

Tecumseh Products Company Corporate Policy



Tecumseh

400.00 ETHICS REPORTING POLICY

1.0 INTRODUCTION:

Tecumseh Products Company ("Tecumseh") is committed to the strictest standards of ethics and accountability. It seeks to conduct its affairs with the highest integrity according to the requirements of law, Tecumseh's Code of Conduct for All Directors, Officers, and Employees (the "Code of Conduct") and all policies of Tecumseh referenced therein (collectively, the "Code of Conduct") and its Code of Ethics for Financial Managers (the "Code of Ethics"). The Code of Conduct, including all policies of Tecumseh referenced therein, and the Code of Ethics are published on Tecumseh's internet website at www.tecumseh.com. Tecumseh has set guidelines in place to ensure the highest standards of conduct. Tecumseh will not tolerate unethical business practices or any other wrongdoing by its employees, customers or vendors while conducting business with Tecumseh.

The greatest deterrent to unethical business practices is the probability that such wrongdoing will be reported and investigated vigorously, that those who are responsible for it will, in appropriate cases, be punished and that the matter will be promptly remedied. This Ethics Reporting Policy (this "Policy") is therefore intended as a clear and unequivocal statement that, whenever and wherever any such wrongdoing by Tecumseh employees, or by any of its customers or suppliers, is identified by or reported to Tecumseh, it will be swiftly and thoroughly investigated and rectified, and that Tecumseh will make every effort to ensure that wrongdoing is prevented in the future.

This Policy is intended to supplement the Code of Conduct and the Code of Ethics. When feasible, employees and external business associates should discuss their concerns with Tecumseh management. However, Tecumseh recognizes that there are occasions when concerns are so serious that one may not feel comfortable going directly to Tecumseh management but would be more confident raising concerns in a more confidential way. This Policy and the Tecumseh Integrity Help Line are designed to facilitate confidential reporting.

2.0 SCOPE OF POLICY:

This Policy is designed to allow employees or external business associates to raise high level concerns or to provide information, which the individual believes, indicates wrongdoing. This Policy aims to:

- Encourage an individual to feel confident in raising serious concerns and to question and act upon concerns about unethical behavior or wrongdoing;

- Provide avenues for an individual to raise those concerns and ensure that an individual receives appropriate feedback on any action taken and is aware of how to pursue his or her concerns if the response is not satisfactory; and
- Reassure an individual that he or she will be protected from possible retaliation for making any disclosure in good faith and in the reasonable belief that it tends to show wrongdoing.

This Policy is intended to cover concerns regarding potential violations of the Code of Conduct or the Code of Ethics and any of the following (whether or not also covered by the Code of Conduct or the Code of Ethics):

- Financial malpractice or impropriety and fraud;
- Failure to comply with regulatory requirements;
- Dangers to health and safety or the environment;
- Criminal activity;
- Improper conduct or unethical behavior; and/or
- Attempts to conceal any of the above.

Tecumseh employees are likely to be in the best position to learn about and report unethical behavior. Tecumseh expects the fullest cooperation of all its employees in securing the highest ethical standards. That means that, where employees of Tecumseh are aware of or seriously suspect wrongdoing within the company, Tecumseh expects employees to report such wrongdoing, or the serious suspicion of it. This Policy encourages individuals to put their name to any disclosures they make and to provide as much factual information as possible. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of Tecumseh. In exercising this discretion, Tecumseh will evaluate:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegations satisfactorily.

3.0 SAFEGUARDS:

Tecumseh recognizes that the decision to report a concern can be a difficult one to make. Any reporting system will be of little value if those who should report fear that, as the result of making reports, they may experience retaliation. Therefore, Tecumseh will not tolerate any form of retaliation and will take appropriate action to protect those who raise questions or concerns as long as the disclosure is made in good faith and in the reasonable belief that it tends to show wrongdoing.

Tecumseh will treat all disclosures in a confidential and sensitive manner. Tecumseh will make every effort to maintain, subject to any legal constraints, the confidentiality of the individual who reports wrongdoing, so long as it does not hinder any investigation.

If an individual makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against that individual. If an individual makes an allegation frivolously, maliciously or for personal gain, appropriate disciplinary action may be taken against the individual concerned.

4.0 PROCEDURES FOR MAKING A DISCLOSURE:

Tecumseh encourages the resolution of issues at the local level whenever possible. It is an expected good practice, when you are comfortable with it and think it appropriate under the circumstances, to raise concerns first with your supervisor. If this is uncomfortable or inappropriate, another option is to discuss the situation with another member of management at your facility or within your organization. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the wrongdoing. If this avenue is inappropriate, then you should contact the Internal Audit Department via e-mail at internal.audit@tecumseh.com or call the Tecumseh Integrity Help Line, a third party global ethics hotline, at the numbers listed below.

Tecumseh encourages employees to raise concerns when they arise rather than waiting for proof. The earlier the concern is reported, the easier it is to take action. Although you are not expected to prove the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern. Concerns may be raised verbally, by e-mail, or in writing. Those who wish to make an e-mail or written report are invited to use the following format:

- The background and history of the concern (giving relevant dates);
- The reason why you are particularly concerned about the situation; and
- The extent to which you have personally witnessed or experienced the problem (provide documented evidence where possible but do not attempt to conduct a formal investigation).

Written reports should be sent to:

Internal Audit Department
Attn: Director Internal Audit
1136 Oak Valley Drive
Ann Arbor, MI, 48108

The Internal Audit Department will promptly review all reported concerns to determine the appropriate disposition of the matter. In order to protect the individuals and those accused of misdeeds, initial inquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. If the matter is investigated internally, the designated decision-maker will also consider:

- Who should undertake the investigation;
- The procedures to be followed; and
- The scope of the concluding report.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, it will be taken before an investigation is conducted.

Contact Information:

Internal Audit Department
E-Mail: Internal.audit@tecumseh.com

Tecumseh Integrity Help Line for USA
Phone: 800-381-2116

International Dialing Instructions:

Make sure you have an outside line (if using a public phone, make sure it can be used to make international calls).

STEP 1: Enter the AT&T Direct Access Number for the country you are calling from. These numbers change occasionally. To ensure that you have the most up to date international access numbers log onto www.att.com/traveler to obtain the most current numbers.

Brazil -	0-800-888-8288
Canada -	1-800-225-5288
Czech Republic -	00-42-000-101
France -	0-800-99-0011
India -	000-117
Italy -	800-172-444
Mexico -	01-800-288-2872
Thailand -	001-800-110-090

STEP 2: When you hear the English-language voice prompt or series of tone prompts, enter the toll-free hotline number. These numbers are as follows:

Brazil -	888-548-7808
Canada -	800-381-2116
Czech Republic -	800-376-0609
France -	888-240-0621
India -	800-376-0969
Italy -	[tbd]
Mexico -	888-583-5484
Thailand -	888-575-9535

STEP 3: The call will be connected to Global Compliance Service's hotline specialist. If you do not speak English, or prefer to have an interpreter assist you in speaking with Global Compliance Service's hotline specialist, immediately inform the specialist which language you speak. The specialist will then begin conferencing in an interpreter. As this happens, you will hear music, please remain on the line. You will then hear a recorded message in your language to confirm that an interpreter will come on line shortly. An interpreter will then join your conversation and assist you and the specialist in completing the call.