

GIFTS AND HOSPITALITY POLICY

The exchange of gifts and hospitality can promote goodwill in business relationships but some gifts and hospitality may create, or appear to create, improper influence which could potentially damage the reputation of CRE.

This policy is therefore establishing rules that all officers and employees of CRE should follow:-

“Gifts and Hospitality” covers anything which can have a value attached to it, e.g. prizes, transportation, use of vacation facilities, discounts, favourable terms on products or services, meals, event tickets, gift certificates, home improvements, etc.

Gifts and Hospitality between CRE employees and others fall into three categories:-

“Usually Acceptable” no approval required up to £50 (*certain gifts and hospitality are sufficiently modest that they do not require prior approval*) ie

- **meals:** occasional, modest meals with someone with whom we do business or potentially could do business with in the future
- **hospitality:** occasional attendance at ordinary, sports and theatre events
- **gifts:** gifts of a nominal value such as pens, calendars or small promotional items

In considering whether gifts and hospitality fall under this category, the following self-approval test should be applied:-

- **intent:** is the intent only to develop a *bona fide* business relationship or offer normal courtesy, or is it to influence the recipients objectively in evaluating a business decision?
- **materiality and frequency:** is the gift or hospitality modest and infrequent or could it place either party under an obligation?
- **compliance:** with other parties' rules – is the receipt of a gift or hospitality allowed by the other parties' company?
- **transparency:** would you be embarrassed if your Manager or work colleagues became aware? If so, there is probably something wrong
- **legality:** are you sure that the gift or hospitality is legal? (This test should be fully considered if working outwith the UK).

“May be acceptable with prior approval” where a gift or hospitality does not fall into the above categories, then the gift or hospitality may or may not be permissible. Approval must be obtained from the Managing Director or Financial Director for the following:-

- hospitality that exceeds £50
- gifts valued at more than £50
- special events eg European football match, major golf tournament (these would normally have a value in excess of £50)
- travel or accommodation as this would normally raise the personal benefit to material levels

“Not Acceptable” certain gifts and hospitality are simply wrong and are never permissible and, as such, no-one can approve them.

Gifts and Hospitality in this category are:-

- gifts or hospitality involving parties engaged in a tender or competitive bidding process
- any gift or hospitality that is *quid pro quo* (offered for something in return)
- any gift of cash or cash equivalent eg gift certificates, loans, stock options
- any hospitality that is indecent, sexually oriented, does not comply with CRE's commitment to mutual respect or that otherwise might adversely affect the Group's reputation
- any gift or hospitality that would be illegal (anything offered in breach of local or international bribery laws).

Compliance with this policy will be deemed to be a condition of the officer's or employee's written statement of terms and conditions of employment. In order to provide transparency a Benefit Register will be maintained by CRE. With the exception of nominal value items such as promotional material, mementos and meals under £50 all other gifts and hospitality must be recorded in the Benefit Register. The Benefit Register will be available for regular inspection by the Board, management and the company's auditors.

Note 1:

With regard to gifts and hospitality it may be difficult to place an exact value on the gift or hospitality received therefore the employee is being asked to provide, to the best of their ability, an approximate value of the gift or hospitality extended. Note that if the hospitality is a meal, polo shirt (gift) and a round of golf the total value of the hospitality received/offered should be estimated.

Note 2:

Where an employee entertains, or is entertained by, a third party repetitively in a 4 week period then irrespective of the individual value of the gift or hospitality, each situation must be recorded in the Benefit Register.

In a situation where an impermissible gift is offered (ie a gift which exceeds a designated monetary limit but is not cash or cash equivalent) it can be appropriate to accept the gift if it is considered insulting to decline. In such circumstances the gift must immediately be reported to the Managing Director or Finance Director and entered in the Benefit Register.

The Managing Director or Finance Director will decide whether the gift:-

- may be retained by the employee
- retained for the benefit of the Company
- sold and the money donated to charity
- returned to the donor

Where practicably possible the Benefit Register Form (ST/F/105 Rev 1) should be completed and e-mailed to benefitregister@cre-marine.com prior to accepting/offering the gift or hospitality. In situations where this is not possible the Benefit Register Form should be completed and e-mailed as described above on returning to the office.



R MAIR

Managing Director

3 September 2019

Next review date: 2 September 2020