



AVMM Global Guidelines

Compliance

Anti Corruption

January, 2011

Description and aim

The A-HEAT Group (A-HEAT AG and Group Companies) respects the law of all countries where the Group is active. For competition, the Group focuses on leadership in cost, technology and innovation and not on unlawful or ethically questionable behaviour. For this reason, the A-HEAT Group opposes corrupt and any other unlawful behaviour, and does not tolerate this behaviour. Therefore the Group expects of its managing directors, employees and business partners that they do not employ any kind of corrupt practices, independent of the country they are working in. The A-HEAT Group will take suitable measures against natural and legal persons who violate this obligation.

Active and passive corruption are serious criminal acts. Corrupt behaviour can inflict massive damage on the A-HEAT Group. Furthermore, persons who are involved in such behaviour can be penalized. Already the mere suspicion of corrupt behaviour can have serious negative consequences for the A-HEAT Group.

In order to protect the employees and the A-HEAT Group against these consequences, the exclusive avoidance of corrupt behaviour is not sufficient. Not even the suspicion of bribery or other corrupt behaviour may arise. For this purpose, the regulations in this Guideline have to be observed very carefully and conscientiously.

Rules

Active Corruption

It is prohibited to promise or give personal advantages to any domestic or foreign office bearer, to employees or representatives of domestic or foreign countries (active corruption).

In a general sense, this prohibition also applies to corrupt behaviour of service providers, who act as mediator, or to the behaviour of partners in contractor groups or in working teams as well as to joint ventures. These prohibitions apply to all countries where the A-HEAT Group is active and to all employees regardless of their nationality. They apply even then if corrupt behaviour is common in a certain country and is not regarded as unethical by local business partners.

In some countries payments to government officials are common practice, by which the acceleration of certain official actions, to which the applicant is entitled (e.g. customs clearance of legally imported spare parts), shall be obtained. These so-called acceleration payments are in most cases unlawful and may therefore not be offered, promised or granted.



In certain circumstances, contracts with business partners can give rise to the suspicion of active or passive corruption, for example:

- No signed contract in written form exists.
- The service to be rendered by the contractual partner is not clearly defined.
- The service to be rendered by the contractual partner does not have any apparent benefit for the A-Heat Group.
- The rendered service is paid in cash without receipt as required by the regulations.
- The business partner indicated a bank account where the account holder and the service provider are not the same person.

When collaborating with business partners, the employees of the A-HEAT Group always have to make clear that the A-HEAT Group acts in compliance with the law in force, does not tolerate corrupt or in any other way illegal behaviour and will terminate the collaboration with the respective business partner if corruption or other illegal behaviour occurs. If there is any indication to corrupt behaviour or other heavy breach of law by a business partner, then the employees have to inform the regional general management and the local jurisdiction.

The A-HEAT Group does not make unjustified payments directly or by third parties to employees or representatives of other companies. Even if this kind of payment is common in some countries, they are illegal and therefore unacceptable behaviour for the A-HEAT Group. The same is valid for cases, in which the payment is declared as "payment for consultation services" by the employees or persons who have a close relation to the employee. All payments to business partners have to be documented, so that in case of administrative enquiries, the A-HEAT Group can prove that the payment was lawful.

Invitations (e.g. invitations to restaurants, to sports events, catering, coming up for personal travel costs), presents and other personal advantages for employees or representatives of other companies are only admissible on a subordinate and reasonable level. Their total value and the precise circumstances in which they were granted may not give the impression that any kind of service or payment can be expected in return. Each individual case has to be checked regarding the following factors:

- Value of advantage (arm's length principle)
- Frequency of granting eventually necessary advantages
- Position of recipient within the recipient's company (hierarchy, function, relation to A-HEATGroup)
- Social adequacy

Advantages on an admissible subordinate and reasonable level may never be granted secretly. These kinds of invitations or presents always need to be addressed to the official company address of the recipient, and never to the private home address. Advantages for spouses, relatives or persons in close relationship have to be treated in the same way. Under no circumstances, cash or cash equivalents (e.g. vouchers, coupons, and gift certificates) may be given as present.

In some countries and companies, it is prohibited for employees or representatives of companies to accept any kind of invitation or present. In other countries and companies, there are defined limits for advantages that may be accepted by employees and representatives of companies. Before an invitation is issued or before a present is given to somebody, it has to be ensured that the recipient is legally entitled to accept the invitation or present.



The anti-corruption law of numerous countries prohibits the granting of personal advantages to domestic or foreign government officials (civil servants, elected members of parliament, soldiers or other holders of government office), even if these advantages only have a subordinate (low) value. Employees and managing directors of the A-HEAT Group may in this case grant no advantages that have an economic value (e.g. invitations or presents) to holders of government office. In most countries, however, catering during meetings makes an exception and may therefore be granted.

Passive Corruption

Employees and managing directors of the A-HEAT Group may not require or accept any advantages from current or prospect business partners for themselves or persons in close relationship (e.g. spouse, relatives, friends) (passive corruption). This is also valid if the advantage does not have any influence on the business conduct itself. The prohibition of passive corruption applies in particular valid to the acceptance of services rendered in return for the placement of orders or other for the supplier beneficial behaviour (e.g. non-assertion of claims for damages against a supplier due to defective products that were delivered to the A-HEAT Group).

Invitations (e.g. invitations to restaurants, to sports events, catering, coming up for personal travel costs), presents and other personal advantages may only be accepted by employees and managing directors of the A-HEAT Group on a subordinate and reasonable level. Their total value and the precise circumstances in which they were granted may not give the impression that any kind of service or payment can be expected in return. Each individual case has to be checked regarding the following factors:

- Value of advantage (arm's length principle)
- Frequency of granting eventually necessary advantages
- Position of recipient within the recipient's company (hierarchy, function)
- Social adequacy

Advantages on an admissible subordinate and reasonable level may never be accepted in secret. Employees and managing directors of the A-HEAT Group may not accept any presents that are sent to their private home address or to relatives or friends. Advantages for spouses, relatives or persons in close relationship have to be treated in the same way. Under no circumstances, cash or cash equivalents (e.g. vouchers, coupons, gift certificates) may be accepted as present.

Application

The General Management of the A-HEAT Group is responsible for the compliance with this Guideline within their division or company. The Board of Directors of the A-HEAT AG will control the compliance with this Guideline by a Group auditing, as part of a general inspection and, if necessary, also by effecting special inspections. These measures, however, do not discharge the employees and managing directors of the A-HEAT Group of their self-responsibility and their obligations stipulated in this Guideline and in the valid legal regulations.

Violation of this guideline, which also includes the collaboration for covering up this kind of violation, can have labour-law consequences and result in claims for damage. The A-HEAT Group expects of all its managing directors and employees that these violations are reported autonomously.