



CODE OF BUSINESS CONDUCT & ETHICS

OUR COMPANY VALUES

COMMUNITY INVOLVEMENT

CUSTOMER CARE

EMPLOYEE WELFARE

FUN

INNOVATION

INTEGRITY

SAFETY

TEAMWORK





IMPORTANT MESSAGE FROM THE EXECUTIVE CHAIRMAN AND CHAIRMAN OF THE BOARD

At KAR, we know we are one of a kind. The variety of services we offer mixed with the unparalleled customer service we deliver creates an experience that no other company in the auto auction industry can match. We are a leader in our field, which means that all eyes are on us. Our actions and decisions—whether positive or negative—can have far-reaching effects.

One of the most important decisions we make, both individually and as a Company, is one to do what is right, each and every day. Our individual actions and behaviors can mean the difference between a good reputation and one that makes our customers, fellow employees and the public doubt our intentions and abilities. When choosing what to do or how to behave, it is imperative for us to keep that in mind—after all, our reputation for quality work and dedication to our shareholders is what has led to our current success.

Our Code of Business Conduct and Ethics (“Code”) aids us in making daily ethical decisions that will help lead to even more success in the future. Our Code, which has been approved by our Board of Directors, gives us the tools we need to follow the rules and comply with the laws that govern our work. It also

reinforces our core values and aids us in asking ourselves the critical questions we should be thinking about before taking action. Our Code continues to serve as an extension of our longstanding policies, values and commitments. Our goal is not just to comply with the law, but to abide by the very highest standards of business conduct.

Each of us is expected to honor this document and live by the values set forth in its pages. If you have any questions about how to apply our Code’s guidance in your daily work, or if you suspect that a violation of our Code, our policies or the law has occurred, I urge you to come forward with your concern. You may seek guidance or make a report to any of the resources listed in our Code, and rest assured that I will never allow retaliation for a report made in good faith.

Thank you for your personal contribution to our success and the value you bring to our Company.

Jim Hallett
Executive Chairman
and Chairman of the Board
KAR Auction Services, Inc.

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PUTTING OUR CODE TO WORK

- WHY WE HAVE A CODE
- WHO NEEDS TO FOLLOW OUR CODE
- WHAT IS EXPECTED OF US

PUTTING OUR CODE TO WORK

WHY WE HAVE A CODE

KAR Auction Services, Inc., including its subsidiaries (“KAR,” or the “Company”), is a unique trendsetter in the automotive industry. We are not a traditional automotive auctioneer because we do so much more than just remarket used vehicles—our complimentary businesses work together to provide support, technology and logistics to buyers all over the world. Working together as the **KAR group of companies**, we have made a name for ourselves as a leading provider of automobile remarketing. That means that our actions are always in the spotlight, and can protect—or hurt—the great reputation we have built. As industry leaders, we are held to the highest standards of ethical conduct.

That is where our Code of Business Conduct and Ethics (our “Code”) comes into play. Our Code has been carefully crafted to help us make the best decisions in our daily work—the kind that inspire the full confidence and trust of our customers. Our Code also demonstrates to our investors, vendors and the general public (as well as local, state and federal regulators) that we take our legal and ethical responsibilities seriously.

Rather than try to cover every possible situation we may run into, our Code aims to help us build confidence in our ethical decision-making. It is not a one-size-fits-all replacement for our library of Company policies, and the laws and regulations that apply to our jobs. As you read through our Code, think of it as a helpful guidebook—a document that gives you a basic overview of the most important areas of concern for the KAR group of companies, and assists each of us in being more aware of our responsibilities, boundaries and the impact our actions have on those who rely on our business. While our Code may be thought of as a general guidebook, Company policies, including those referenced in this Code, generally provide more detailed information on what is required of us and in certain cases may go beyond the requirements of the law, so it’s important to reference them when needed.

As a global company, there may be limited circumstances where local law or other legal requirements differ from the standards set forth in our Code. We comply with applicable local laws and our Code. If you encounter any such conflict or contradiction please contact the General Counsel or another company attorney for further advice and guidance.

Keep in mind that our Code does not, in any way, constitute an employment contract or a guarantee of continued employment. This means that, unless we have an express, written employment agreement, we are employed at-will and are free to resign at any time, for any reason or for no reason at all. Similarly, KAR may choose to terminate employment at any time for any legal reason or for no reason at all.

PUTTING OUR CODE TO WORK

WHO NEEDS TO FOLLOW OUR CODE

Our Code applies to everyone working for or with the KAR group of companies. That means all employees, officers and directors, as well as temporary service workers and independent contractors. Everyone who represents KAR is required to know and follow our Code and all applicable policies.

Third parties working on our behalf are also held to KAR's high ethical standards. The actions of our suppliers and other business partners directly reflect on KAR. It is very important for us to forge lasting partnerships with companies who value ethics as much as we do.

OUR CODE HAS BEEN
CAREFULLY CRAFTED TO HELP
US MAKE THE BEST DECISIONS
IN OUR DAILY WORK—THE
KIND THAT INSPIRE THE FULL
CONFIDENCE AND TRUST OF
OUR CUSTOMERS.

WHAT IS EXPECTED OF US

Knowing and following our Code is easier when we have a clear understanding of our individual expectations. In addition to our Code, policies, Company values and the law, each of us benefits from keeping a few key responsibilities in mind.

As employees, we need to:

- > Know and follow KAR's policies and any regulations that apply to our specific jobs
- > Ask questions when we don't know what to do
- > Use common sense and good judgment to always do what's right
- > Follow the reporting procedures outlined in this Code when we see or suspect misconduct

WHAT IS EXPECTED OF MANAGERS

Managers have additional leadership responsibilities that include:

- > Setting high expectations for employees and leading by example
- > Fostering an open-door culture where everyone feels comfortable asking questions and reporting concerns
- > Being alert to possible misconduct in the workplace
- > Promoting a message of ethical conduct through actions, words, behaviors and continued training opportunities
- > Promptly reporting comments and complaints relating to this Code and/or Company policy to the General Counsel or other Company attorney



TAKING CARE OF ISSUES

- QUESTIONS AND REPORTS
- MEETING OUR SHARED OBLIGATIONS
- NO RETALIATION
- INVESTIGATIONS AND OUTCOMES

TAKING CARE OF ISSUES

QUESTIONS AND REPORTS

All of us at KAR have a responsibility to speak up when we see a problem. Coming forward with questions, concerns and reports of actual or suspected misconduct is not only the right thing to do—it is also a big part of how we maintain our **integrity** and improve our effectiveness.



MEETING OUR SHARED OBLIGATIONS

Each of us is responsible for knowing, understanding and complying with the policies and guidelines contained in the following pages. If you have questions, ask them; if you have ethical concerns, raise them. The General Counsel, who is responsible for overseeing and monitoring compliance with our Code, and the other resources set forth in our Code are available to answer your questions and to provide guidance. Our conduct should reflect our Company's values, demonstrate ethical leadership and promote a work environment that upholds our Company's reputation for integrity, ethical conduct and trust.

Reports may be made to the General Counsel in person, by telephone in writing or through the KAR Ethics Hotline:

> By phone: **1-800-261-7056**

> Online at: www.KARethics.com

The KAR Ethics Hotline is able to take your reports 24 hours a day, seven days a week. For your comfort and convenience, both English- and Spanish-speaking representatives are available. You can always make your report anonymously if you wish, but keep in mind that the more information you provide, the easier it is for us to investigate and take care of the problem. If you do provide your name and contact information, your confidentiality will be respected, and whether you report anonymously or not, the end results of any investigation will be communicated back to you through the reporting system. You can read more about this on the next page.

TAKING CARE OF ISSUES

NO RETALIATION

We take reports seriously. Asking questions and reporting concerns help our Company succeed by allowing us to correct any illegal or unethical behavior and keep situations from escalating. To that end, we believe everyone should feel comfortable coming forward without the fear of negative consequences. The KAR group of companies never allows retaliation against anyone who makes a report in good faith.

Making reports in **good faith** means you are giving a sincere and complete report. It does *not* mean you have to have all of the facts, or that you need to be certain that a violation has actually taken place. All you need to do is be honest.



DOS AND DON'TS FOR REPORTING

DO

- > Come forward as soon as possible
- > Give a complete and honest report
- > Make your report to the General Counsel or other Company attorney
- > Make your report anonymously, if you prefer, by contacting the KAR Ethics Hotline
- > Report misconduct even if you don't have all the facts

DON'T

- > Wait to make your report—reports of violations should be made promptly
- > Try to investigate the situation on your own—investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company
- > Attempt to cover up misconduct—covering up misconduct may itself be a violation of this Code
- > Worry about retaliation—KAR won't stand for it

TAKING CARE OF ISSUES

INVESTIGATIONS AND OUTCOMES

Reporting misconduct, and giving KAR the opportunity to investigate and correct that misconduct, is critical to our **integrity**, **safety** and **welfare**. All reports are taken seriously. KAR will look into every report made, opening up full investigations where necessary.

At times, you might be asked to participate in an investigation of actual or suspected misconduct. It is important that you cooperate with investigators and give them the information they need in order to do their jobs. If the results of an investigation uncover violations of our Code, Company policy or the law, know that KAR will act quickly and appropriately to correct the problem.

Violations will always be met with appropriate corrective action—for more serious offenses, that can include termination of employment. Throughout the entire investigation and disciplinary process, we will uphold our commitment to non-retaliation. Any individuals who try to retaliate against others for making reports or participating in investigations in good faith will also be subject to disciplinary action.



**IF YOU HAVE QUESTIONS,
ASK THEM; IF YOU HAVE
ETHICAL CONCERNS,
RAISE THEM.**



OUR PEOPLE

- COMMUNICATION AND CONDUCT
- RESPECT AND PROFESSIONALISM
- WORKPLACE SAFETY AND HEALTH
- PROTECTION OF PERSONAL INFORMATION

OUR PEOPLE

COMMUNICATION AND CONDUCT

The KAR group of companies works together to achieve our goals. We are one team comprised of different—but equally important—parts, all of which are vital to the success of KAR as a whole. To keep our complementary businesses running smoothly, we have to openly **communicate**.

Being friendly and courteous to our fellow employees, customers and others helps us understand and prioritize the needs of our business. By respecting the rights and individuality of others, we build trusting relationships and help further **integrate** our teams across all functions. Simply put, open communication drives our business.

Even though open communication is key, it does not mean avoiding conflict—it is perfectly normal to run into situations where not everyone agrees. But we should always attempt to resolve conflicts face-to-face in a private and professional manner—and, when we do not feel comfortable doing so or have trouble achieving results, we should bring the matter to someone who can help. Our managers and experienced HR Representatives can always help us in addressing communication challenges and finding solutions that keep us united, not divided.

For more information, please see our [Open Communication Policy](#).



BY RESPECTING THE RIGHTS
AND INDIVIDUALITY
OF OTHERS, WE BUILD
TRUSTING RELATIONSHIPS
AND HELP FURTHER
INTEGRATE OUR TEAMS
ACROSS ALL FUNCTIONS.

OUR PEOPLE

RESPECT AND PROFESSIONALISM

Another key component of open and respectful communication is understanding each other's differences and honoring diverse perspectives. We all come from various backgrounds and experiences—that is what makes us unique. But even though we do not always think or feel alike, we *are* united by our common **values** and a shared commitment to doing the right thing. We uphold this by:

> **Not tolerating unlawful discrimination.**

We make employment decisions about a person based on his or her qualifications—never on traits like race, sex, age, religion, color, gender, gender identity or expression, national origin, ethnicity, citizenship, ancestry, sexual orientation, marital status, veteran status or any other traits protected by law. KAR is proud to hire and promote individuals from all walks of life.

> **Fostering a harassment-free workplace.**

Offensive jokes, derogatory comments, bullying (including the use of abusive language or physical acts of intimidation) and other actions based on any legally protected trait that create an intimidating, hostile or offensive work environment are not tolerated at KAR. Harassment can be sexual or non-sexual in nature. Sexual harassment includes unwanted advances, sexual jokes, sexually suggestive comments, touching, requests for sexual favors and suggestive comments about another's appearance.

> **Respecting Human Rights.**

We respect the human rights and dignity of people throughout our operations and supply chain. We comply and expect our suppliers to comply with laws promoting fair wages, appropriate working hours, safe working conditions and individual security, as well as laws prohibiting forced or underage labor and human trafficking.

Regardless of legal definitions, we are always expected to interact with each other in a professional and respectful manner. We all deserve to work in a place where we feel appreciated and valued. If you have any questions or concerns about professional behavior in our workplace, or if you suspect that illegal discrimination or harassment has occurred, please reach out to your manager, a member of HR or the General Counsel. Remember, KAR will never tolerate retaliation against those who make a report in good faith.

Q+A

Isaiah has worked for his manager, Theo, for a number of years. They've always gotten along, but recently Theo has started forwarding him emails with sexually explicit jokes. He knows that Theo is only sending them to him because he thinks they're funny—he's not trying to offend anyone. Isaiah has told Theo that he doesn't appreciate the jokes, but he hasn't stopped sending them. What should Isaiah do?

He should report the situation to Human Resources or even to our hotline. Theo may not be intending to upset anyone, but his behavior is still offensive, which makes it unacceptable. Isaiah can rest assured that he won't suffer negative consequences for reporting his manager's behavior because we never allow retaliation for reports made in good faith.

OUR PEOPLE

WORKPLACE SAFETY AND HEALTH

To keep ourselves and others safe, we need to come to work clear-headed and able to do our jobs. That means never reporting for duty under the influence of drugs, alcohol or any controlled substance that might cloud our judgment or otherwise impair us. The welfare of KAR employees—and those around us—depends on our commitment to this rule.

You may not use, sell, purchase, possess or be under the influence of alcohol or any illegal drugs while on Company premises or while performing Company business.

Our **safety** and other values are also reliant upon our commitment to resolving our differences through professional **communication**. We may not always see eye to eye on certain issues, but we are expected to disagree respectfully. We should never resort to violence, intimidation, bullying or other acts of aggression.

If you witness a possible threat to your safety, or the safety of others, you have a responsibility to report it. Whether you suspect that someone is working while intoxicated, creating hazards in the workplace or may become violent, the need to speak up is pressing. Violations must be referred to your manager and the General Counsel immediately. If you or others are in immediate danger, call 911 and report the situation to the local authorities first before reporting the situation internally. Employee safety always comes first.

Since safety is our priority, we have a strict zero-tolerance policy for workplace violence. We prohibit bringing or possessing weapons, including explosives, incendiary devices or firearms, onto Company property (unless allowed by state law, in which case the weapon(s) must be kept locked in your vehicle).

For additional information and guidance, please refer to [HR Policy 322](#).

QUICK TIP:

Even if you think someone is joking around, acts and threats of violence are no laughing matter. Always report violence, intimidation and other aggressive acts, such as:

- > Pushing, shoving or hitting
- > Cornering
- > Hazing
- > Threats of physical violence

OUR PEOPLE

PROTECTION OF PERSONAL INFORMATION

Safety means more than just ensuring our physical security—it also means keeping private information safe. This is why we only collect and keep *necessary* personal information about our coworkers and customers—in other words, information that we need to do our jobs and comply with the law. Access to this kind of information is limited to those who need it in order to do their jobs. If your job involves the use of sensitive employee or customer information, it is your responsibility to keep that information secure. Never share, access, modify or transfer it unless you have a clear, authorized business need to do so.

In addition, personal items or information that you consider to be private should not be placed or kept in telephone systems, computer or electronic mail systems, office systems, offices, work spaces, desks, credenzas or filing cabinets. In addition, employees should never search for or retrieve items from a coworker's workspace without prior approval from that employee or management. The Company reserves all rights, to the fullest extent permitted by law, to inspect these areas and retrieve information from them when appropriate.



WE ONLY COLLECT
AND KEEP NECESSARY
PERSONAL INFORMATION
ABOUT OUR COWORKERS
AND CUSTOMERS.



OUR COMPANY

- CONFLICTS OF INTEREST
- GIFTS AND ENTERTAINMENT
- PROTECTION OF OUR ASSETS AND INFORMATION
- COMMUNICATIONS AND TECHNOLOGY

OUR COMPANY

CONFLICTS OF INTEREST

One of our greatest shared responsibilities here at KAR is doing what is right for our Company and our shareholders. What we as individuals want may sometimes conflict with what is in the best interest of our Company—in these cases, it is important that we act in KAR’s best interest, not our own.

A **conflict of interest** occurs when our private interests interfere—or even *appear* to interfere—with the interests of our Company. A conflict of interest situation can arise when you take actions or have interests that make it difficult for you to perform your Company work objectively and effectively. Outside activities, investments and relationships that could hurt KAR’s business or call our individual judgment into question are considered conflicts.

Your obligation to conduct the Company’s business in an honest and ethical manner includes the ethical handling of conflicts of interest between personal and business relationships. This includes full disclosure of any actual, apparent or potential conflicts of interest as set forth below. Of course, it is not possible to list every potential conflict, but the sections below cover the most common examples and list to whom you should make disclosures through the Company’s Full Disclosure Form. If you are involved in a conflict situation that is not described below, you should discuss your particular situation with the General Counsel or other Company attorney.



QUICK TIP:

Additional rules apply to executive officers, directors and certain senior financial officers who engage in conduct that creates an actual, apparent or potential conflict of interest. Before engaging in any such conduct, these individuals should refer to the Company’s Code of Ethics for Principal Executive and Senior Financial Officers for additional guidelines.

OUR COMPANY

IMPROPER PERSONAL BENEFITS FROM THE COMPANY

It is important to note that the Company will not make any personal loans, nor guarantee personal obligations. Conflicts of interest arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Therefore, you may not accept any benefits from the Company that have not been duly authorized and approved according to Company policy and procedure.

FINANCIAL INTERESTS IN OTHER BUSINESSES

You may not own or otherwise possess an interest in a company that competes or does business with KAR (such as the Company's clients, customers or vendors) without the prior written approval of the General Counsel. However, it is not typically considered a conflict of interest (and therefore, prior approval is not required) to have an interest with a total value of no more than five percent of your annual compensation in clients, customers or vendors that are listed on a national or international securities exchange. In other words, your interest cannot be of such a size that it could influence your judgment on KAR matters or be viewed as management participation in the other company.

BUSINESS ARRANGEMENTS WITH THE COMPANY

Participating in a joint venture, partnership or other business arrangement with the Company is prohibited without prior written approval from the General Counsel.



OUR COMPANY

OUTSIDE EMPLOYMENT OR ACTIVITIES WITH A COMPETITOR

Outside employment or activities with a competitor may create a conflict of interest. Simultaneous employment with or serving as a director of a competitor of the Company is strictly prohibited, as is any activity that is intended to or that you should reasonably expect to advance a competitor's interests. You may not market products or services in competition with the Company's current or potential business activities. It is your responsibility to consult with the General Counsel to determine whether a planned activity will compete with any of the Company's business activities before you pursue the activity in question.

OUTSIDE EMPLOYMENT WITH A CLIENT, CUSTOMER OR VENDOR

Having a second job or doing work on the side is not necessarily against the rules. However, if that outside employment interferes in any way with your work for KAR, it can easily create a conflict of interest. Without prior written approval from the General Counsel, you may not be employed by, serve as a director of or represent a client, customer or vendor of the Company. Nor may you accept money or benefits of any kind as compensation or payment for any advice or services that you may provide to a client, customer, vendor or anyone else in connection with its business with the Company.

FAMILY MEMBERS WORKING IN THE INDUSTRY

You may find yourself in a situation where your spouse or significant other, your children, parents, or in-laws, or someone else with whom you have a close familial relationship is a competitor, customer, client or vendor of the Company or is employed by one. Such situations are not prohibited, but they call for extra sensitivity to security and confidentiality to prevent conflicts of interest.

There are several factors to consider in assessing such a situation. Among them: the relationship between KAR and the other company; the nature of your responsibilities as a Company employee and those of the other person; and the access each of you has to your respective employer's confidential information. Even if a situation seems harmless to you, it could arouse suspicions among your co-workers that might affect your working relationships. The very appearance of a conflict of interest can create problems, regardless of the propriety of your behavior.

To remove any such doubts or suspicions, you must disclose your specific situation to HR, the General Counsel or another company attorney to assess the nature and extent of any concern and how it can be resolved. In some instances, any risk to the Company's interests is sufficiently remote that you may only be reminded to guard against inadvertently disclosing Company confidential information and not to be involved in decisions on behalf of the Company that involve the other company.

OUR COMPANY

CORPORATE OPPORTUNITIES

Competing with our Company is always a conflict of interest. That is why, if you become aware of any business ventures, investments or other opportunities discovered through the use of corporate property, information or position, you should tell your manager about it. Such an opportunity should be considered an investment opportunity for the Company in the first instance.

We owe a duty to KAR to advance its legitimate interests when the opportunity to do so arises. If you learn of a business or investment opportunity through the use of corporate property or information, or your position at the Company, such as from a competitor, or actual or potential customer, client, vendor or business associate of the Company, you may not participate in the opportunity or make the investment without the prior written approval of the General Counsel. Directors and executive officers must obtain the prior approval of the Board of Directors. You may not use corporate property or information or your position at the Company for improper personal gain.



YOUR OBLIGATION TO CONDUCT THE COMPANY'S BUSINESS IN AN HONEST AND ETHICAL MANNER INCLUDES THE ETHICAL HANDLING OF CONFLICTS OF INTEREST BETWEEN PERSONAL AND BUSINESS RELATIONSHIPS.

OUR COMPANY

GIFTS AND ENTERTAINMENT

At KAR, we work hard to build long-term relationships with our customers, suppliers and others with whom we do business. It is built into our values of **customer care**, **teamwork** and even **fun**. Part of any lasting relationship is the exchange of goodwill—sometimes in the form of gifts, entertainment and other courtesies. But we need to be careful when both giving and receiving such courtesies.

Any gifts we offer—or accept—must be:

- > Infrequent
- > Of reasonable value
- > Not cash or a cash equivalent (such as gift certificates, securities or below-market loans)
- > Unsolicited—in other words, you must *never* request a gift, entertainment opportunity or other courtesy from someone doing business with the Company, or fulfill such a request
- > Legal (cannot be viewed as a bribe or payoff)
- > In line with **both** the giver's and the recipient's gift policies

Entertainment, on the other hand, must:

- > Occur infrequently
- > Come up in the ordinary course of business
- > Be reasonably priced
- > Take place in a setting that is appropriate for business



OUR COMPANY

When giving to or receiving anything from a customer, supplier or other third party, use your best judgment and make intelligent decisions that respect KAR and its policies and the other party and its policies. If you have questions or are unsure about whether offering or accepting a gift, entertainment or other business courtesy violates this Code, you must discuss the best course of action with your manager, HR, the General Counsel or other company attorney.

Please note that the rules for offering and accepting gifts, entertainment and other business courtesies are different when we are interacting with government officials. You are prohibited from providing gifts, meals or anything of value to government workers or members of their families without prior approval from the General Counsel.

*For more information, please see our **Travel and Entertainment Policy**.*

AT KAR, WE WORK HARD
TO BUILD LONG-TERM
RELATIONSHIPS WITH OUR
CUSTOMERS, SUPPLIERS AND
OTHERS WITH WHOM WE
DO BUSINESS.

Q+A

Mina is looking for a new vendor to take care of some dent repairs. She has three companies in mind, but before she has a chance to make a decision, one of the vendors sends her a beautiful gift basket full of fine wine and cheese with a note that says, "thank you for considering our company—we'd love to work with you!" Can she accept the gift?

Mina must speak with her manager, HR, the General Counsel or other company attorney before opening up the gift basket. The vendor seems to be using the gift as a way to convince us to give them our business—which could be considered a bribe.

Compare this to a situation where Mina receives a small holiday gift basket from an existing vendor that thanks her for her business over the past year. This type of gift is most likely acceptable. Regardless, when in doubt about giving or accepting a gift, remember to always seek guidance.

OUR COMPANY

PROTECTION OF OUR ASSETS AND INFORMATION

The assets and information we are given access to at KAR help us make effective and **innovative** business decisions. It is important for us to use these resources appropriately and to make sure they always remain secure.

This includes **physical assets**, like the facilities, equipment, computers, phones, copiers and other work supplies we use and access as part of our daily jobs. These are all resources that need to be protected from loss, theft, damage and misuse. Also keep in mind that these assets should only be used in accordance with Company policy.

Likewise, **confidential information** is one of our Company's biggest and most important competitive advantages. It should not be disclosed except when disclosure is authorized or legally mandated, as determined by the General Counsel or another Company attorney. Confidential information is generally considered any non-public information or data; it could negatively affect the KAR group of companies or its customers if shared with others or used by competitors. All KAR information, unless approved for public distribution, is by default considered confidential and must be protected. Some examples include (but are not limited to):

- > Earnings
- > Pricing information
- > Product and service costs
- > Financial data and forecasts
- > Technical data and processes
- > Sales strategies and forecasts
- > Competitive information
- > Customer lists
- > Personnel and organizational charts

Confidential information is considered a form of **intellectual property**, or **IP** for short. Our IP includes intangible property like:

- > Patents
- > Trademarks
- > Trade secrets
- > Copyrights
- > Design rights

Just like other forms of property, IP is protected by law. If you use or create IP during the course of your work, it is your responsibility to keep that information safe. The rights to all IP created with KAR materials, on KAR time, at KAR's expense or within the scope of our jobs here belongs to our Company. Similarly, we can only use others' IP to the extent that the law allows or we have express permission to do so. We may not disclose our previous employers' confidential information to KAR, just as we cannot disclose KAR's confidential information to others, even after leaving the Company. Remember: Your duty to protect KAR's information does not end when you leave KAR.

IT IS IMPORTANT FOR US
TO USE THE ASSETS AND
INFORMATION WE ARE GIVEN
ACCESS TO APPROPRIATELY
AND TO MAKE SURE THEY
ALWAYS REMAIN SECURE.

OUR COMPANY

Regardless of the type, confidential information and other intellectual property should only be shared with people who have a business need to know it. That means even our coworkers and business partners need the appropriate authorization before we are allowed to share this kind of data with them. Many times, confidentiality agreements are used when the Company needs to disclose information to certain employees, business partners or third parties. If you think that a Confidentiality Agreement may be needed, you should contact the General Counsel or another Company attorney. If you have questions about whether or not information or data is okay to share with another person or group, speak with the General Counsel or another Company attorney for guidance.

It is important to remember that discussing confidential information in public places where the information may be overheard, such as taxis or restaurants, is strictly prohibited. We may think that those around us aren't listening or don't care about the information we're discussing, but protecting Company information should always come first.



Q+A

Logan has been tasked with putting together pricing information for some new service offerings. He puts together a complete list and drafts an email to his manager, but accidentally sends the email to his personal friend, Brad Davis, instead of his manager, Brad Denning. What should Logan do?

Logan should tell the General Counsel or another Company attorney immediately. It was an honest mistake, but it still needs to be reported. The consulted attorney can help him determine appropriate next steps.

OUR COMPANY

COMMUNICATIONS AND TECHNOLOGY

Our technology resources are also tools that help us **innovate** and increase our effectiveness. Company computers, mobile devices, email and Internet access should *always* be used professionally and appropriately. The way we communicate with each other should not change based on the medium; if it is not respectful or professional to say something in person or over the phone, it is not okay to say it via email or instant message, either.

For this reason, we should not use Company technologies to send anything that might embarrass us (or the KAR group of companies) if read by anyone other than the intended recipient. That means, in part, that Company email and computers may never be used to send or receive offensive material, or anything that could be seen as discriminatory or harassing. When using our Company's network and technologies, we cannot expect that our communications will be private—KAR reserves the right to review any files stored or transmitted on all computer and communication resources. We should also be aware that anything we send can be altered and forwarded without us ever knowing it.

It is extremely important for us to secure our technology—all sensitive, confidential or restricted electronic information must be password protected. If any sensitive information must be sent across the Internet, it must be protected by Company-approved encryption software. If you have any reason to believe that your password or the security of KAR's systems has been compromised, you must change your password immediately and report the incident to the information technology department.

It is important to remember that the use of computer and technology resources must be consistent with all other Company policies, including those related to harassment, privacy, copyright, trademark, trade secret and other IP considerations.

**IF IT IS NOT RESPECTFUL
OR PROFESSIONAL TO SAY
SOMETHING IN PERSON OR
OVER THE PHONE, IT IS NOT
OKAY TO SAY IT VIA EMAIL
OR TEXT, EITHER.**

OUR COMPANY

ON SOCIAL MEDIA

Social media can be a powerful tool. Business and industry blogs, networking sites, message boards and other media not only contribute to our **innovations**, our effectiveness in the marketplace, our **community involvement** and our levels of **teamwork**—they also introduce some **fun** into our lives. But whether we are using Facebook, LinkedIn, Twitter, Instagram or countless other existing and emerging social media sites, we need to be careful of what we say about KAR.

Keep in mind that only certain employees have social media responsibilities on behalf of KAR. While the rest of us are of course free to engage in social media in our personal lives as we see fit, we should always avoid making public statements on behalf of the Company and our business without proper authorization.

*For more information, please see our **External Communications and Endorsement and Social Media policies**.*



QUICK TIP:

Posting online can be fun, but it can also lead to trouble if you aren't careful about what you say. When posting, always make sure others know your personal opinions are just that—*your* opinions, not KAR's.



OUR CUSTOMERS

- MEETING EXPECTATIONS
- ETHICAL COMPETITION
- FAIR DEALING

OUR CUSTOMERS

MEETING EXPECTATIONS

At KAR, we work hard to meet and exceed our customers' expectations. We strive to provide top-notch support and logistics to those who seek out our help, and never settle for less than our best. As employees, we act honestly and ethically, letting our reputation for service guide our business decisions.

Our commitment to meeting the needs of our customers must be evident through our dedication and pride in doing our work the right way. We always aim to represent our products truthfully, and never falsely disparage our competitors in order to gain an advantage in the marketplace.



ETHICAL COMPETITION

As a leading presence in our industry, we need to compete vigorously for business, while being mindful of our values and the law. We relish healthy competition, which is why we always emphasize competing with **integrity**. Winning business means nothing to KAR if that business is not won through fair and legal practices. Healthy, ethical competition does not just benefit the automobile remarketing industry; it also provides our customers access to quality remarketing and services at reasonable prices.

That is why we are committed to complying with **antitrust** and **fair competition laws**. These laws make it illegal for us to enter (or even appear to enter) into agreements with other companies to restrict trade. It does not matter if an agreement is formal or informal in nature. Even a handshake or handwritten note on a cocktail napkin can be considered an agreement. What matters is whether an interaction with a competitor could be viewed as an effort to:

- > Fix prices
- > Rig bids
- > Limit output
- > Divide or allocate markets, territories or customers
- > Share costs, margins or terms and conditions of sale
- > Disclose marketing plans or similar confidential information

OUR CUSTOMERS

Antitrust and fair competition concepts do not simply apply to competing companies, however. Agreements can be made with customers, suppliers and distributors that restrain free trade, making them a violation of competition laws as well. To cover all of your bases, be sure to avoid sensitive, anti-competitive topics when talking with competitors and other companies, and always consult with the General Counsel before engaging in any conduct that could even appear to create an allegation of wrongdoing. This is especially important at trade shows and other industry events where competitors might be gathered. If you find that you are part of an anti-competitive conversation, remove yourself from the situation, making it clear that you do not agree with or approve of attempts to violate competition laws. Always follow up with the General Counsel if you have questions or concerns about competitive practices.

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LEGAL PRACTICES.

ON COMPETITIVE INFORMATION

In our highly competitive marketplace, information about our competitors can be an important advantage. But no matter what, any information we gather about our competitors needs to be obtained legally and ethically—not through theft, spying, bribery or deception. If your job requires you to gather information about competing companies, be sure to use publicly available resources, such as published articles, advertisements, brochures and surveys. You should refuse to accept information if there is any indication it was not lawfully received and you should contact the General Counsel immediately if you receive competitive information anonymously.

When in doubt as to whether a course of information is proper, you should always contact the General Counsel.

Q+A

As one of our Sales Representatives, Antoine deals with prospective clients on a daily basis. A few weeks ago, he started dating a woman who used to work for one of our competitors. She's offered to give him a list of her old clients so that he can try to win their business away from the other company. Antoine knows that the information will help him make his quarterly sales goal—is it ethical for him to use it?

No, it wouldn't be ethical to use that information because it belongs to our competitor. We believe in healthy competition at KAR; which means that we earn our business through hard work, great ideas and world-class customer service—never through stealing or deception.

OUR CUSTOMERS

FAIR DEALING

Our relationships with our customers and business partners are important to us. We always treat our customers and partners with the care and respect they deserve. When we purchase equipment, supplies and services from others, we do so based on the best interest of the Company. All of KAR's customers, suppliers, subcontractors and others with whom we do business are treated fairly and without discrimination. Above all, we never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

ON COMMERCIAL BRIBERY

There is no room for commercial bribery in our relationships with others. **Commercial bribery** happens when someone makes an improper payment, gratuity or kickback to a current or potential customer, supplier or other business partner. It also includes indirect payments made to agents of these third parties and members of their families. If you deal directly with KAR third parties, including customers, suppliers and subcontractors, never offer or accept a bribe as part of your business relationship.

In addition to commercial bribery laws, there are also strict laws and regulations that relate to bribery of foreign government officials. You can read more about corruption and the bribery of these officials [here](#).



WE ALWAYS TREAT OUR
CUSTOMERS AND PARTNERS
WITH THE CARE AND RESPECT
THEY DESERVE.



OUR INVESTORS

- BOOKS AND RECORDS
- INSIDER TRADING
- ANALYSTS AND THE MEDIA

OUR INVESTORS

BOOKS AND RECORDS

The KAR group of companies share a responsibility to provide our investors with a truthful, complete picture of our Company's financial health. It is an important part of our commitment to **integrity** and compliance with the law. As an organization, we follow accepted accounting principles and maintain appropriate controls to ensure our records meet these requirements. We are committed to ensuring that all of our books of accounts, budgets, investment evaluations, employee expense accounts and other records are accurate. We also need to make sure that our Company's assets and liabilities—as well as equity, revenue and expense transactions—are carefully and properly recorded so that our public disclosures and filings are full, fair, accurate, timely and understandable.

Each of us has a personal responsibility to follow the proper accounting requirements, submit appropriate documentation and adhere to all internal controls for handling our Company's financial information.



DOS AND DON'TS FOR CREATING RECORDS

DO

- > Record all Company transactions in a timely and accurate way
- > Attach appropriate documentation (such as receipts) when applicable
- > Seek guidance if you have questions about our records requirements
- > Speak up promptly if you know or suspect illegal accounting activities

DON'T

- > Make false representations on behalf of KAR, whether verbally or in writing
- > Attempt to embezzle or otherwise take or hide Company funds
- > Stay silent if you think that something illegal might be happening – ALWAYS report it to the General Counsel

OUR INVESTORS

ON RECORDS MANAGEMENT

Just as it is important for us to keep accurate records, it is equally important for us to manage those records properly. This is why KAR developed its Records Access and Management Program, called “RAMP,” which specifies that it is the Company’s policy to identify, maintain, safeguard and destroy or retain all records in the Company’s possession on a systematic and regular basis. The value we place on **security** also extends to the safe storage and disposal of our documents—whether they are paper or electronic. We always need to follow our Company’s internal policies and procedures for managing our records as well as all applicable laws and regulations.

Occasionally, some of our records may be important to an investigation, audit or litigation. These records will be placed under a **legal hold**, which means they are no longer subject to normal retention schedules. If you have access to documents or records subject to a legal hold, never change, damage or destroy them until you have been notified that the hold has been lifted.

For record retention schedules in your business unit, or for information about a possible legal hold, check with your manager or HR Representative or see the requirements of our RAMP records retention program.



OUR INVESTORS

ON INVESTIGATIONS AND AUDITS

Because we do business with **integrity**, KAR has nothing to hide. We fully comply with any law or regulation that requires us to give information to a government entity. The same is true of requests by our independent auditors.

If an auditor or government regulator contacts you about a standard inspection or routine audit, you should notify the General Counsel or other Company attorney. As always, make sure you give honest, accurate and complete responses to any questions asked by the Company's lawyers. Do not try to sway the outcome of an audit or investigation, or alter or destroy any requested documents or records. If a government investigator contacts you for any other matter, notify the General Counsel before speaking to the investigator on behalf of KAR.



Q+A

Jun, one of our accountants, has been asked to participate in a routine audit. She's worried that one of the records that's been placed on hold might be incorrect. Is it okay for Jun to change the record to ensure that it's honest and accurate?

No, it's never okay to alter a document that's been placed under a legal hold. If Jun suspects that one of our records is incorrect, she should notify her manager and General Counsel immediately.

OUR INVESTORS

INSIDER TRADING

The KAR group of companies is a public organization—we interact with other public companies, including our customers, suppliers and other business partners, every single day. Depending on our jobs, some of us may have access to inside information that relates to KAR or other companies we work with. **Inside information** is information that is material and non-public in nature. **Material information** is information that a reasonable investor might consider important when he or she makes an investment decision, like buying or selling stock. This type of information is considered **non-public** until it is publicly disseminated and a sufficient period of time has passed for the securities markets to digest the information.

Regardless of how we come across information like this, we cannot buy or sell our Company's stock based on inside information or advise ("tip") others to do so—that is a violation of insider trading laws, which can mean serious legal trouble for everyone involved. It is also illegal for us to buy or sell any other company's stock based on this kind of information. Beyond breaking the law, abusing inside information undermines our Company's **integrity** and compromises our personal **welfare**. If you have questions about an investment or are concerned that inside information may have been leaked, be sure to speak with the General Counsel.

For more information, please see our [Insider Trading Policy](#).

Q+A

Damon works closely with some of our biggest suppliers, so he happens to know that one of them is about to purchase another company. His daughter is struggling financially, so he tells her that she should buy the supplier's stock. He won't personally benefit from the information, and his daughter doesn't work for either KAR or the supplier, so he thinks it'll be okay for him to give her the inside scoop. Is it?

If our supplier hasn't publicly announced that they're buying another company, then no one at KAR has a right to start telling people about it. If Damon tips his daughter off to that information, they'll both be participating in illegal, possibly criminal, insider trading.

ANALYSTS AND THE MEDIA

At KAR, we have **fun**—we love what we do and we love telling people about it. We know that communicating with others about our business is essential to our success. Still, it is important for all of our statements to be made in a single, consistent voice. Public statements made by or on behalf of KAR need to be issued by authorized individuals who have been trained on the law, our policies and our contractual obligations. If you receive requests from the media, analysts or others in the public sphere, do not try to handle them yourself. Instead, forward the requests to the SVP Marketing & Communications or VP Investor Relations, in accordance with our External Communications and Endorsement Policy and Regulation FD Policy.

For more information, please see our [External Communications and Endorsement Policy](#) and [Regulation FD Policy](#).



OUR COMMUNITIES

- POLITICAL CONTRIBUTIONS
- NO CORRUPTION OR BRIBERY
- GLOBAL TRADE LAWS

OUR COMMUNITIES

POLITICAL CONTRIBUTIONS

Supporting local politicians, political parties, causes or candidates for office is a great way to show our **community involvement**. However, as KAR is a global, public corporation, we need to comply with all national, state and local laws that govern our participation in politics. That includes any contributions we make to political parties, national political committees or individual candidates.

We are encouraged as individual employees to take part in and support our political beliefs—but we still need to follow the rules. You must notify the General Counsel before engaging in any activity on behalf of the Company that may be considered lobbying. What do we mean by “lobbying?” Quite simply, “lobbying” is taking any action where the goal is to persuade an elected government official (or anyone else capable of policy making) to do (or avoid doing) something on behalf of the Company. For more information see [Political Contribution Policy](#).

NO CORRUPTION, BRIBERY OR UNFAIR AND DECEPTIVE TRADE PRACTICES

In our fast-paced market, **innovating** with continued improvement means we make intelligent, ethical decisions about how to move forward with our business. That means never using corruption or bribery to try to get ahead. Anti-corruption and bribery laws are in effect around the world, including the U.S. Foreign Corrupt Practices Act (**FCPA**), the Canadian Corruption of Foreign Public Officials Act (**CFPOA**) and the UK Bribery Act.

Generally, these laws state that we must never bribe or attempt to bribe a government official. A **bribe** can be anything of value, like money, gifts, favors or entertainment we provide. What makes a bribe a bribe is its intent. If something is given in an actual or apparent attempt to influence an official’s actions or decisions, obtain or retain business or acquire any sort of improper advantage, it is a bribe. Special care must be taken in this regard when dealing with government officials. To be clear, **Government officials** include federal, state or local government employees, political candidates and employees of government-owned businesses.

Further, everyone subject to this Code must comply with all laws – whether federal or state - that prohibit unfair, deceptive, or abusive business acts and practices. There are a number of such laws and regulations (including the Dodd-Frank Act and its various state counterparts) which are managed by various governmental agencies, including the Federal Trade Commission (commonly known as the “FTC”) and Consumer Financial Protection Bureau (commonly known as the “CFPB”), as well as their state counterparts.

Company employees must not knowingly engage in or knowingly “aid and abet” (that is, help) others engage in acts or practices that are unfair, deceptive, or abusive. Further, Company employees cannot knowingly conceal or help others conceal such unfair, deceptive, or abuse practices, regardless of whether the Company or any of its employees are directly benefited by the act or practice. If you have any question over whether a particular action or Company practice may be unfair, deceptive, or abusive, or would otherwise violate any state or federal law, contact the General Counsel for assistance.

OUR COMMUNITIES

ENVIRONMENT

Our operations are subject to various foreign, federal, state and local environmental, health and safety laws and regulations, including those governing the emission or discharge of pollutants into the air or water, the generation, treatment, storage and release of hazardous materials and wastes and the investigation and remediation of contamination. Our failure to comply with current or future environmental, health or safety laws or to obtain and comply with permits required under such laws, could subject us to significant liability or require costly investigative, remedial or corrective actions. Therefore, if you see or otherwise become aware of Company involvement in an environmentally-damaging practice, it is your responsibility to notify the General Counsel or other Company attorney immediately.



Just as we avoid offering and accepting bribes, we must also refuse to offer or accept kickbacks. A **kickback** is the return part of a sum already paid (or due to be paid) as a reward for making or fostering business arrangements.

Anti-corruption laws can be complex, and they can vary depending on where we work. No matter where we are located, the consequences for violating these laws are severe. If you have questions about anti-corruption laws, or are not sure whether something could be considered a bribe, reach out to the General Counsel for assistance.

REGARDING FACILITATING PAYMENTS

Anti-corruption laws also address **facilitating payments**—typically small cash payments, given to a government official to help speed up or guarantee a routine process. These might be payments made in an effort to expedite utility services, provide needed police protection or approve the granting of a work permit. Facilitating payments might be common in some parts of the world, whereas other countries view facilitating payments as bribes. KAR's policy is simple: no facilitating payments are allowed to be made.

OUR COMMUNITIES

GLOBAL TRADE LAWS

Although KAR does not manufacture any tangible goods, our Company is still responsible for knowing and complying with global trade laws, including export controls. An **export** occurs when a product, service, technology or piece of information is shipped to a person in another country—meaning that export controls can apply to any information, data or Company technologies we take with us on international travel. It is important to keep **safety** in mind when exporting or importing goods by always securing the required licenses and permits, and paying all proper duties and taxes.

We also benefit from having a basic awareness of **economic sanctions**. Economic sanctions are an aspect of global trade regulations that can restrict or prohibit our dealings with certain countries—or governments, entities or individuals located in or hailing from those countries. These sanctions may apply to a particular country or regime, while others will target blacklisted entities or individuals. In general, sanctions restrict us from transacting in any manner with a sanctions target, including, for example:

- > Transferring assets
- > Making monetary payments
- > Providing logistics and other services
- > Exporting sensitive data or technology
- > Traveling to the affected countries



Finally, maintaining our **integrity** in the marketplace means we need to be alert to possible money laundering or terrorist financing schemes.

Money laundering is the process by which illegally-obtained funds are hidden or made “clean” through a series of transactions. Money laundering red flags often include:

- > Large cash payments
- > Unusually frequent transactions
- > Customer identities that cannot be verified

Similarly, we do not conduct business with any supplier, contractor or other third party that we know or suspect to be involved in any **terrorist organization**. If you have any concerns about a customer or transaction that seems suspicious, talk to the General Counsel immediately.

WAIVERS

KAR will waive application of the policies set forth in this Code only where circumstances warrant. Waivers of this Code for directors and executive officers may be made only by the Board of Directors as a whole or the Audit Committee of the Board and must be promptly disclosed as required by law or regulation.



ACKNOWLEDGMENT

I have received and read the Code of Business Conduct and Ethics, and I understand its contents. I agree to comply fully with the standards, policies and procedures contained in the Code and the Company's related policies and procedures. I understand that I have an obligation to report to the General Counsel any suspected violations of the Code of which I am aware. I acknowledge that the Code is a statement of policies for business conduct and does not, in any way, constitute an employment contract or assurance of continued employment.

I understand that the Code of Business Conduct and Ethics is posted and available on the Company's intranet site (the Hub) for my review, downloading, saving and/or printing. I understand that it is my responsibility to read and comply with this Code and any related supplemental policy, and if there is any policy, procedure or information that I do not fully understand, I will contact my manager or local Human Resources Representative for clarification.

Printed Name

Signature

Date



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Code of Business Conduct and Ethics
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