

Corporate Gifts and Hospitality Policy

Summary

Overall, our requirement is that the acceptance and giving of gifts or hospitality to/ from clients, suppliers and customers does not prove detrimental to the integrity of our business.

In your own interests and in those of our business, you must strictly adhere to these guidelines at all times; failure to comply will be treated as a disciplinary matter.

Introduction

The giving and receiving of gifts and entertainment can build goodwill in business relationships. In different geographical locations, this practice can vary significantly, often depending on local laws and specific customs. We accept that in the normal course of business, the giving and receiving of reasonable levels of gifts and hospitality is commonplace and we will not unreasonably prevent you from participating in a hospitality event or accepting a gift from a client or customer.

However, we must ensure that:

- our integrity is not compromised by the offering or acceptance of corporate gifts or hospitality.
- We do not incur any criminal liability, either as a company or as individuals, for example resulting from bribery laws.

Purpose

The purpose of this policy is to set out the responsibilities of Group functions and business units in observing and upholding our position on the giving and acceptance of gifts and hospitality. Below, we set out what is/ is not acceptable, and what to do when you receive/ offer gifts or corporate hospitality.

Scope

This policy applies to all employees (staff, contract and temporary) and extends to all our majority owned businesses and transactions in all countries in which we or our subsidiaries and associates operate.

Policy

All employees giving or receiving third party gifts and entertainment in their corporate capacities are expected to exercise good judgement in each case, taking into account pertinent circumstances, including the character of the gift or entertainment, its purpose, its appearance, the positions of the individuals providing and receiving the gift or entertainment, the business context, reciprocity, and applicable laws and social norms. Employees must declare and keep a record of hospitality or gifts accepted or offered, which will be subject to managerial review.

Gifts and entertainment between employees and third parties fall into three categories (please refer to Appendix):

- Those that are usually acceptable and that you may approve yourself
- Those that may be acceptable but require prior approval
- Those that are never acceptable

What to do in the event of being offered/ offering gifts or hospitality

1. check whether acceptable, unacceptable, requires prior approval etc (see Appendix),
2. check with your line manager whether your department or business area has a separate policy, and if so, ensure that you are complying with that
3. check local laws, particularly where gifts or hospitality are being offered to a foreign public official, and
4. Log all instances of gifts and hospitality, whether given or received, on the register (see below), regardless of whether accepted or not.

Gifts/ Hospitality Register

A template showing the information required for the register is attached to this policy. It is your responsibility to complete the template and ensure that the required approvals have been given before registering the gift/ hospitality. This will be maintained by the following individuals:

UK – David Elliott

Italy – Paolo Mandelli

Sri Lanka – Frank Reckrman (Malabe) / Roshan Peiris (Colombo)

USA – Thiksan Arulampalam

India – Rashmi Suvarna

Guidance on what is acceptable

For the purpose of the categories below, the following limits apply:

- Meals - £100 or any lower local limit
- Entertainment - £250 or any lower local limit
- Gifts - £100 or any lower local limit

Acceptable

The following are usually acceptable without prior approval:

- Meals below the specified limit: modest, occasional meals with someone with whom we do business.
- Entertainment below the specified limit: occasional attendance at ordinary sports, theatre and other cultural events.
- Gifts below the specified limit: gifts of nominal value, such as pens, calendars, or small promotional items.
- Paid for attendance at industry events or conferences.

Always unacceptable

Unacceptable gifts/ entertainment include:

- Supplier goods or services for personal use
- Any gift or entertainment that would be deemed illegal (includes anything offered to a government official in breach of local or international bribery laws), unethical or which might potentially cause offence or damage the Group's reputation.
- Gifts or entertainment involving parties engaged in a tender or competitive bidding process.
- Any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options).
- Any gift or entertainment that is a 'quid pro quo' (offered for something in return).
- Any gift or entertainment which might be perceived as over-generous or disproportionate, or which could influence, or appear to influence, the recipient.
- Direct contributions to political parties on behalf of the Group.
- Recurring entertainment eg use of a season ticket or attendance at events where the third party is not actually present.

May be acceptable with prior approval

You must get prior approval from your line manager for the following:

- Entertainment that exceeds the specified limit.
- Gifts that exceed the specified limit.
- Meals that may exceed the specified limit.
- Travel or overnight accommodation associated with entertainment.

- Indirect political contributions, eg making event facilities available to politicians

In determining whether to approve something in this category, managers will need to apply criteria as described in the 'self-approval test' (see below).

In some departments and business units, more restrictive guidelines or rules on gifts and entertainment may apply. Employees must be careful to check local requirements and not to accept any gift or entertainment that does not comply with such guidelines or rules.

Self-approval test:

In addition to applying the principles above, ask the following questions to determine whether a gift or entertainment is appropriate:

- Intent – Is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
- Materiality and frequency – Is the gift or entertainment modest and infrequent or could it place you (or the other party) under an obligation?
- Legality – Are you sure that the gift or entertainment is legal both in your country and in the country of the third party?
- Compliance with the other person's rules – Is the receipt of gift or entertainment allowed by the recipient's organisation? Special care must be taken when dealing with government officials as many countries do not allow officials to accept gifts or entertainment.
- Transparency – Would you be embarrassed if your manager, colleagues or anyone outside the Group became aware?
- Hypocrisy – Are you adopting double standards? We should only offer what we would be comfortable to accept (and vice versa).
- Avoidance of bias – Are indirect political contributions available regardless of party?