

Rinnai New Zealand – Business Ethics

Business Ethics

The successful operation and reputation of Rinnai New Zealand is built upon the principles of fair dealing and ethical conduct of our employees.

Our reputation for integrity and excellence requires careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal character. Further, Rinnai New Zealand is committed to enhancing the prosperity of the community that we belong to and building a reputation as a trustworthy and responsible member of society.

Our continued success depends upon our clients' trust and we are dedicated to preserving that trust. Our employees owe a duty to our company and its clients, shareholders and business partners to act in a way that merits the continued confidence of the public.

Rinnai New Zealand complies with all applicable laws and regulations. We expect our directors, officers, employees, vendors, customers and others with whom we have a business relationship to conduct business in accordance with the letter, spirit and intent of all relevant laws. We expect these parties to refrain from any illegal, dishonest or unethical conduct.

Failure to comply with this policy will result in management action as follows:

Employees: Discipline up to and including immediate termination

3rd Parties : Appropriate action up to and including termination of the business relationship and any legal action allowable by law

Regulatory Requirements

Rinnai New Zealand's activities are monitored by regulatory entities and we seek to maintain positive relations with these entities. As such, we ensure that all company activities, including research, development, manufacturing, sales and distribution of our products, meet or exceed applicable laws and regulations.

As a matter of company policy, we track and report adverse events to the appropriate regulatory authorities, in accordance with applicable laws and regulations.

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The Commerce Act

The Commerce Act protects free enterprise by prohibiting agreements and practices that reduce competition, such as price fixing or agreeing with competitors to boycott Suppliers or Customers. New Zealand and foreign laws impose criminal sanctions, including jail, for certain violations.

Some examples of unlawful actions include anti-competitive agreements among competitors that involve:

Prices, pricing policies or terms and conditions of sale (including promotions, discounts or allowances)

Credit terms and billing practices

Profits or profit margins

Prices and terms for competitive bids or RFP responses

Type or quality of products or services

Terms of warranties or guarantees

Output restrictions or production volume controls

At Rinnai New Zealand, we strive to avoid creating even the appearance of an improper agreement or understanding by keeping communication with competitors to a minimum and ensuring there is a legitimate business reason for all communications. Unwritten agreements or those not clearly stated can also be considered anti-competitive

Rinnai New Zealand cannot set the customer's resale process or other terms or conditions of sale.

Our membership in a number of trade associations allows us to gather with our competitors and discuss issues of common concern within our industry. However, while these contacts are constructive, they are not immune from The Commerce Act. Employees must take extra care to ensure there is no improper communication at these meetings or trade shows. Contacts should be limited situations that don't violate or even appear to violate any applicable law.

Consumer Guarantees Act, Fair Trading Act.

Rinnai New Zealand will at all times comply with all relevant consumer protection laws and regulations. Any complaints to the company will be investigated thoroughly and if required, any corrective action will be undertaken immediately.

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Marketing Integrity

Rinnai New Zealand is committed to the truthful and accurate communication of information about our products and services to governmental and regulatory agencies, customers and the general public.

To ensure promotional materials adhere to company policy prohibiting misleading, deceptive, fraudulent or insincere information, these materials must:

- Be supported by sound data
- Be consistent with local product labelling
- Include an appropriate balance of information on both benefits and risks
- Be approved through the company's system for promotional review.

Gifts, Favours and Entertainment

Exchanging social amenities of modest value - such as small gifts, meals and entertainment - is a common, permitted practice meant to create good will and establish trust in business relationships. Rinnai New Zealand's policy is to use good judgment and moderation when giving or receiving such amenities and to avoid situations that could compromise or appear to compromise an employee's impartiality. It is, as a general rule, against company policy for employees to offer or accept cash or a cash equivalent (such as a money order). No business gift should ever be conditioned upon or be a reward for purchasing, prescribing or promoting Rinnai products or services.

Soliciting gifts is never appropriate. From time to time, we may ask customers, suppliers and business partners whether our employees have solicited gifts or entertainment.

Employees may accept small gifts valued at \$150 or less, such as promotional items (t-shirts, mugs, caps, etc.). However, small gifts from any party should not exceed \$500 in any year.

Rinnai employees may accept entertainment that is reasonable in the context of business or that advances the company's interest. For example, it would be acceptable for a Rinnai employee, in most cases, to accompany a business contact to a cultural or sporting event or business meal.

Product Safety

Rinnai New Zealand will comply with all relevant product safety legislation, regulations and standards. It is our aim to provide extremely safe products that meet the needs of our customers. In the event of a product fault, Rinnai will remedy the situation as specified in our warranty statement and as required by New Zealand law.

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Environment

Rinnai will endeavour to reduce environmental impacts from all stages of our operation, from product development, manufacturing, marketing and to contribute to local environmental protection that aims for sustainable growth.

Health and Safety

In all processes connected with the provision of our goods and services, Rinnai New Zealand will conduct our business with safety for our staff, suppliers and customers as a primary consideration.

Human Rights

All basic human rights will be respected in all company activities. Respect will be shown for one another's rights and beliefs.

Employee's, customers and suppliers privacy will be treated carefully and discreetly and with full compliance of relevant laws.

Discrimination based on age, gender, sex, or any other physical characteristic or belief will not be tolerated.

Bribery and Corruption

No payments, gifts or services will be given to government officials, including employees of public institutions that are intended to influence (or to even appear to be intended to influence) that official's actions with respect to Rinnai. Whenever a payment or gift is given, it must be legal and legitimate and must be recorded in Rinnai New Zealand's books and records.

Conflicts of Interest

Business decisions and actions must be based wholly on the best interests of the company and not motivated by personal or other considerations or relationships. A conflict of interest arises when an employee puts his or her personal, social, financial, political or other interest before the interests of Rinnai New Zealand. Even the appearance of a conflict can damage an employee's reputation and that of the company. Any situation that creates or appears to create a conflict of interest with the interests of Rinnai New Zealand must be avoided.

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Disclosure

Any potential conflict of interest on the part of an employee must be promptly and fully disclosed to management in writing.

Personal Investments and Other Financial Opportunities

A conflict of interest can arise when an employee, close relative or other person with whom the employee has a close, personal relationship also has a direct or indirect financial interest in an organization that is a company competitor, customer, vendor or other business contact. Rinnai New Zealand strongly discourages such investments.

Board Memberships

An employee may serve on the boards of directors of community and not-for-profit organisations, provided the activity doesn't impair the employee's ability to do his/her job or otherwise create a conflict. To ensure there is not conflict of interest or other problem with employment, an employee must notify management and obtain approval prior to accepting such a position.

Employees may not serve on the board of directors for competitors of Rinnai New Zealand or for a company which has a significant commercial relationship with Rinnai New Zealand without the approval of the Managing Director of Rinnai New Zealand.

Political Activity

Employees may not conduct personal political activity on company time or use company resources for this purpose.

Rinnai New Zealand prohibits direct or indirect contributions to political candidates, office holders or any political parties made on behalf of Rinnai New Zealand, unless the contribution is legal and directly authorized by the Managing Director. Items that can be considered political contributions include, but aren't limited to:

- purchasing tickets to political events,
- furnishing company goods or services
- loan of company personnel during working hours
- payment for advertisements and other campaign expenses.