and follow up.





The phrase **for all transportation** encompasses all of our business units, from ECCO's safety solutions, P.S.I.'s tire inflation systems for commercial vehicles, to RIGID's off-road lighting, Road Ready's telematics solutions and Lumitec's marine lighting. We are all in this together.

To create superior value is the reality that our customers, employees and shareholders all have choices. They choose to do business with us, work with and invest in us because we offer superior results whether that is viewed as products, services, career opportunities or return on investment.



Sustainable means that we must operate the business as good stewards of the resources provided by our communities, our shareholders, our employees and the environment. All of these resources must be treated as the valuable assets that they are and not taken for granted.

To be **scalable** is to consider whether what you are working on can be applied to, or easily used in, any other parts of the business or by other businesses or groups. How can the capabilities that you offer be scaled as the business grows, not only in terms of increased revenues, but when operating in new locations or countries, with additional products and serving new customers.

When we talk about **visionary technology** we are talking about where the companies have been and where they are going. From Truck-Lite's offering of LED technology in headlamps, to DAVCO's fuel filtration technology – we have always been visionary. We are now, with the help of Road Ready and Fus1on, working to provide software solutions to supplement our traditional parts business. We believe that as the industry changes from combustion to electric, autonomous and connected, we can play a much larger role in providing solutions to our customers.

Last but not least are our **customers, employees, shareholders and the communities that we serve**. These are our stakeholders and the order they are listed in is important. Without our external customers, we wouldn't have jobs to offer or a business to invest in. Our people are the biggest internal asset. Without our people, the business would not be where it is today and poised for continued success and growth. Next are our shareholders. If we don't provide great returns, we won't get the opportunity to grow and invest in the business. Finally, are our communities. We have our communities to thank for our excellent workforce and we are continuing to look for ways to give back to the communities that have given so much to us.





PRINCIPLES

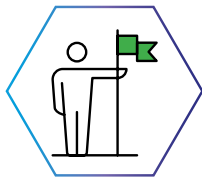
Our continued success requires all of us to stay connected and follow a common set of principles that will inspire the next wave of innovations. That's why we developed our **CLEAR Principles**.

C



CURIOSITY

L



LEADERSHIP

E



ENTHUSIASM

A



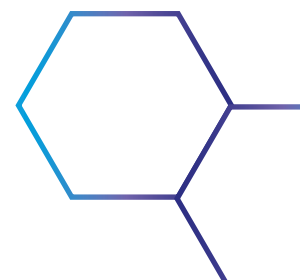
ACCOUNTABILITY

R



RESPECT

We may not know what tomorrow holds, but whatever happens, one thing is clear — we will be ready.





CURIOSITY

We define CURIOSITY this way:

- Be a student of our customers, industry and stakeholders
- Be adaptable and open to change
- Look for a better way
- Be solutions oriented and a creative problem solver

To **be a student of our customers, industries and stakeholders** means just that. Be curious about what your customers care about. Ask questions. If you don't know what matters to those you serve, how do you know that you are on the right path, solving the right problem or providing the right advice?

When we talk about being **adaptable and open to change** it is a recognition that none of us know everything. It is a call to be open to other's ways of thinking, problem solving and getting things done. It is also a reminder to welcome change and not to view it as a threat. The world is changing, and we need to continue to change to keep up; Curiosity leads to progress and evolution. Evolution is essential to success. We encourage and reward those who can find a better way.

In fact, that aspect of curiosity is so important, it made it into the definition of Curiosity all on its own. **Looking for a better way** is the expectation that employees actively evaluate whether things can be done in a better way, a different way or whether they should be done at all. You are empowered to do so. Remember: "because we've always done it this way ..." is not the end of the analysis.

Finally, we expect employees to **be solutions oriented and creative problem solvers**.

Employees must be part of the solution and think outside of the box when faced with challenges. It is not acceptable to allow a problem to stand in the way of progress. This may require that you seek out someone else – whether inside or outside of the organization – that has the best knowledge to help address the challenge at hand. This will require all employees to be open about the issues that we face and to new or different ways of addressing those issues. And when you have a possible solution – share it.



LEADERSHIP

To us, LEADERSHIP means:

- Plan, execute, succeed
- Take risks and fail fast
- Be a catalyst of change
- Have an agile mindset and anticipate what is next
- Act with humility

The ability to **plan, execute and succeed** is what good leaders do and is the expectation of all employees, no matter what your role. Leadership is not determined by your title. It is shown by how you manage your work everyday. We can all have a Leadership mindset. A critical aspect of plan, execute and succeed is ownership. You must understand who is doing what, what the deliverables are, when they are due and hold yourself and those on the team accountable for those deadlines. For example, for a project, you must understand who owns the project as a whole and the various parts of it. If you are not sure, ask.

A note about success: we take a broad view. Success can be learning from what did not go as planned and using those lessons elsewhere. It could be pulling the plug on a plan at the right time. We cannot hide those things that don't meet the traditional definition of success; if you pulled the plug on something, what did we miss in the analysis? What can we learn from the miss? If you've learned a lesson and apply that to another circumstance, then that is also a success. This plays into the next piece as well; we should take calculated risks. If the plan doesn't go as expected, then success is knowing when to pull back.

Take risks and fail fast is not permission to make bad decisions. This means that if the analysis shows that the risk is worth taking – take it – and if, later, expectations are not met, promptly pull the plug. Do not fall into a sunk cost mindset where past expenditures serve as the driving justification for additional expenditures.

When we ask employees to **be a catalyst of change** it is a reminder not to fear change. Instead embrace it. If you think that a change is appropriate, start the discussion that you think needs to be had. This is not permission to be a bulldozer. Remember, our Vision and Principles work together. Respect must always be present.

To **have an agile mindset and anticipate what is next** is part Curiosity and part Leadership. The Leadership part is about being proactive. What do you foresee as the next issue to be addressed or problem to be solved? For this to be effective, we must be open to new ways to think through problems or anticipate issues.

When we **act with humility**, we appreciate what we don't know and are open to learning from others that may have the knowledge that we seek or the perspective that we need to hear. Humility is not about lacking self-confidence. It is quite the opposite. It is about being confident about what you know and an acknowledgment that none of us knows everything. Be honest about what you don't know – everyone needs to know their weaknesses.



ENTHUSIASM

To us, ENTHUSIASM means:

- Embody an entrepreneurial spirit
- Have a can-do attitude
- Be passionate about your work

Why did we choose this word over something more common? For example, energy. Enthusiasm includes energy, but also implies a positive attitude, motivation, being upbeat and cooperative. It is an acknowledgment that how you show up matters. We understand that how Enthusiasm is expressed will look different for everyone – it has to be authentic to you. We used Enthusiasm because we acknowledge that the energy that each employee brings with them each day is contagious – whether positive or negative. If we can work towards approaching challenges with a clear-eyed yet positive mindset, there is no challenge too big for us to tackle.

Thinking like an owner is a good summary of what it means to **embody an entrepreneurial spirit**. If this were your business, what decisions would you make? What would you do differently? What opportunities would you capture? It is also about managing risk. Our risk philosophy is to eliminate catastrophic risk and manage commercial risk.

To **have a can-do attitude** is about remaining up-beat and positive even in the face of challenges. In other words, perseverance. Please do not confuse this with an “ignorance is bliss” mentality. This is living in reality, acknowledging and addressing problems when they arise and not letting them get the best of you.

When we ask our colleagues to **be passionate about your work**, we are talking about bringing energy to your work, caring about the results and seeing it through to the end. This is about having the drive to succeed.



ACCOUNTABILITY

To us, ACCOUNTABILITY means:

- Safety first
- Be transparent
- Take credit for your successes and own your failures
- Proactively raise up and overcome issues
- Act with integrity
- Deliver on commitments

When we say **safety first**, we mean it – as evidenced by the many safety products that we make and our approach to employee safety. Our #1 job is to make sure that everyone leaves work and work events in the same condition in which they arrived. We think about safety in two dimensions – physical safety and psychological safety.

Physical safety means just that. We ensure this by taking safety protocols seriously at all of our locations. We ensure employees are properly trained and have the correct PPE, that our facilities are secured, that entry is monitored, that we are prepared for emergencies and that employees are free from physical harm.

Psychological safety has several components. The most basic is a workplace free from harassment and discrimination. We routinely train employees on important topics such as the Americans with Disabilities Act, Harassment and Discrimination. The next component is the sense that you work in a place where you can share ideas, admit mistakes and talk through problems without fear of retaliation. What we want is an environment where employees feel free to speak up and are heard in a respectful manner. It is about being candid and kind at the same time. Start with Curiosity!

The call to **be transparent** applies to everyone in the organization. In its simplest form, this means if there is an issue, be up front about it and put it all on the table. The quicker that we fully understand what is going on and move to get issues resolved, the better! But in order to know what issues are out there, we must communicate. We can't fix what is hidden. Supervisors: transparency is important to model for your teams. If you are upfront about missteps and near misses, your teams are more likely to feel comfortable talking about their challenges. If you try to talk around those missteps, others will see through it – don't kid yourself. And remember, when communicating issues in writing, it is best to be factual, accurate and brief.

The ability to **take credit for your successes and own your failures** is a critical part of Accountability. If you do something great – let people know. If things don't go right – own it. There is a lot that can be learned when things don't go as planned. We should be sharing and learning from those situations.

Good leaders also **proactively raise up and overcome issues**. This can be summed up as if you see something, say something. Remember that we have an anonymous ethics line available and a whistleblower policy that protects those who report potential issues in good faith. If you think that something can be done differently or better, raise it up. Effort equals results.

To **act with integrity** is essential to all that we do. Do the right thing. Always. Keep your word. If you are not sure about what the right thing is, ask. Consult our Clariance Code of Conduct, our many policies, or talk with your supervisor or our in-house legal counsel. We have resources available to help! We will always follow the law and if our legal obligations are unclear, we will err on the side of compliance.

It is necessary that we **deliver on commitments** for all our stakeholders – internal and external. If you say you are going to do something, do it. If you need more time, be transparent. If you think that the deliverable is not going to be as expected, discuss it.



RESPECT

To us, RESPECT means:

- Provide and accept open, honest and direct communication
- Be present, listen and engage
- Be inclusive and embrace diversity
- Challenge the idea, not the messenger

Respect is the backbone of the rest of the principles. Without Respect it is nearly impossible to have a healthy workplace culture, let alone an enthusiastic workforce. If Respect is present, you hardly think about it. If it's not there, it is highly distracting.

This principle is the most personal and requires each of us to look in the mirror. If you are a supervisor – ask yourself – do you have the Respect of your direct reports? For all employees – ask yourself – do you have the Respect of your peers? Respect is not the same as being liked. Showing Respect is not weakness. Like trust and credibility, Respect is deeper and earned over time by how you act, the decisions you make and how you treat people day-in and day-out. There are no shortcuts to Respect.

All supervisors have a responsibility to cultivate a culture of Respect. This includes no tolerance for harassment, transparency and creating an environment where bad behavior can be addressed to without fear of retaliation. All employees must treat each other with Respect and hold accountable those who do not.

To **provide and accept open, honest and direct communication** is not a license to be a bully or to be aggressive. It means that if I am the speaker, I am free to respectfully say what I think needs to be said. If I am the listener, I will hear you out and be receptive to what you are telling me. Honesty in communication means to be truthful. Just the facts. No elaboration. To communicate directly means that you are not being evasive. It does not mean unkind. And always remember the 3 C's of a successful organization: communicate, communicate, communicate.

To **be present, listen and engage** is a hallmark of Respect. When someone is talking, listen. Be present. Put down the phone. Be prepared to participate and provide your point of view. Engage and be prepared for meetings. If you are not sure what is expected of you, ask.

It is also important that we are **inclusive and embrace diversity**. This means diversity in all of its forms including, without limitation, cultural, racial, generational and diversity of thought, ideas and experience. It is important that we learn what Respect means to each other and treat one another accordingly. This is an acknowledgment that unique experiences bring unique perspectives and unique solutions.

Finally, we must **challenge the idea and not the messenger**. This is another hallmark of Respect. We must be sure that we are respectfully challenging a person's ideas only. If there is the perception of personal attack, we cannot expect employees to continue to present their ideas and thoughts. Remember that a bad argument in a work context is me vs. you. A good argument in a work context is me & you vs. the problem. We must strive for that approach.