



MCBRIDE PLC

GIFTS AND HOSPITALITY POLICY

This Policy applies to everyone in the Group and covers all gifts and hospitality provided to or received from the Group's customers, intermediaries, suppliers and other third parties, in this Policy referred to as "Business Contacts".

During the course of their dealings with the Group's Business Contacts, officers and individual employees may be offered gifts and hospitality. Similarly, officers or individual employees may wish to provide gifts or hospitality to their Business Contacts. The Group encourages the building of these relationships; however, it is essential that any acceptance of gifts or hospitality by the Group's officers or individual employees should be entirely above criticism. Officers and individual employees must at all times be cautious about accepting or providing gifts and hospitality that could give grounds for suggestions of any impropriety on their or the Group's behalf.

The Group prohibits the giving or receiving of any gifts, hospitality or other expenses that could influence or be perceived to be capable of influencing a contractual or material transaction.

Everyone is required to comply with this policy and failure to do so may result in disciplinary action.

Gifts should only be given without an expectation of consideration or value in return. They should not be provided for any purpose other than to enhance relations or to promote the Group.

As part of this Policy a **Group Gifts Register** will be kept and all employees are required to provide the information set out below to the General Counsel & Company Secretary in order for that information to be retained.

Hospitality includes entertaining, meals, receptions, tickets to entertainment, social or sports events with the underlying purpose of initiating or developing relationships with Business Contacts.

The Group recognises that hospitality is an important part of building relationships with its Business Contacts and should be encouraged. **Sensible and proportionate** hospitality provided for a legitimate purpose is therefore permissible. However, hospitality which is lavish, provided too frequently or leaves the recipient in a position of obligation may indicate the existence of an *improper* purpose. A definition of reportable hospitality is provided in **Appendix 1**.

The Group has identified 5 situations where an employee may give or receive gifts or hospitality:

1. Gifts provided to a Business Contact
2. Gifts received from a Business Contact
3. Hospitality provided to a Business Contact
4. Hospitality received from a Business Contact
5. Gifts or hospitality provided to Foreign Public Officials

This Policy outlines these areas to provide guidance on what to look out for and the business conduct expected of you from the Group.

Responsibilities

The Board has overall responsibility for ensuring this Policy complies with our legal and ethical obligations. The Chief Executive Officer and the Executive Leadership Team are responsible for ensuring that the Group operates in accordance with this Policy. Managers other employees with supervisory responsibility have a duty to ensure that not only they but also those under their supervision are aware of and comply with these guidelines.

Quarterly prompts for submitting declarations will be issued to relevant senior executives and managers. **Declarations are mandatory, even if a 'nil return'**. Best practice is for all gifts and hospitality to be reported - the purpose being to protect each individual and to encourage a spirit of transparency.

Please note this Policy is not intended to discourage the giving or receiving of gifts and hospitality in the normal course of business.

This Policy was reviewed and approved by the Board on 26th June 2018 and is signed on their behalf by:

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Rik de Vos
Chief Executive Officer

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Chris Smith
Chief Finance Officer

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Carol Williams
General Counsel & Company Secretary

1. Gifts Provided to a Business Contact

- Token gifts may be offered by Business Contacts.
- On occasion, it may be appropriate to make a more generous gift to a Business Contact for example where local customs demand that you make gifts. However, before doing so, you should think how this would be perceived by an external party. All employees should consider any possible suggestions of *undue influence* upon a Business Contact before making a gift and also whether provision or acceptance of the gift may contravene the recipient's own internal policies. Particular caution should be taken where the gift is to be made to a Foreign Public Official (see section 5). **There may also be tax consequences for the recipient if the value of the gift is more than £250.**
- Approval must be obtained for the making of any gift to a Business Contact, either where the value of the gift is more than £25 (**Note** this may be lower dependent on your local site limits – please consult with your local HR Manager) or where the gift is to be made to a Foreign Public Official (see section 5) by using the **Gifts and Hospitality Approval Form**. (see **Appendix 1**).

Note: once signed off by the relevant level of management a copy of the form should be sent to the General Counsel & Company Secretary and you should also retain a copy for your own records.

- Care should also be taken that several smaller gifts to the same recipient are not provided thereby breaching the overall limits as set out in **Appendix 1**.
- Under no circumstances must gifts be given which are:
 - illegal;
 - cash or which can be easily converted to cash (e.g. loans, stock, all gift certificates);
 - anything as part of an agreement to do anything in return for the gift or entertainment; or
 - any gift which is unsavoury, sexually oriented, or otherwise violates the Group's policies.

This list of gifts is not exhaustive. If you are uncertain whether the gift may be prohibited, please consult with the General Counsel & Company Secretary.

2. Gifts Received from a Business Contact

- As a general rule, you should not accept gifts except of a token kind where the value is estimated to be less than £25.
- It is not acceptable to make a personal gain out of a business transaction.
- Where a gift is made of a value in excess of £25 and it would be impractical or offensive to return it for example during the Christmas period, you should declare this on the **Gifts and Hospitality Approval Form** (see **Appendix 1**), and to your local HR Manager who will determine whether it is appropriate to keep the gift or whether it should be donated to charity. The HR Manager will, in turn, make such declarations to the Leadership team.
- Where the estimated value of the gift being received is more than £250 approval should be sought by using the **Gifts and Hospitality Approval Form** (see **Appendix 1**) together **with a Business Case** (see **Appendix 2**) which should be submitted for approval to your Line Manager or Leadership Team (depending

on the amount involved – see **Appendix 1**), who will authorise it if, in their judgment having considered all the relevant factors, they consider it appropriate.

The above limit may be lower dependent on your local site policy – please consult with your local HR Manager.

Note: once signed off by the relevant level of management a copy of the form should be sent to the General Counsel & Company Secretary and you should also retain a copy for your own records.

3. Hospitality Provided to Business Contacts

- The Group will continue to provide **sensible and proportionate** hospitality as part of its normal customer and business relationship practices. Before offering the hospitality, consideration should be given to how it may be perceived by the recipient and whether acceptance of the offer in itself may constitute the *improper* performance of that individual's role or function. Also, regard should be had to how the hospitality may be perceived by any external party. Repeated hospitality to the same individuals should also be avoided.
- A host from the Group should always be in attendance at a hospitality event. If the value of the hospitality to be provided exceeds £100 in total (**Note** values are subject to local policy), approval should be sought by using the **Gifts and Hospitality Approval Form together** (see **Appendix 1**) **with a Business Case** (see **Appendix 2**) which should be submitted for approval by your Line Manager or Leadership Team (depending on the amount involved – see **Appendix 1**), setting out the purpose of the hospitality, the invitees and the estimated expenditure.
- No contract or agreement for tickets or a booking for an event can be negotiated without appropriate documentation and approval

Note: once signed off by the relevant level of management a copy of the form should be sent to the General Counsel & Company Secretary and you should also retain a copy for your own records.

4. Hospitality Received from Third Parties

- It will be a matter of judgment for each individual whether it is appropriate to accept specific hospitality. However, as a general rule, **hospitality should be sensible and proportionate and for a legitimate purpose**. Accepting lavish or extravagant hospitality could easily be misinterpreted by third parties as could repeated hospitality from the same individuals. You should also **consider the timing** of any offer of hospitality, such as just before or during a contract negotiation, and how that may be perceived by a third party. If you feel that acceptance of the hospitality would leave you in a position of *obligation*, you should politely refuse to accept it.
- Where the estimated value of the hospitality being received is more than £100 in total (**Note** values are subject to local policy), approval should be sought by using the **Gifts and Hospitality Approval Form** (see **Appendix 1**) together **with a Business Case** (see **Appendix 2**) which should be submitted for approval to your Line Manager or Leadership Team (depending on the amount involved – see **Appendix 1**), who will authorise it if, in their judgment having considered all the relevant factors, they consider it appropriate.
- When estimating the value of the hospitality offered, you should also consider the additional costs involved in overseas visits and your reasons for attending. For example, an invitation to speak overseas may mean that it is acceptable for a third party to meet some or all of your travel and / or accommodation costs whereas it may not be appropriate for a third party to pay these costs to attend a sporting or other cultural event.

Note: once signed off by the relevant level of management a copy of the form should be sent to the General Counsel & Company Secretary and you should also retain a copy for your own records.

5. Gifts or Hospitality provided to Foreign Public Officials

- A Foreign Public Official (FPO) includes any person, whether elected or appointed, who performs public functions in any branch of foreign national, local or municipal government. It includes officials holding a legislative, administrative or judicial position of any kind. It also covers a person who exercises a public function, such as professionals working for public health agencies and partners in state-owned enterprises.
- The Group expects you to exercise great care when interacting with a FPO and to ensure you act with the highest level of integrity. The Group's policy is that the giving of gifts to FPOs should be avoided wherever possible.
- However, there may be occasions where it is customary and lawful to do so and in these circumstances, any gifts or hospitality provided to FPOs should be **legal, appropriate and reasonable**. If the gift or hospitality is intended to *influence* the FPO in his capacity as such, the FPO must be permitted or required by written law so to be influenced.
- Prior approval must be obtained for the making of any gift or the provision of any hospitality to a FPO, regardless of its value. Please complete the **Gifts and Hospitality Approval Form** (see **Appendix 1**) and send to your Functional Head.

Note: once signed off by the relevant level of management a copy of the form should be sent to the General Counsel & Company Secretary and you should also retain a copy for your own records.

GIFTS AND HOSPITALITY APPROVAL FORM - NOTES

- **All forms to be lodged with the General Counsel & Company Secretary**
- Quarterly prompts for submitting declarations will be issued to relevant senior executives and managers. **Declarations are mandatory, even if a “nil return”**. If this applies to you, a simple email confirmation is acceptable.
- **Reportable** gifts and hospitality is defined by the values in the table below.
- It is not intended to discourage the giving or receiving of gifts and hospitality in the normal course of business, but employees must consider both the actual intention and the potential external perception when considering providing or receiving gifts and hospitality. Even those of a value falling under the “**Reportable**” levels may be seen as beyond the normal course of business in some circumstances.
- If you do receive or offer gifts or hospitality, you should complete the form and obtain appropriate authorisation with immediate effect, and without delay, you should not wait for the quarterly reminder.
- You should retain a copy of the form for your own records.
- In summary: “**If in doubt, fill the form out**”

AUTHORITY LEVELS

Gifts – Giving and/or Receiving

Value of Gift (subject to local limits)	Level of Authorisation	Business Case Required
Less than £25	Self authorise	No
£25 to £250	Line Manager	No
Above £250	Functional Head	Yes (receipt of a gift <u>only</u>)

Hospitality – Giving and/or Receiving

Value of Hospitality (subject to local limits)	Level of Authorisation	Business Case Required
£0 to £100 in total	Self authorise	No
£101 to £1000	Line Manager	Yes
Above £1000	Functional Head	Yes



GIFTS AND HOSPITALITY APPROVAL FORM

Please complete the form and accompanying business case where relevant and return to:

C.Williams@Mcbride.co.uk

Gifts or hospitality provided to Foreign Public Officials must be sought by sending the Gifts and Hospitality Approval Form to your Functional Head.

Name	
Description of gift or hospitality	
Value/Estimated value of gift or hospitality	
Date of offer / date of receipt of gift and hospitality	
Person/body offering/providing the gift or hospitality	
Person or body receiving the gift or hospitality (other than / as well as you) ¹	
Any relationship (including potential future relationship) which you or the third party agency has with the person or body offering / receiving the gift or hospitality	
Why accepting / offering the gift or hospitality is in the interests of McBride (if at all)	
For <u>gifts (including items such as tickets and</u>	

¹ Where the gift or hospitality is to be received by a Foreign Public Official this must be expressly stated in this particular box.

<p><u>vouchers</u>): do you seek permission to retain or use the gift yourself, or will you be passing it to HR to be passed on to charity or to be dealt with by McBride in some other way?</p>	
<p>For <u>hospitality or gifts already enjoyed, used or consumed</u>: why was prior approval not sought</p>	

.....
Signed by person offering / receiving gift or hospitality

.....
Date

.....
AUTHORISATION USE ONLY

DECISION	APPROVED / DECLINED
<p>REASONS FOR DECISION (if any)</p>	

.....
Name of Line Manager / Functional Head

.....
Signed by Line Manager / Functional Head (Gifts over £250 / Hospitality over £1000)

.....
Date approved / declined

BUSINESS CASE

- This form should be submitted to the local HR Manager with a Gifts and Hospitality Approval Form where the value of the gift being received exceeds £250 or the Hospitality being offered or received exceeds £100 in total.
- It is the responsibility of the employee and line manager to ensure appropriate approval levels are met.
- Completed forms must be retained by the employee and local HR team for future audit purposes.

To: Name of local HR Manager

From: Name of person offering/receiving hospitality

Description of hospitality	
Background & Objectives (Describe the nature of this business case and why it is being proposed)	
Cost summary	
Summary of potential benefits to McBride	

.....

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Signed by person offering/receiving hospitality

Date

.....

.....

AUTHORISATION USE ONLY

DECISION	APPROVED / DECLINED
REASONS FOR DECISION (if any)	

..... /

Name / Signed by Line Manager (£101 (or £51pp)- £1000) / Functional Head (over £1000)

Date approved / declined