

GTSPA029

GTS
Compliance Guidelines

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Gemeinschaft Thermisches Spritzen e.V.
Association of Thermal Sprayers

GTS Compliance Guidelines – GTSPA029

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Gemeinschaft Thermisches Spritzen e.V.
(Association of Thermal Sprayers)
c/o Linde AG, Linde Gases Division
Carl-von-Linde-Str. 25
85716 Unterschleissheim, Germany

Telefon: +49 89 31001 5546
Fax: +49 89 31001 5364
E-Mail: info@gts-ev.de
Internet: www.gts-ev.de

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1 Introduction

The Association of Thermal Sprayers, GTS e.V. was founded by 13 companies on 22 October 1992 after the groundwork was laid in many dedicated and intensive discussions.

GTS is an association which is open to all users and supporters of thermal spraying throughout Europe. The primary aims of the association's founders were to acquaint a wide industrial public with thermal spray technology, to promote thermal spraying in conjunction with the German Welding Society (DVS), in research and industry, and finally, to support all its members in the industrial marketing of this technology. The joint GTS activities are designed to represent the market interests of its members and to uphold these interests where necessary. In doing so, a high coating quality and corresponding quality assurance remain paramount.

2 General principles

2.1 Why is compliance so important?

Compliance means performing one's professional duties in accordance with laws and regulations. Compliance therefore describes the unquestionable obligation of every employee and of every active member of the association to comply with both the statutory dos and don'ts as well as the internal rules of the association such as the GTS Statutes and these Compliance Guidelines in the day-to-day business of the association.

The success of the association's work and activities primarily depends on its reputation. The mere misconduct of a single employee can damage the credibility and standing of the association, and can also have considerable financial ramifications. It is therefore important that these Compliance Guidelines are strictly observed by staff in their daily work and by members during association events, meetings and activities. Moreover, it is imperative that we clearly signalize to our members and to the public that Compliance is an integral component of our corporate culture.

2.2 What penalties may be imposed for breaches of the law?

The association may be subject to hefty financial penalties not only for antitrust violations but also for other offences. The association may incur fines, compensation payments, the loss of tax privileges and, as a rule, suffer irreparable damage to its image. This, in turn, can lead to members terminating their membership and to declining membership fees.

It is not only the association which will be affected. Individual member companies and other persons involved may also be subject to hefty fines. Possible penalties could range from imprisonment or fines to personal fines and claims for damages and the loss of one's job.

2.3 What is the purpose of the GTS Compliance Guidelines?

These Compliance Guidelines are intended to serve as an orientation tool for the day-to-day business of the association. On the one hand, they will point out the typical risks the association faces and on the other hand advise our members on how to conduct themselves in particular situations.

These Compliance Guidelines only deal with certain legal areas which are of particular relevance to the association's modus operandi. The Compliance Guidelines are neither to be deemed conclusive nor do they provide the right course of conduct for every possible situation.

It is therefore every member's own personal responsibility to promptly seek advice should they doubt the legality of their actions. Ignorance of the individual offers no protection against the consequences of unlawful conduct. In their own interest therefore, all employees are required to familiarize themselves with the laws, regulations and directives which are pertinent to their field of work and to seek legal advice where necessary.

It is of the utmost importance for GTS that antitrust laws are observed in all the association's activities.

3 Meetings within the scope of the GTS association's work (conduct compliant with antitrust laws)

The association performs important work to support its members, which the latter in turn value highly. Joint meetings and conferences, the exchange of information, etc. are legitimate concerns and can be of considerable benefit to the economy. However, this is only possible if all those involved – both the association itself and its members – adhere to the rules of fair competition. GTS has therefore taken a number of compliance measures to ensure that antitrust laws are observed. They above all include:

- these guidelines as a guide to antitrust laws and their application in the daily work of the association;
- our brief information leaflet on the "Dos and Don'ts" in association meetings

The risk of violating antitrust laws is especially high at meetings of the association. For this reason, particularly detailed regulations apply to association meetings.

3.1 Invitation

At least 8 weeks prior to meetings, GTS shall send out official invitations on behalf of GTS including as detailed an agenda as possible. Within a period of 6 weeks, members are entitled to submit amendments to the agenda.

The Head Office shall ensure that the agenda, meeting-related documents and minutes are formulated clearly and unequivocally and do not contain any questionable points under antitrust law.

3.2 Meetings of the association

At least one member of the GTS Executive Board must be present at every GTS meeting.

Chairpersons shall ensure that the meeting protocol (with agenda and minute-taking) is formally and duly followed.

Chairpersons shall instruct the participants at the start of the meeting on conduct compliant with antitrust laws. Participants shall endorse (e.g. by way of a signed attendance list) that they have been instructed and have understood and will adhere to the instructions. For meetings which take place on a regular basis with the same participants, such instruction will not ensue at every meeting but at appropriate intervals.

Chairpersons shall ensure that the agenda is adhered to. Should participants, however, wish to deviate from the agenda, an official member of staff shall formally call for a decision on this amendment and record it in the minutes.

Meeting participants should object to new items on the agenda if they believe that these are questionable under antitrust law or if a decision on an amendment is not formally called for. They should demand that the deviation from the agenda and their objection be recorded in the minutes.

3.3 Minutes of the meetings

Chairpersons shall draw up correct and complete minutes of the association's meetings including the decisions taken there. They shall ensure the wording of the minutes is clear and unequivocal.

Meeting participants should raise objections if they notice that no minutes are being taken.

Meeting participants may also take notes.

The minutes of the association's meetings shall be sent to all participants within 2 months at the latest.

On receiving the minutes, the participants of the meeting shall check that they accurately reflect what was discussed during the meeting and the decisions taken. They shall immediately inform GTS of any incomplete or incorrect minutes, in particular on topics relevant to antitrust law, and demand that they be corrected.

3.4 Conduct at meetings of the association

During the association's meetings, chairpersons shall ensure that, with respect to antitrust issues, no impermissible decisions, agreements, discussions or spontaneous comments ensue.

Chairpersons shall immediately call to order any participants who do not comply with antitrust laws.

Chairpersons should discontinue or adjourn the discussion or, in urgent cases, the entire meeting insofar as legal clarification is necessary.

Meeting participants should demand the discussion or session be discontinued or adjourned if they have reservations about its legality. The request shall be recorded in the minutes.

Meeting participants should leave the meeting if a questionable discussion with respect to antitrust continues. The departure of a meeting participant must be recorded in the minutes, including name and time.

3.5 Permissible topics at an association meeting

In principle, it is permissible to focus on company interests within the scope of an association's activities. All those topics which may also be discussed outside a meeting of the association are in fact permissible. In other words: under the guise of the association's work, no agreement contravening antitrust laws and no inadmissible exchange of information may take place.

Examples of generally permissible topics are:

- general economic data,
- current legislative proposals and their ramifications for all member companies,
- discussions about GTS lobbying activities,
- general exchange of publicly known information.

3.6 Impermissible topics at an association meeting

At association meetings, companies are essentially not permitted to exchange information on topics which violate antitrust laws and/or sealed bidding.

These include, but are not limited to:

- Information or agreements on prices, price components, discounts, pricing strategies and calculations, as well as planned price changes,
- Payment and delivery terms from contracts with third parties,
- Information about corporate strategies, future market trends and capacity utilization,
- Information about profits, profit margins, market share and planned investments provided they have not been made public,
- As a rule, information about research and development projects provided they are not accessible to the public and may not be published,
- Coordination of offers to third parties, partitioning of markets or supply sources in terms of both space and personnel, as well as express or tacit agreements on boycotts and delivery or procurement bans against certain companies.

4 Dealing with benefits/gratuities (anti-corruption)

Dealing correctly with corporate hospitality, gifts, invitations and other gratuities (e.g. donations, sponsoring, fee payments, etc.) is one of the most important prerequisites for an association to work soundly and properly. Any semblance of dubiousness should be avoided at all costs. It is imperative that different legal matters (criminal law on corruption, breach of trust, tax law) be considered from different perspectives (association / employee / third party / donor / recipient).

Granting or receiving gratuities may only ensue in accordance with prevailing law. Any infringement of the law is to be strictly avoided.

It is impermissible to grant gratuities to third parties with the intention of influencing their decisions. This also applies to gratuities intended for a third party (so-called third-party award), e.g. donations to a political party or an association which owns the former.

The following overview is a guideline for dealing with gratuities within the scope of the association's activities. Should questions arise, it is essential that the compliance officer be consulted.

4.1 General principles

All gratuities granted to or received by existing or prospective business partners to establish or maintain good business relations are only permissible within the bounds of accepted social practice and are not offered with the intention of prompting a particular decision.

Corporate hospitality (business entertainment, dinner invitations, etc.) may only be provided within the scope of the association's activities.

Accepting or granting gratuities, the value of which clearly exceeds the benchmark of 40 euros, is basically impermissible. If in doubt, the executive manager responsible or the legal department should be consulted.

All gratuities must be socially appropriate. This means that, depending on their purpose and value, they must not exceed what is customary and fitting for the respective occasion while at the same time taking into account the function and professional status of those participating. For dinner invitations for example, this can be checked by asking whether the person invited would also visit the chosen restaurant privately. This rule of thumb, however, cannot replace careful legal examination.

Giving and receiving inexpensive advertising gifts closely associated with the association or the product (giveaways with the association's or company logo) is generally very low-risk.

Accepting and receiving cash or cash benefits (e.g. loans, securities, deferral of debts, waiver of claims) is not permitted under any circumstances.

Invitations to association events must be sent exclusively to the company address (postal or e-mail address) of the person invited. The invitation must also include information on the type of catering and, where applicable, the accompanying program.

Fees for lectures and expert opinions or similar services as well as any related expenses must be proportionate to the services rendered.

When accepting as well as granting gifts and other benefits (e.g. donations and sponsoring), tax regulations must be observed at all times.

For recipients (GTS staff or third parties), gratuities may be subject to income tax. For the benefactor/donor (GTS), gratuities may constitute taxable earnings and thus be subject to income tax deductions.

Prior to taking respective measures, prevailing tax requirements must be taken into consideration and, if necessary, our tax advisor and the accounting department must be consulted.

4.2 Special policies for gratuities granted to public officials

Further restrictions apply when legitimately offering gratuities to officials.

Public officials (e.g. civil servants, also community officials and members of the EU Commission, state and federal ministers, representatives of public authorities, public sector employees) as well as persons of equal standing who perform tasks for the public service are obliged to execute their duties impartially. Gratuities to public officials must therefore neither compromise their neutrality in the performance of their duties nor impart to the public that the public official is biased in any way.

A gratuity is punishable if it appears to be granted “for the mere performance of the official’s duties”. This means that the gratuity need not be intended as consideration for a specific service; benefits granted as simple “business courtesies” can also be punishable.

For this reason, it is generally not permitted to offer gifts and other gratuities to public officials.

Only in exceptional cases are inexpensive gifts such as calendars, books, basic office materials or personal care products permissible if these are appropriate to the situation and the gratuity does not exceed the maximum value specified in the recipient’s guidelines – 25 euros if no value is otherwise stipulated.

Officials may only be entertained within the scope of the association’s activities (meetings, information events, etc.). This hospitality must be limited to a snack. Officials should be asked in advance whether they is allowed to accept such hospitality.

5 Conflicts of interest

Any semblance of a conflict of interest must be avoided. Possible conflicts of interest must be promptly reported to the superior by the respective employee.

6 Communication both within GTS and with third parties

For all forms of communication, whether written (letter, email, fax, SMS) or oral, an appropriate form of address must be maintained at all times so that such communication can also be presented to third parties (e.g. investigating authorities, courts) if necessary.

Email correspondence in particular must be professional and limited to the essentials.

Communication with the media by way of statements, announcements, reports, etc. is the prerogative of the Executive Board’s press officer.

The expression of personal opinions with respect to association-related topics must be clearly stressed as such by the respective employee. Statements which are detrimental to the association are to be avoided.

7 Compliance with copyright law

Within the scope of internal and external communication, copyright regulations and the right to one’s own image must be observed.

8 Protection of confidential member information

Working with our member companies on the basis of trust and discretion is the cornerstone of a well-functioning association. Protecting the confidential information of our members (in particular trade secrets) is a matter of utmost concern for GTS.

It is therefore the obligation of every employee to handle confidential information with care, in particular by protecting data inventories in their workplace against unauthorized access by third parties; by making transcriptions or copies only for official use; by limiting data records to the essentials while at the same time abiding by our system for archiving documents and emails.

All employees are prohibited from conducting conversations in public about confidential matters concerning members and the association.

Under no circumstances are employees entitled to misuse member or company information for their own purposes.

9 Data protection

GTS shall record, collect, process and use personal data only in compliance with legal provisions. Every employee must observe the legal requirements of the General Data Protection Regulation (EU GDPR) and make every effort to ensure that personal data is protected against unauthorized access by third parties.

10 Discrimination

We reject every form of discrimination. This applies to both within GTS and when dealing with third parties.

Discrimination, particularly on the grounds of ethnic origin, gender, religion or belief, disability, age or sexual identity as well as harassment and exclusion in the workplace are prohibited.

Unterschleissheim, 14/09/2018

Gemeinschaft Thermisches Spritzen
Quality Management for Thermal Spraying