

81000 TGE Company Procedures

Benefits Guideline

1	10.07.2015	Issued for Use	BB2, PM4	MW1	SL
Rev.	Date	Subject of revision	Author	Checked	Validated

This document is electronically approved and valid without signature.

Content:

1.	Introduction	3
2.	Scope of Application	3
3.	Terms	3
3.1	Public Authority	3
3.2	Benefits	3
4.	Admissibility of Benefits	4
4.1	Prohibited Benefits	4
4.2	Further Criteria for the Evaluation of Admissibility	4
5.	Documentation and Submission	6
5.1	At the Operating Unit in Bonn	6
5.2	At all other Operating Units	7
6.	Tax Requirements	7
7.	Exemptions	7
8.	Special Regulations for Donations	7
9.	Organization and Contact	7
10.	Consequences of Disregard	8

1. Introduction

The management of TGE Gas Engineering GmbH seeks to conduct business operations on a fair basis within the boundaries of the law and to fight corruption. Therefore, TGE Gas Engineering GmbH will not tolerate any conduct that may constitute a corruption related criminal act. Although benefits are customary in everyday business, disregard for the rules governing their acceptance and granting may lead to the considerable risk of infringements of the law, especially of anti-corruption regulations. This guideline aims to reduce said risks.

2. Scope of Application

This guideline applies to TGE Gas Engineering GmbH and its affiliated companies¹ (collectively hereinafter "TGE"). It regulates the acceptance and granting of benefits worldwide by employees, executives, members of management and other staff of TGE (hereinafter "Employees").

3. Terms

3.1 Public Authority

Public authorities (German and foreign) in the sense of this guideline are:

- people in an employment relationship governed by public-law, in particular civil servants and employees of the public service, irrespective of the nature of their activity,
- employees of privately organized institutions and companies, if these companies carry out tasks of the public administration or public services or are majority owned by public authorities and
- public officials such as notaries, employees of international institutions (EU institutions, the UN etc.) and ministers.

3.2 Benefits

Benefits are advantages of any kind. They are divided into the categories gifts, hospitalities and invitations to events.

Gifts are one-sided material benefits provided without any consideration in return.

Examples: Material gifts, lending of items, cash payments, cash-equivalents (e.g. coupons, discounts), flight tickets, services, tickets to cultural, sports and other kinds of events. (A ticket is considered an invitation to an event if a representative of the inviter participates at the event).

Hospitalities are limited to food, drinks and accommodation.

Examples: Business lunches, wine tasting. (Catering at an event is not considered hospitality. It is a part of the event.)

¹ Affiliated companies in the sense of § 15 Aktiengesetz.

Events are occasions, which are regularly complemented by hospitality and entertainment programs and at which a the person who extended the invitation or his/her representative is present.

Examples: fair visit, sports and cultural events.

4. Admissibility of Benefits

Employees are only allowed to accept or grant benefits, if the benefit is objectively not suitable to illegitimately influence business or authority decisions or create the false impression of such an influence.

This is the case if the benefit is appropriate and customary under the specific circumstances, especially with regards to the business sector in question, the position and life circumstances of the person involved and the value of the benefit.

Therefore, Employees need to check themselves if the specific benefit is admissible. The evaluation criteria and examples herein provide orientation.

4.1 Prohibited Benefits

Employees are not allowed to ask for benefits. It is therefore always prohibited to accept a requested benefit.

Benefits, which are provided with the expectation of illegitimate services or other illegitimate preferential treatment in return are prohibited and must be rejected.

The following benefits are also inadmissible – irrespective of their value – and may never be accepted or granted under any circumstances:

- monetary benefits (except appropriate and customary tips)
- cash equivalents such as vouchers or the granting or acceptance of loans.
- benefits of sexual or offensive nature (e.g. invitation to a brothel, etc.)
- benefits, which are obviously in conflict with the compliance guidelines or, in case of public authorities, internal administrative rules of the recipient.

4.2 Further Criteria for the Evaluation of Admissibility

Purpose A benefits is usually inappropriate, if its sole purpose is to encourage the recipient to make a specific business or authority decision or to provide any other illegitimate advantage in return for the personal benefit.

Addressee The higher the professional or official position of the recipient, the higher the value of the benefit may be. The benefit must be proportionate to the function and status of those involved. For public authorities, a more stringent test has to be applied than for individuals of the private sector.

Business Relation

The looser the connection between the benefit and the business or public office in question, the more critical the legitimacy of the benefit.

Public Authorities

Private Sector Business Partners

Public officials may only be invited in connection with the business activities of TGE. Only special social occasions, which the public authority attends in fulfillment of its social obligations (especially representative duties), may have a predominant leisure and entertainment character.

Invitations to business partners from the private sector should also be business related. The presentation of the inviting business and not the side activities should be in the focus of every event and the entertainment program may not prevail.

The leisure character prevails if a benefit is extended also to relatives, especially spouses or life partners. Such benefits is especially critical.

Time and Occasion

Benefits are especially critical during ongoing contract negotiations, tender procedures and prior to business or official decisions. The impression, that a benefit is intended to illegitimately influence a specific business or official decision, must be avoided. A benefit is more likely to be appropriate if it relates to a specific occasion (Christmas, project completion, birthdays etc.).

Frequency

With increasing frequency of benefits between the same parties, the benefits should rather be categorized as inappropriate.

Procedure

A benefit is only admissible if it is extended and received in a transparent manner. Benefits, which are not handed over personally must be sent to the company address (postal or e-mail address) of the invitee. The invitation must state the occasion, nature, scale and value of the benefit, in order to enable the recipient to evaluate its appropriateness and to obtain any necessary approvals of its supervisor.

Value

Benefits become more and more critical with increasing value. In this context, the limitations resulting from standard business practice and the personal standard of living of the involved persons must be considered.

The specific value limits defined in writing by the local Compliance Coordinators for the country of their entity must therefore be observed regarding the granting and acceptance of benefits.

The following general value limits stated in this document apply for all benefits which are received or extended in these countries:

- Germany
- countries where there is to TGE entity
- countries where the local Compliance Coordinator did not define a special value limit (yet):

	To or from Public Official	To or from Private Sector Business Partner
Gifts:	10 Euro	35 Euro
Hospitality:	25 Euro per person	100 Euro per person
Invitations to events:	25 Euro per person	100 Euro per person

Gifts or invitations that exceed the above mentioned value limits require the **prior** approval of the direct supervisor. The “**Application for the Approval of Benefits**” in **appendix 1** is to be used. Employees based in Bonn must send the completed and signed form by email to Mr. Philipp Müller (Assistant Compliance). Employees based elsewhere must send the form to the person nominated by the local Compliance Coordinator.

Employees must check even in case of a negligible curtesy or invitation with a value under the above-mentioned limits that the benefit in question is appropriate and – in case of the involvement of a public official – that it is in line with the internal guidelines of the respective public authority. Public authorities should be asked to provide a clarification on their internal regulations regarding benefits.

5. Documentation and Submission

5.1 At the Operating Unit in Bonn

5.1.1 Benefits from Employees

Employees based in Bonn must register all **gifts** for third parties with the marketing department. **Hospitalities** granted by these Employees must be mentioned on the “Bewirtungsformular”. They must report received invitations to events by e-mail to the Assistant Compliance irrespective of the value of the invitation.

5.1.2 Benefits to Employees

Employees based in Bonn must hand over the **gifts** they received to the Assistant Compliance, who registers and collects these. These collected gifts will be submitted to

TGE's Christmas tombola. **Hospitalities** received by Employees based in Bonn have to be specified on the travel expenses sheet. Extended **invitations** to events must be reported by email to the Assistant Compliance, independent of their value.

5.2 At all other Operating Units

The Compliance Coordinators of the subsidiaries and branch offices of TGE Gas Engineering GmbH are responsible for the correct handling of benefits at their entity, especially for adequate documentation. They must inform the Compliance Officer regularly on writing about the measures taken in this regard.

6. Tax Requirements

Tax requirements must be observed in connection with the granting and receipt of benefits. Received benefits may be subject to personal income tax². Tax liability can usually be avoided by immediately donating the benefits to a non-profit organization.

7. Exceptions

The Compliance Officer and the local Compliance Coordinators are entitled to approve benefits that are not in line with this guideline, under the condition that according to the outcome of an individual assessment, the such an exception is legitimate and there is no criminal liability involved. The Compliance Coordinator must inform the Compliance Officer of any exceptions made.

8. Special Regulations for Donations

Donations may not be linked to any service in return and must be registered with TGE's Assistant Compliance. Donations of an amount above EUR 1,000 require the approval of the Compliance Committee of the TGE.

9. Organization and Contact

In case of any questions or doubts in connection with benefits, Employees are requested to turn to their direct supervisors. Furthermore, the local Compliance Coordinator can be contacted. Support is also provided by TGE's Assistant Compliance:

Philipp Müller Assistant Compliance Philipp.Mueller@tge-gas.com Tel: 167 (Bonn)

Who the Compliance Coordinators and the members of the Compliance Committee currently are, is stated in the document:

Organisation Charts TGE Gas Engineering (81000/TH02/CHT/0101/0004).

Further details regarding the compliance organization can be found in the document:

² The recipient of a benefit should ideally be reminded of his/her possible tax liability.

Compliance Management Manual (81000/TH01/CQP/0000/0003).**10. Consequences of Disregard**

Irrespective of any criminal liability, violations against the above mentioned regulations can result in consequences under labor and civil law.

Appendix I Application for the Approval of a Benefit

This form is an internal company document to be filled out solely by TGE Employees for the approval of the receipt and of granting of benefits which have (or are expected to have) a higher value than the applicable value limit. For the approval, supervisors must evaluate especially whether the benefit is appropriate and in line with usual business practice. The completed and signed application form must be submitted by e-mail to the person locally responsible for documenting benefits.

1. Information about the applicant, who received/granted the benefit:

1.1. Name, Surname:	
1.2. Department:	
1.3. Date of Application:	

2. Information about the recipient of the benefit:

2.1. Name of the company / organization:	
2.2. Name, Surname:	
2.3. Position:	
2.4. Address, phone, e-mail:	
2.5. Relation to the provider of the benefit (e.g. customer, supplier, service provider):	
2.6. Is the recipient a public authority?	Yes <input type="checkbox"/> No <input type="checkbox"/>

3. Information about the provider of the benefit:

3.1. Name of the company / organization:	
3.2. Name, Surname:	
3.3. Position:	
3.4. Address, phone, e-mail:	
3.5. Relation to the recipient (e.g. customer, supplier, service provider):	

4. Nature of the benefit:

4.1. Hospitality: <input type="checkbox"/>	Date: Place: Number of participants all together: _____. From TGE: _____.
4.2. Event: <input type="checkbox"/>	Date: Place: Description of the event:

This document is the sole property of TGE. It must not be copied or used without written consent of TGE.

Benefits Guideline

	Number of participants all together: _____. From TGE: _____ Incl. travel expenses: Yes <input type="checkbox"/> No <input type="checkbox"/> Incl. accommodation: Yes <input type="checkbox"/> No <input type="checkbox"/> Incl. hospitality: Yes <input type="checkbox"/> No <input type="checkbox"/> Incl. attendant: Yes <input type="checkbox"/> No <input type="checkbox"/>
4.3. Gift: <input type="checkbox"/>	Description of the gift:

5. Value of the benefit:

5. Value of the overall benefit per person:	_____ EUR
---	-----------

6. Occasion for the benefit:

6. Description of the occasion for the benefit:	
---	--

7. Frequency of the benefits:

7. Number of comparable benefits in the last 12 months:	
---	--

8. Declarations:

8.1. The benefit is appropriate and socially acceptable.	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.2. There is no temporal connection to business, official or governmental decisions – if „no“ (so if there is a temporal connection), please describe:	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.3. The benefit will cause no private or business related conflict of interest.	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.4. The benefit is made in a transparent manner.	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.5. The purpose of the benefit is legitimate (does not result in a specific business or official or governmental decision).	Yes <input type="checkbox"/> No <input type="checkbox"/>

9. Comments of the applicant:

--

10. Approval of the supervisor:

10.1. Name of the supervisor:	
10.2. Approval given?	Yes <input type="checkbox"/> No <input type="checkbox"/>
10.3. Remarks, discrepancies or any other characteristics:	

Signature applicant

Signature supervisor