

Tecumseh Products Company Corporate Policy



200.15 Ethics Reporting Policy

1.0 INTRODUCTION:

Tecumseh Products Company 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 and Tecumseh's Code of Conduct for All Directors, Officers, and Employees (the "Code of Conduct") and its Code of Ethics for Financial Managers (the "Code of Ethics"). Both Codes are published on the Company's internet website at www.tecumseh.com. While Tecumseh has set guidelines in place to ensure the highest standards of conduct, unethical business practices may occur. Tecumseh will not tolerate any such 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 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 Ethics Reporting Policy is intended to supplement the Code of Conduct and the Code of Ethics. When feasible, employees and members of the public 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 Ethics Reporting 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 receive appropriate feedback on any action taken;

- Ensure that an individual receives a response to his or her concerns and is aware of how to pursue them if the response is not satisfactory; and
- Reassure an individual that her or she will be protected from possible reprisals or victimization for making any disclosure in good faith and in the reasonable belief that it tends to show wrongdoing.

This Policy is not to be used as an avenue to address issues that fall under other grievance, complaint, harassment, and discipline procedures. 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. Where employees fail reasonably to report wrongdoing, they become themselves complicit in that unethical behavior, which could result in disciplinary actions.

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 recriminations, victimization, harassment, or detrimental actions. Therefore, Tecumseh will not tolerate any harassment or victimization 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. However, the investigation process may reveal the source of the information, and the individual making the disclosure may need to provide a statement as part of the evidence gathering procedure.

This policy encourages individuals to put their name to any disclosures they make. 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.

If an individual makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against that individual. Of course, 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 the Tecumseh Integrity Help Line at the numbers listed below.

Tecumseh accepts that employees need to be reassured of the utmost anonymity and also provides a third party global ethics hotline to report unethical behavior. (Tecumseh Integrity Help Line) This toll-free hotline service is provided by Global Compliance Services. Global Compliance Services is a leader in providing ethics and compliance hotline services for over 20 years. The toll free Global Compliance Services hotline numbers for each country are 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
100 East Patterson St.
Tecumseh, MI, U.S.A. 49286

Internal Audit will respond to reported concerns. The information will be reviewed, and a decision will be made as to how best to proceed with the investigation. Normally, the decision will be made by two or more other individuals (e.g., Human Resources and Internal Audit) depending on the type of concern reported (e.g., discrimination, fraud, kickbacks, etc.). The decision may be:

- To investigate the matter internally;
- To refer the matter to the police; or
- To call for an independent inquiry.

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.

All investigations will be conducted as sensitively and quickly as possible. Upon completion of the investigation, the concerned individual will be provided feedback as to the action taken, if any. If no action is to be taken, the individual concerned will be informed of the reason for this and allowed the opportunity to remake the disclosure to the Audit Committee Chairman. The Audit Committee Chairman will consider all the information presented, the procedures that were followed and the reasons for not taking any further action. The Audit Committee Chairman will determine if no further action is required or if further investigation is needed.

The person or persons against whom a disclosure is made will be told of it and the evidence supporting it and will be allowed to comment before any investigation is concluded or further action commenced.

A report of all disclosures and any subsequent actions taken will be made by the designated person, who will retain such reports for a specified period of time. In all cases, a report of the outcomes of any investigation will be made to the Audit Committee, in detail where the issue falls within its purview, and in summary in other cases, as means of allowing the Committee to monitor the effectiveness of the process and procedures.

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're 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 -	
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.