
Guideline Compliance

Legal Scope:

Global

Business Scope:

Cross Business

Process Scope:5.2 Compliance

1. Objectives

- The objective of the Compliance Guideline is to describe TÜV Rheinland's Compliance Management System, to designate responsibilities, to establish processes and to define the associated procedures.
- The Compliance Management System has been established to ensure adherence to statutory laws and internal regulations.
- Liability claims (or other drawbacks) or criminal prosecution the company and employees could be confronted with, shall be mitigated/avoided whenever possible.
- To achieve this objective, it is necessary to have a program highlighting principles and measures intended to make the company's and the employees' conduct and acts compliant.

2. Terms and Abbreviations

Terms/Abbreviations	Description
Compliance Management System (CMS)	The whole set of compliance measures, documents and processes TÜV Rheinland has established to make sure that the targets in terms of conformity with regulations are achieved.
TIC Council	Testing, Inspection and Certification Council seated in Brussels as a major association of testing, inspection and certification service providers. TÜV Rheinland has been a member of the predecessor organization IFIA since April 2007.
GO	The abbreviation for Global Officer Compliance. He / she oversees the Compliance Management System at Group level and ensures that it is implemented throughout TÜV Rheinland.

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Terms/Abbreviations	Description
RO	Regional Officer Compliance. He / she is in charge of one of the regions TÜV Rheinland has defined within the matrix organization of the Group. Within this region, he / she serves as primary point of contact for all relevant compliance matters. Reporting directly to the GO, he/she coordinates the activities of the LOs and the Compliance Ambassadors in that particular region
LO	Local Officer Compliance. He / she is appointed by the GO after consultation with the RO. The LO acts as an interface in dealing with all relevant issues to compliance in his / her country and reports directly to the RO and to the GO Compliance
Compliance Ambassadors	Members of TÜV Rheinland staff who have been appointed as local contact persons attending to compliance matters in a particular country or business stream. Ambassadors carry out their compliance task / role beside their primary job role.

3. Scope of Application

This Guideline is binding on all staff members and executives of the TÜV Rheinland Group companies.

This Corporate Guideline applies to all TÜV Rheinland companies, i.e. it is binding on all companies associated with TÜV Rheinland AG (hereinafter referred to as "TÜV Rheinland") as defined by Section 15 et seq. of the German Stock Companies Act .

4. Principles

Compliance means adherence to statutory regulations, regulatory standards and compliance requirements to which the company voluntarily subscribes. Also included are in-house processes, guidelines and ethical requirements TÜV Rheinland has specified as being binding on all executives and staff working for the company.

While the principles and guidelines provide information about the admissibility of certain acts, the measures relate to the prevention and identification of potential misconduct (non-compliance). Prior to signing employment contracts, new staff needs to be provided with a copy of the most important compliance documents. The staff members are obliged to confirm in writing that they have received, read and understood the most important compliance documents and contents and undertake to observe these.

4.1 Training

Compliance trainings are designed to impart basic knowledge and to cover in-depth approaches to related topics as well. It is mandatory for all TÜV Rheinland staff to complete a compliance e-learning once. This course is available online to staff all over the world. Recurrent training may be organized

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whenever needed. In addition to that, Corporate Compliance offers various compliance training sessions via the TÜV Rheinland web based learning management system from a central source. Furthermore, the Compliance Officer Network may choose to run face-to-face training sessions. Corporate Compliance Experts speak on a regular basis in the framework of the "Neu bei TÜV Rheinland Schulung" ("New at TÜV Rheinland (training for new recruits)). As the need arises, business partners (for definition see Business Partner Guideline) are notified of TÜV Rheinland's compliance requirements and obliged to observe these.

4.2 Auditing and Improvement

Regular audits need to be conducted to make sure the Compliance Management System operates as intended. In the process, all the documents in use are reviewed at regular intervals for adequacy and revised when needed. The implementation of basic compliance measures within the Group is an element of the Audit Program of Corporate Audit and is checked regularly during the so-called Basic Audits. Any change in the logic or content of the compliance question / controls in the audit approach must be pre-aligned and agreed with Corporate Compliance. Under the Continuous Improvement Process (CIP) each TÜV Rheinland staff member has the opportunity to furnish in-house units involved in the auditing process with relevant information about violations of compliance. Disclosures usually lead to the identification of risks or to improvements of the system. The Corporate Compliance Office follows up complaints about the Compliance Management System and it reports on the elimination of non-compliances.

4.3 Internal Investigations

References to potential non-compliances which are brought to the knowledge of the members of the Compliance Network are handled according to the SOP Compliance Incident Management and in line with the TIC Council Compliance Code (registration, investigation, hearing of the parties involved, evaluation, decision-making and sanctioning, if necessary).

4.4 Infringements

Sanctions, disciplinary actions and recommendations may be imposed in case legal provisions or in-house principles and regulations are broken. Recommendations on how to do that can be made by TÜV Rheinland's Compliance Organization. There are several options, one of them being the application of labor law (warning, written request to desist from violation of obligations, notice of termination). TÜV Rheinland has the right to assert claims for damages under civil law for all companies and subsidiaries should the company suffer damage caused by corruption or related criminal offences. In particularly serious cases, the company will actively support criminal prosecution by the respective government bodies.

5. Roles & Responsibilities

Process Roles	Responsibilities
Compliance Committee	The Compliance Committee of TÜV Rheinland AG has to make sure that statutory regulations and in-house guidelines are followed and oversees the Compliance Management System. The Compliance Committee convenes once a month to discuss compliance issues, projects and violations of the Compliance

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	<p>Management System and it consults on measures to be taken on a case-by-case basis. The members of the Committee are the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Human Resources Officer (CHRO), the GO Compliance and one of the Global Compliance Experts from the Corporate Compliance Office as the case may be. Other corporate functions may be invited to attend Compliance Committee meetings to provide their expertise. The Compliance Committee as a whole monitors the Compliance Management System for proper functioning. It approves the program and the financial and human resources to be made available for the Compliance Management System.</p>
<p style="text-align: center;">Audit Committee</p>	<p>The Audit Committee is set up by the Supervisory Board of TÜV Rheinland AG to monitor, inter alia, the Compliance Management System of TÜV Rheinland AG. Every six months, the GO Compliance reports to the Audit Committee on the current status of the Compliance Management System, on significant violations of the compliance program and on initiatives to further develop the Compliance Management System at TÜV Rheinland AG.</p>
<p style="text-align: center;">Global Officer Compliance and Corporate Compliance Office</p>	<p>The principal responsibility for implementation and observance of the compliance rules rests with the Board of Management and the respective of the TÜV Rheinland companies and the Compliance Committee of TÜV Rheinland AG. Furthermore, all those in senior managerial positions and all staff members are required to ensure observance of the Compliance Program in their remits.</p> <p>The GO provides assistance and advice to the Compliance Committee on all issues relevant to compliance. The GO is appointed and dismissed by the Chief Human Resources Officer of TÜV Rheinland AG and is answerable to him / her as far as organizational matters are concerned. The GO acts in full independence in his / her role. He / she monitors the observance of the compliance rules in use and reports on violations. Apart from that, he / she has to see to it that the Compliance Management System is properly implemented, documented and developed further. The GO is the supervisor of all employees of the Corporate Compliance Office and of the Regional Compliance Officers. The Corporate Compliance Office assists the GO in performing the monitoring and control functions referred to above.</p>

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<p>Compliance Officer Network</p>	<p>A worldwide Network of Compliance Officers has been established to make the Compliance Management System of TÜV Rheinland globally manageable. A full-time Regional Officer Compliance (RO) in charge of Compliance and Legal is appointed for every region. In recruiting ROs, the EVP having regional responsibility acts in consultation with the GO. The RO reports to the GO on the implementation of the Compliance Management System in his / her region. Answerable to the GO in disciplinary and functional matters, the ROs are available to all staff members in their regional area of responsibility to deal with any issues relevant to compliance. The GO is authorized to pass on to the ROs / LOs information and to give instructions to them.</p> <p>At the level below the Regional Compliance Officers, Local Officers Compliance (LOs) can be appointed for one specific country or a cluster of countries. Before appointing the LOs, the GO will consult with the RO and the respective R-EVP. The GO is authorized to pass on to the LOs information and to give instructions to them. The LO is required to keep the RO posted at regular intervals about the implementation of the Compliance Management System and about recent violations.</p> <p>As and when needed, further Compliance Ambassadors can be appointed in the various Business Streams and in the individual local legal entities. These Ambassadors are to assist the RO and the GO in implementing the Compliance Management System. In case Local Officers Compliance have been appointed in the individual companies until 2017, they will in future continue their previous role as Compliance Ambassadors and thus as Local Contact Persons. In this capacity, they will in future be under the functional authority of, and report to, the RO and, via the RO, to the GO.</p> <p>At the end of each quarter, the Compliance Officer Network, consisting of the ROs, LOs and the Compliance Ambassadors, reports on violations which have been brought before it and on enquiries received. The GO is to be notified without delay of any ad-hoc changes or important developments.</p>
<p>Whistleblower System</p>	<p>A whistleblower system has been launched to give staff members the opportunity of reporting (even anonymously if they so wish) violations of the Compliance Management System. Staff members all over the world can access the external platform which has been created to record and follow up on any violations reported, and to update informants (even</p>

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	<p>anonymously if they so wish) about the status. If matters are reported which, in the final analysis, are not considered to be of relevance to Compliance, the process will be directed to the competent in-house units and the whistleblower is asked to refer to these (for instance HR, Quality Management).</p>
External Audit	<p>As laid down in the TIC Council Compliance Code and relevant Agreed Upon Procedures, a recognized and impartial auditor needs to be appointed every year to officially examine the Compliance Management System. The auditor is chosen by the GO in line with TR's Purchasing Process. Finally, a technical competence validation is undertaken by TIC Council to confirm the auditor's current skills, knowledge and ability. The auditor thus mandated draws up a report in agreement with the TIC Council's Compliance Code and the Agreed Upon Procedures. The report is presented to the Executive Board and passed on to TIC Council to demonstrate that the Compliance Management System introduced and operated is adequate and satisfies the relevant requirements.</p>

6. Specifications

N/A

7. Attachments

N/A

8. Related Documents

- MS-0000057 - Guideline Corporate Social Responsibility (CSR)*
- MS-0022107 - Richtlinie Pruef- und Kalibrierlaboratorium TÜV Rheinland Kraftfahrt (PuK)*
- MS-0033974 - Legal and Compliance Risk Assessment Management*
- MS-0002977 - Contract Review for Offered Service*
- MS-0010148 - High risk NDA Project Management*
- MS-0035990 - Policy Against Sexual Harassment*

9. External Reference Documents

N/A