

GIFTS & HOSPITALITY POLICY

1. Policy statement

The purpose of giving or receiving gifts and hospitality in a commercial setting is to foster good working relationships. This policy clarifies when gifts and hospitality may be offered or accepted and the record-keeping requirements.

2. Who does this policy apply to?

This policy applies to all full and part-time employees of Frankart Global, as well as temporary staff. It also applies to agents and other third parties acting on our behalf. Employees who work overseas must comply with the stricter of this policy and the local law of the country in which they work. For example, if this policy restricts gifts in excess of a specific value and local laws restrict gifts to a lower value, then the lower value is the one that must be complied with.

3. What types of gift/hospitality are never acceptable?

Certain gift and/or hospitality should **never be given or accepted**. These include:

- Gifts and hospitality that have been requested by our clients or other third parties
- Cash or cash equivalents (such as gift cards or gift vouchers)
- Anything that is illegal, unsavoury or sexual in nature
- Anything that is received on the basis of a quid pro quo (i.e. on the basis that it is conditional upon receiving something in return)
- Anything that might give rise to a perception or suspicion that the recipient has been unduly influenced
- Gifts or hospitality which are lavish or extravagant
- Gifts or hospitality offered during a tender or bid process, to or from any party involved
- Gifts or hospitality which is recurring, regular and/or could be part of a reciprocal arrangement.

4. What do we mean by “gifts” and “hospitality”?

A “**gift**” is any item of value provided or offered for the personal benefit of the recipient or a close contact (family, friend or colleague) at no cost, or a cost that is less than its commercial value. Gifts can also include offers of employment to family members.

“**hospitality**” is any offer of travel, accommodation, food, drink or an invitation to any event (e.g. concert, sporting event, either as a spectator or participant) in the company of a third party (including a client), which the recipient has received, or has themselves offered, as a result of their or their business’s employment by Frankart Global. If a representative of the third party is not present at an event as the host, tickets for the event will be regarded as a gift and will be subject to the gifts value threshold and procedure stated below.

This policy does not apply to private gifts or hospitality between Frankart Global employees, e.g. at Christmas, Diwali or birthdays. That is at the discretion of the employees concerned. Gifts or hospitality provided to Frankart Global employees which is partially or fully funded by Frankart Global should be referred to the COO or CEO to ensure it



receives the appropriate tax treatment.

5. What can we accept?

Remember that the acceptance of any gift or hospitality requires careful judgement at all times. The table below sets out the rules in connection with gifts/hospitality we may receive and give to business partners who are not government officials (see section 6 for the rules relating to government officials).

For employees involved in procurement, contract negotiation, tender/bid submission or those involved in the payment approval process, all gifts and hospitality (no matter how small) must be disclosed on a G&H Received Form and are subject to the approvals noted below.

Value (inc. GST)	Gift	Hospitality
Received (G&H Received)		
Of less than INR 2000 in value.	Items can be accepted and do not need to be recorded. However, if multiple items of less than INR 2000 are offered to you in one year, they must be recorded on a G&H Received Form.	A working lunch may be accepted and does not require completion of a G&H Received Form. All other offers of hospitality should be recorded by completing and submitting a G&H Received Form.
Between INR 2000 and INR 5000 in value	Items can be accepted but you must record all instances of gifts offered to you, (whether or not accepted), by completing a G&H Received Form.	
In excess of INR 5000 in value	You cannot accept offers of gifts or hospitality unless this has the prior approval of your line manager and Chief Operating Officer (COO) by completing and submitting a G&H Received Form.	
In excess of INR 10000 in value	You cannot accept offers of gifts or hospitality unless this has been approved by the Business Division Finance Director for your Business Division (BDFD) (for Frankart Global Corporate Functions this is by the Chief Operating Officer (COO)) by completing and submitting a G&H Received Form.	
Offered (Given) to business partners (incl. clients)		
	Gifts/Hospitality	
Of less than INR 2000 in value	All gifts to be offered must be recorded on a G&H Given Form and authorised in advance by your line manager on a G&H Given Form.	A working lunch may be offered and does not require completion of a G&H Given Form. All other offers of hospitality must be authorised in advance by your line manager on a G&H Given Form.
In excess of INR 2000 in value	Any offers of gifts or hospitality must be authorised in advance by your line manager and relevant (BDFD) via authorisation on a G&H Given Form.	
In excess of INR 5000 in value	Any offers of gifts or hospitality must be authorised in advance by your line manager and BDFD (for Frankart Global Corporate Functions this is the COO) prior to any offer being made via authorisation on a G&H Given Form.	

Notes:

- (1) Value includes all associated costs for the gift or hospitality e.g. travel, accommodation etc. not just the ticket price. Overseas employees should use local currency equivalent.
- (2) A working lunch is a simple meal during or at the conclusion of a meeting (at which there was a formal agenda) and has a small intrinsic value i.e. of less than INR 1000 per head in total.
- (3) Finance Department must be informed of any hospitality being extended to the spouses or partners of those attending, whether of third parties or Frankart Global employees, via a G&H Given Form.
- (4) For employees in Frankart Global Corporate Functions where COO approval is required this may be given by the Head of the relevant Central Function but must still be recorded.

6. Gifts, hospitality and government officials

Particular care must be exercised whenever you wish to offer gifts or hospitality to government officials. Government officials are typically employees of national, regional, or local government. They can include employees of companies owned or controlled by national, regional or local government as well as members of government (MPs, Ministers,



Councillors and the like).

Value (inc. VAT)	Gifts offered to government officials	Hospitality offered to government officials
Of less than INR 2000 in value	Gifts can be offered but must recorded, (whether or not accepted), by completing a G&H Given Form.	A working lunch may be offered and does not require completion of a G&H Given Form. All other offers of hospitality must be recorded, (whether or not accepted) by completing a G&H Given Form.
Between INR 2000 and INR 5000 in value	Any offers of gifts or hospitality must be approved in advance by your reporting manager via authorisation on a G&H Given Form.	
In excess of INR 5000 in value	Any offers of gifts or hospitality must be authorised in advance by the Deputy General Manager of the department via authorisation on a G&H Given Form.	
In excess of INR 10000 in value	Any offers of gifts or hospitality must be authorised in advance by the DGM and the COO via authorisation on a G&H Given Form.	

7. Sponsorship and political and charitable donations

This policy does not restrict staff from their own personal charity activities. Please consider carefully any requests you make for sponsorship from third parties who are in a business relationship with Frankart Global. Any approach from an external party requesting sponsorship must be referred to the Corporate Social Responsibility department. Any approach from third parties for items to be gifted, e.g. for inclusion in charity raffles or local fetes, must be referred to the Group’s corporate communications department.

Frankart Global does not make donations to any political parties. Any requests for such a donation must be declined, and repeated requests received should be reported to the Group Compliance Director. Any approach requesting a charitable donation must be referred to the Corporate Responsibility department.

8. Reporting and authorisation procedures

G&H Received and Given forms should be used to report appropriate gifts and hospitality offered or received.

Forms must be completed in sufficient detail so they could be understood by an independent third party, i.e. use names not initials, full organisation names, and provide a description of the actual event(s) not just location(s). You must include details of all Frankart Global attendees at an event, not just third parties as well as names of any partners or spouses who attend.

Forms should be submitted via the employee’s line manager, who will pass completed forms to the relevant DGM. Where forms are used for retrospective notification, forms should be completed and submitted within a fortnight of the gift being given or of the date of the event.

If a form has been authorised in advance, and details change subsequently (e.g. due to illness, or different parties attend an event) then a revised form must be submitted.

It is the responsibility of the DGMs to consolidate their business unit’s or corporate functions’ individual forms on the business unit’s/function’s G&H register.

At least quarterly, this register must be presented to the relevant business unit’s Board/corporate function lead for



consideration. The DGM should also compare the current quarter with previous ones, and any trends should be brought to the Board's/function lead's attention. The Board/function lead should consider the pattern of G&H received and offered to determine if this is appropriate, as well as the rolling annual spend by the business/function. Following such review, the DGM and another business unit director or the function lead should sign the register on behalf of the business unit/function, prior to its submission, together with the Board/function lead sign-off, by the DGM to Finance Department and to the COO.

9. Consequences of breaching this policy

Non-compliance with this policy by employees may result in disciplinary action up to and including summary dismissal, and by contractors or agents to termination of contract.

A breach of this policy could also be a violation of local laws and therefore result in civil and criminal penalties for the relevant company and/or individuals concerned.

10. Further information

If you have any queries, your first point of contact should be your line manager. For those based in the India, you may also contact: +91 9319487027.

How to raise a concern

If you have a concern or suspect a violation of this policy we want you to speak up immediately. Speaking up can be a difficult thing to do, so be reassured that all information received will be treated seriously and investigated appropriately. If you act in good faith, believing your information is accurate, we will protect you even if you are wrong. Some concerns can be addressed by speaking to the person whose conduct is the cause for concern. We understand that this is not always possible, so we suggest that you speak to your line manager. If, for whatever reason, you do not feel comfortable doing this, you can contact any member of the Human Resources, Compliance or Legal departments.

Guidance and Frequently Asked Questions

1. What should you do if you are offered a gift/hospitality?

You should first determine whether you can accept the gift/hospitality seeking approval as needed. While waiting for approval you may wish to advise the giver that approval is required, e.g. "Frankart Global has a strict policy on gifts and hospitality, so I'm sure you'll understand that I will need to check first before accepting your kind offer/gift."

2. What should I do if I am not allowed to keep the gift or take the hospitality?

In some cases, even though you cannot keep the gift, it may be permissible to use the gift within or by your business unit, (e.g. all sharing a box of chocolates, or displaying a bouquet received in reception), or possibly donating the gift to a charity (having advised the donor with a suitably worded note explaining why the gift cannot be retained). In the event that a gift or hospitality cannot be accepted it must be declined with courtesy, but without apology, with an explanation that it falls outside Frankart Global's policy.

For example, you might say: -



“Thank you for your generous offer of [mention Gift or Hospitality]. As you may be aware, Frankart Global has a strict policy on the giving and receiving of gifts and hospitality. In the circumstances, [add detail] I am not able to accept your kind offer/gift [, and [assuming that you have no objection,] will be donating it to charity [or similar].”

3. Do I need to record the gift/hospitality even if I don't accept it?

Yes - even if the gift or hospitality is not accepted it must be recorded on a G&H Received Form with an explanation detailing what happened to the item (i.e. accepted, donated, etc.). This protects you by formally recording and acknowledging the matter, and reduces the potential for allegations of impropriety.

4. What about conferences, training courses or dinners?

Frankart Global recognises the business benefit of attending events, conferences and dinners as a part of building and maintaining relationships. However, these should be proportionate to the attendee and their role, and be limited in cost and occurrence. A perception of favouritism or advantage can arise where we repeatedly and regularly attend events run by the same third party.

Attendance on training courses which include buffet style food, or at breakfast/luncheon briefings are not deemed to be hospitality, and as such need not be reported. However, playing a round of golf (or attending a sporting or other event or equivalent) with external parties at which business matters / industry updates & concerns are discussed is considered to be hospitality and should be recorded in line with this policy.

5. Are there other issues I should bear in mind when attending a hospitality event?

When attending a hospitality event, you should consider who else might be attending. This is especially so if you are employed in a sensitive role (e.g. procurement) or involved in sensitive operations (e.g. bid/tender preparation). Any concerns should be referred to your DGM. It is acknowledged that you may not know ahead of time who is attending an event. Therefore, you are required to exercise care at such events.

6. What if the attendees at an event change at the last minute?

As some forms must be submitted for authorisation in advance, any subsequent change in attendees at a hospitality event must be recorded post-event and resubmitted, to ensure correct records are maintained.

7. How do I deal with season tickets, golf memberships and the like?

If, within your business, you hold any kind of season tickets, debenture tickets or box hire for sports or other events, or golf memberships, etc. which provide on-going opportunities for business entertainment, the Finance Department must be informed at the outset. You must also complete a G&H Givens Form on each occasion where the 'facility' is used. This must detail all of those in attendance and the approximate cost for that occasion. This includes occasions where offers to third parties are not accepted and so Frankart Global employees and their partners attend rather than wasting the tickets.

Whilst this is not strictly hospitality, it is suggested that you use the same form as it covers all required information for these situations.



8. In whose name do I offer the gift/hospitality?

All offers of gifts or hospitality must be made and offered in the name of Frankart Global, at Frankart Global's expense and in accordance with this policy. You should not offer any gifts or hospitality to business contacts in your own name or at your own expense.

Any gift or offer of hospitality must be given in public, and sent to the business address, rather than the private address, of the recipient.

9. How do I deal with local customs in overseas markets?

You should bear local customs in mind to avoid giving offence. With regard to gifts to non-government officials if it is perceived that compliance with this policy will cause continuing problems in an overseas location, the Overseas FD should record agreed exceptions and obtain authorisation from the Overseas MD, as an addendum to the policy for that specific territory. For government officials the Overseas FD should consult with the COO. A copy of any authorised addendum must be provided to the COO and the Finance Department.

10. What about accommodation and travel costs?

These should be included in the calculation of the value of the gift/hospitality to determine the level of approval required in each case.

During a bid/tender process or site assessments you should not offer to pay for or reimburse accommodation and travel costs incurred by customers or potential customers without prior authorisation from your DGM. After contract award, Frankart Global's standard gifts and hospitality policy requirements apply, but you must not allow a situation to arise where any gift or hospitality might be deemed by others to be a 'reward' for the outcome of the tender or a potential inducement in subsequent negotiations.

11. What about partners/spouses receiving gifts or attending events?

Any offers of gifts, hospitality or equivalent benefit, regardless of cost or value to members of your family (spouse, partner, etc.) must also be declared on a G&H Received Form (where received from a business contact), or a G&H Given Form (where received from Frankart Global or where Frankart Global is hosting). Examples could include tickets for a spouse to attend a concert, or a work placement for a child - this is only of relevance where the third party is in an associated business and may expect a reciprocal benefit. You should ask yourself if this opportunity or item would have offered if you did not work for Frankart Global. The Finance Department must be informed of all instances where partners or spouses of Frankart Global staff attend events/receive gifts such that the tax can be correctly dealt with.

12. What about trade or discount cards

Trade and discount cards (other than those negotiated by Frankart Global on behalf of all staff) by which you might benefit from the purchase of goods or services at a reduced price, are classified as gifts and should be politely declined. If such a card has already been accepted, this should be returned to the sender. In all cases, you should ask yourself if you would have received the item if you did not work for Frankart Global.

13. What can be offered during a bid process?

You can only offer an occasional cup of coffee/working lunch to public officials or to employees of companies or



organisations where Frankart Global is already, or anticipates joining, in a commercial relationship.

14. How much detail do I need on the forms about the gift or event?

You should be specific, e.g. ABC Launch Party, not just 'Launch Party'.

15. What should line managers and DGMs consider when deciding whether to approve a gift/hospitality or not?

When line managers and DGMs are considering whether or not to authorise gifts and hospitality, they should consider how the giving or receiving of such gifts and hospitality would appear to outsiders, as well as whether they comply with this policy. They should also take account of prior invitations/gifts to determine if there is a pattern from any third party, or with regard to any employee. Such an assessment should be made bearing in mind the size and profile of the third party, and the roles of the invitees.