

Compliance Guideline

figawa e. V.

Version of November 2014

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(Version of 14 november)

according to the decision of the figawa presidial board and the board of directors

Introduction

The companies in the gas and water industry are committed to an economic system based on competition. This includes, on the one hand, the use of existing leeway and, on the other hand, compliance with antitrust law and business ethics requirements. This also applies to the association work in the Association of Companies in the Gas and Water Industry – figawa e.V., Cologne as a technical and scientific association of companies. This guideline serves to ensure compliant action within the association. In accordance with the resolution of the figawa Presidial Board of June 12, 2014, it is binding for all those who participate in the work of figawa.

1. Formal requirements for association meetings

The full-time employee of the association responsible for the respective group sends invitations to meetings of committees, sector groups and working groups of the association in agreement with the chairman appointed in accordance with the statutes. The invitation shall be accompanied by an agenda that is as detailed and concluding as possible. The agenda and other meeting documents must be worded unambiguously and must not contain any items that could give rise to antitrust concerns or create such an impression. A full-time employee of the association shall always be present during the meeting and shall be responsible for ensuring that the proper meeting procedure is followed. At the beginning of the meeting, appropriate reference must be made to the requirements for antitrust law-compliant action within the association. The meeting is to be recorded by the full-time employee of the association. The minutes must be correct and complete, in particular they must reflect all resolutions passed. It must not contain any wording that is ambiguous or questionable from a competition law perspective. Upon receipt of the minutes, the participants of the meeting must check their contents and inform the association immediately if they consider them incomplete or incorrect. In principle, the minutes must be approved at the beginning of the next meeting or by circulation procedure.

2. Topics in meetings of the association

During the meeting only those topics should be discussed that are on the agenda. If a meeting participant nevertheless wishes to discuss a different topic, the committee must formally decide to change the agenda accordingly. The inclusion of a new agenda item must be omitted if it is questionable under cartel law. Each participant in the meeting may put his or her respective concerns on record.

No inadmissible decisions or agreements may be made during the meeting. The chairperson of the meeting must also prohibit spontaneous statements on topics that are questionable from the point of view of competition law. If a legal clarification of

a topic appears necessary, the chairman of the meeting must break off and adjourn the discussion. In the event of legal concerns, any meeting participant may demand that the discussion be broken off and adjourned and record this in the minutes. If a discussion about which a session participant has expressed reservations is nevertheless continued, the participant should leave the session and this should be recorded with name and time. Not only agreements can constitute violations of the law, but also the exchange of sensitive information. Therefore, no company-related information may be exchanged during association meetings that would violate the secret competition. In particular, agreements and information about:

- a) Prices, price components, discounts, price calculations, price strategies and planned price changes
- b) Sales volume, turnover, profits, margins and market shares
- c) Corporate strategies and future market behaviour
- d) Terms of delivery and conditions of payment with third parties

This also applies in principle to information that is publicly accessible.

Furthermore, any agreements on the following are inadmissible:

- e) Offers towards third parties (possibly punishable under § 298 StGB)
- f) Sharing of markets or sources of supply in terms of territory or personnel
- g) Concrete delivery or purchase blocks (boycotts) against other companies

In addition to the discussion and adoption of resolutions on questions of technical regulations and the testing and certification of products, services and technical qualifications (for the special aspects of standardization, however, see item 4), consultations and resolutions are also permitted on:

- a) Current legislative procedures and their consequences for all member companies
- b) Related communication and information services of figawa
- c) Benchmarkings
- d) A general information about the economic situation, which does not allow conclusions about the market positioning of individual products
- e) Development of industrial sector overviews

3. Market information procedure

For statistical purposes and to obtain an overview of the industry, the association may collect market information from its members. However, the corresponding product and company-related data are not to be collected within the framework of association meetings, but exclusively within the framework of a formalized market information procedure. The data is collected by a neutral body that is bound to secrecy and published only in the form of anonymized and aggregated overall data, which does not allow the identification of individual data or other

conclusions. Publication of overall data shall be omitted in particular if they are based on less than five individual data. Employees who obtain knowledge of competition-relevant company-related information in the course of the collection of market information are expressly bound to secrecy by the management.

4. Standardization

The association can participate in the development and definition of technical standards. The mere preparation of technical standards is not yet relevant under antitrust law, but they may have antitrust implications.

For this reason, standardization work within the association as well as in the association's cooperation with other bodies shall be carried out exclusively in special expert committees in accordance with the following standardization principles:

- a) Representation of the current state of science and technology
- b) Voluntary application of the standard to be drawn up, unless the application of this standard is or is to be prescribed by law
- c) Creation of publicity and transparency of the contents and results of standardization work through broad participation of all interested parties (manufacturers, trade, industry, science, consumers, testing institutes and authorities), either through their direct involvement in the drafting process in the standards body or through subsequent transmission of the finished work results for comments and, if necessary, raising objections within a reasonable period of time, and finally publication of the final standard text after revision if necessary
- d) Striving for consensus solutions as a rule, majority voting only as an exception
- e) Neutrality and harmlessness of the standardization results under cartel law, i.e. no special advantages for individual participants, no barriers to market entry for potential competitors or other restrictions of competition, but orientation towards the common good and general benefit
- f) Organizational and economic separation of standardization work from product testing and certification activities in the same technical area
- g) Uniformity, consistency, relevance, cost-effectiveness of the results of standardization.

As a technical-scientific association, figawa supports the DVGW e.V. - and other associations and organizations - in the development and distribution of technical regulations as well as in the execution of testing and certification in accordance with § 2 Numbers 2e and 3 of its statutes. The requirements for the proper execution of rule-set work and for testing and certification, which are anchored in European and national law as well as in the corresponding rules and regulations, also form an analogous part of these guidelines, if applicable.

The same principles should apply to the withdrawal or amendment of a technical standard as to the creation of a new standard.

5. Voluntary Code of Conduct

In principle the association can develop voluntary codes of conduct for its members for narrowly delimitable areas, if this serves a generally recognized goal (e.g. environmental protection, consumer protection). Usually hereby a legal regulation is to be made dispensable. However, voluntary codes of conduct are inadmissible if they restrict the freedom of action of the participating companies in an inadmissible way, make market access for competitors more difficult or in any other way significantly restrict competition.

6. Position papers and press releases

Position papers and press releases of the association may not contain any wording which, intentionally or unintentionally, indicates agreements or uniform behavior of the members or which causes such uniform behavior or gives the impression of a corresponding recommendation of the association (e.g. that additional burdens would have to be passed on to customers by means of price increases). It must always be recognizable that the members are free and independent in their business decisions.

7. Recommended conditions

The association can create non-binding recommendations for its members (e.g. general terms and conditions for supply contracts). This takes place exclusively in special expert committees under examination of the legal framework. The application of such recommended conditions must be voluntary for the members. Otherwise, an agreement on uniformly applicable contractual conditions, including individual clauses, must be avoided.

8. Trade shows

The association may select certain trade shows as leading trade shows and support them in a special way. However, it may not commit itself to exclusivity with regard to this trade fair. It may not openly or covertly call for a boycott of other trade fairs or support such a boycott. For example, in a meeting, an open inquiry as to which members intend or do not intend to participate in a particular trade fair should be refrained from.

9. Admission of new association members

The association is subject to the non-discrimination rule when accepting or rejecting new members. The association may only refuse to admit a company that fulfils the statutory requirements for membership for objective reasons. Factual reasons for a refusal are particularly present if an admission would damage the reputation of the association or lead to considerable discord within the association. If the association accepts new members although they do not meet the requirements for membership according to the statutes, the association may not refuse other comparable companies in a discriminatory manner.

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We are figawa. We are stakeholder, innovation booster and a knowledge network. For everyone who shapes safe and sustainable technologies around gas, liquid fuels and water for our common future.

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