



## **Gift & Entertainment Policy**

### **Introduction**

The Modulaire Group Gift & Entertainment Policy is designed to protect our employees and Modulaire Group. The policy addresses the following:

- Accepting gifts from non-government officials;
- Giving gifts to non-government officials;
- Accepting entertainment from non-government officials;
- Providing entertainment to non-government officials; and
- Giving gifts to or accepting gifts from government officials and providing entertainment to or accepting entertainment from government officials.

Specific guidelines for Procurement employees are also addressed. If you have any questions concerning the Modulaire Group Gift & Entertainment Policy, please contact your Ethics and Compliance Advisor (“ECA”).

Supervisors and employees are responsible for ensuring strict adherence to Modulaire Group’s Gift & Entertainment Policy.

For the purposes of the Gift & Entertainment Policy, an “employee” means employees (whether fixed term, permanent or temporary) directors, officers and other individuals working for Modulaire Group, such as contractors and agency workers.

All amounts in the Gift & Entertainment Policy should be converted into local currency using current exchange rates.

### **Accepting Gifts (Non-Government Officials)**

Modulaire Group recognises that it is customary for some of its suppliers, customers and other business associates to occasionally give small gifts to those with whom they do business. It is important, however, that these gifts do not affect an employee’s business judgment, or give the appearance that judgment may be affected. Accordingly, employees must be very careful when it comes to accepting gifts. As a general rule, employees may accept gifts from suppliers, customers, or other business associates, provided the gift:

- Does not create the appearance (or an implied obligation) that the gift giver is entitled to preferential treatment, an award of business or better pricing;
- Would not embarrass Modulaire Group or the gift giver if disclosed publicly;
- Has a retail value of €100 or less; and
- Does not exceed any specific limits established by local management.

If the gift received by an employee does not meet the above criteria and it is impractical or offensive to return the gift, it must be reported to the employee's supervisor and disclosed in the Conflict of Interest Form to the applicable ECA.

The following gifts are never appropriate:

- Gifts of cash or cash equivalent (such as a gift card or gift certificate);
- Gifts prohibited by local law;
- Gifts given as a bribe, payoff, or kickback (e.g. in order to obtain or retain business, or to secure an improper advantage, such as securing a bid);
- Gifts the recipient knows are prohibited by the gift giver's organisation;
- Gifts given in the form of services or other non-cash benefits (e.g. the promise of employment); and
- Gifts to family members of Modulaire Group employees.

For any 12 month period, the cumulative annual value of all gifts an employee may receive from any one gift giver or organisation cannot exceed €250, unless disclosed in the Conflict of Interest Form and approved by the applicable ECA.

Employees who receive a gift at an event of ceremonial nature (e.g. a customer outing or a commemoration of a business transaction) that might not be appropriate under these guidelines, but impractical or offensive to refuse, may accept the gift and must report it to their ECA using a Conflict of Interest Form.

### **Giving Gifts (Non-Government Officials)**

Occasionally, offering gifts to third parties may be appropriate to strengthen relationships or comply with local customs. Accordingly, employees may offer gifts to suppliers, customers or other business associates for legitimate business purposes, such as building goodwill and strengthening working relationships, provided the gift:

- Would not embarrass Modulaire Group or the recipient if disclosed publicly;
- Has a retail value of €100 or less; and
- Does not exceed any specific limits established by local management.

The following gifts are never appropriate:

- Gifts of cash or cash equivalent (such as a gift card or gift certificate);
- Gifts prohibited by local law;
- Gifts given as a bribe, payoff, or kickback (e.g. in order to obtain or retain business, or to secure an improper advantage, such as securing a bid);
- Gifts the gift giver knows are prohibited by the recipient's organisation;
- Gifts given in the form of services or other non-cash benefits (e.g. the promise of employment) and
- Gifts to family members of customers, suppliers, or other business associates.

For any 12 month period, the cumulative annual value of all gifts an employee may provide to any one recipient or organisation cannot exceed €250, unless disclosed in the Conflict of Interest Form and approved by the applicable ECA.

Employees are expected to exercise good judgment in offering gifts to suppliers, customers, or other

business associates. Employees should talk to their supervisor and/or ECA when in doubt as to whether an event, location or expenditure is appropriate.

### **Accepting Entertainment (Non-Government Officials)**

Business entertainment (e.g. tickets to the theatre or a sporting event) can play an important role in strengthening working relationships among business associates. Accordingly, Modulaire Group permits business entertainment when done for legitimate business purposes, such as building goodwill and enhancing relationships with customers or suppliers, provided that it complies with these guidelines. Specifically, accepting entertainment from Modulaire Group business associates is permitted only if such entertainment:

- Is infrequent;
- Is not a bribe, payoff, or kickback (e.g. in order to obtain or retain business, or to secure an improper advantage, such as securing a bid);
- Has a retail value of €250 or less;
- Does not create the appearance (or an implied obligation) that the host of the business entertainment is entitled to preferential treatment;
- Is in good taste, occurs at a business appropriate venue and would not embarrass Modulaire Group if disclosed publicly;
- Is reasonable and appropriate in the context of the business occasion;
- Would not influence, or appear to influence, the employee's ability to act in the best interest of Modulaire Group; and
- Complies with any specific limits established by local management.

For the purpose of measuring value, the €250 limit will be applied to each person separately, but the value of a function will be aggregated for each person. For example, drinks, dinner and theatre on the same evening are considered a single function. Subject to the above conditions, for any 12 month period, the cumulative annual value of entertainment that an employee may accept from any one business associate or firm is €500, unless disclosed in the Conflict of Interest Form and approved by the applicable ECA.

The following is never appropriate:

- Entertainment that can be viewed as excessive by an objective third party;
- "Adult" entertainment, defined as nightclub type entertainment that includes shows or other activities with an overtly sexual content (e.g. topless bars and strip clubs, etc.);
- Entertainment that the host knows the recipient is not permitted to accept;
- Entertainment that is otherwise prohibited by local management.

Note that these entertainment guidelines apply only to situations in which the host is present. Tickets to sporting or cultural events provided to employees by business associates and not attended by the host are considered "gifts" and not "entertainment" and should be viewed under the gift guidelines above.

### **Providing Entertainment (Non-Government Officials)**

Business entertainment (e.g. tickets to the theatre or a sporting event) can play an important role in strengthening working relationships among business associates. Accordingly, Modulaire Group permits business entertainment when done for legitimate business purposes, such as building goodwill and enhancing relationships with customers or suppliers, provided that it complies with these

guidelines. Specifically, entertaining business associates is permitted only if such entertainment:

- Complies with the Delegation of Authority;
- Is infrequent;
- Is not a bribe, payoff, or kickback (e.g. in order to obtain or retain business, or to secure an improper advantage, such as securing a bid);
- Has a retail value of €250 or less;
- Does not create the appearance (or an implied obligation) that Modulaire Group is entitled to preferential treatment;
- Is in good taste, occurs at a business appropriate venue and would not embarrass Modulaire Group if disclosed publicly;
- Is reasonable and appropriate in the context of the business occasion;
- Complies with any specific limits established by local management; and
- Is not a violation of the policy of the recipient's employer.

For the purpose of measuring value, the €250 limit will be applied to each person separately, but the value of a function will be aggregated for each person. For example, drinks, dinner and theatre on the same evening are considered a single function. Subject to the above conditions, for any 12 month period, the cumulative annual value of entertainment that an employee may provide to any one recipient or firm is €500, unless disclosed in the Conflict of Interest Form and approved by the applicable ECA.

The following is never appropriate:

- Entertainment that can be viewed as excessive by an objective third party;
- "Adult" entertainment, defined as nightclub type entertainment that includes shows or other activities with an overtly sexual content (e.g. topless bars and strip clubs, etc.);
- Entertainment that the host knows the recipient is not permitted to accept; and
- Entertainment that is otherwise prohibited by local management.

Note that these entertainment guidelines apply to situations in which hosting employees are present. Tickets to sporting or cultural events provided by employees to customers, suppliers or business associates at which employees are not present are considered "gifts" and not "entertainment" and should be viewed under the gift guidelines above.

### **Procurement Employees**

Additional limitations apply to employees who have direct purchasing responsibilities. This includes all employees in the Procurement Department and others, if designated by the business unit such that the affected employees can be readily identified. Such employees may accept only: (a) beverages, light snacks, and meals served during business meetings held at the facilities of suppliers, customers and other business associates (b) business meals when in travel status, (c) promotional or advertising items with a retail value of €25 or less, such as calendars or pads of paper and (d) any other gift, entertainment or other gratuity if reported on a Conflict of Interest Declaration Form and approved by the applicable ECA.

### **Government Officials**

The term "government official" is a broad one. It includes all employees, at any level, of a government department or agency, whether executive, legislative or judicial, as well as their family members and relatives. Officers and employees of companies under government ownership or control are also considered "government officials." Thus, the term includes not only individuals such as elected

officials, customs and tax inspectors and government procurement officials, but also the employees of state-owned enterprises.

Business relationships with government agencies and departments are tightly controlled by laws and regulations. In order to avoid even the appearance of impropriety, Modulaire Group policy prohibits offering or giving gifts to, or accepting gifts from, government officials and providing entertainment to, or accepting entertainment from, government officials.

As a general rule, employees should not offer to pay for the meals, entertainment, lodging, or travel expenses of any government official or employee. Furthermore, employees shall not offer or give, directly or indirectly, anything to a government official or employee who is a procurement official or who performs a procurement function except: (a) beverages or light snacks at a business meeting (b) light snacks for a business meeting where a government official or employee is in travel status, and (b) promotional or advertising items displaying the company logo and having a truly nominal value, such as calendars or pads of paper.

### Summary of Financial Limits

The table below sets out a summary of the relevant financial limits in respect of each of the circumstances set out above. The summary should be read in conjunction with the rest of the Gift & Entertainment Policy and is not a substitute for reading the policy in its entirety.

Circumstance	Financial Limit
Accepting Gifts (Non-Government Officials)	<ul style="list-style-type: none"><li>• €100 or less</li><li>• €250 or less in any 12 month period</li></ul>
Giving Gifts (Non-Government Officials)	<ul style="list-style-type: none"><li>• €100 or less</li><li>• €250 or less in any 12 month period</li></ul>
Accepting Entertainment (Non-Government Officials)	<ul style="list-style-type: none"><li>• €250 or less</li><li>• €500 or less in any 12 month period</li></ul>
Providing Entertainment (Non-Government Officials)	<ul style="list-style-type: none"><li>• €250 or less</li><li>• €500 or less in any 12 month period</li></ul>
Giving Gifts and Providing Entertainment (Government Officials)	<ul style="list-style-type: none"><li>• Not permitted</li></ul>
Accepting Gifts and Accepting Entertainment (Government Officials)	<ul style="list-style-type: none"><li>• Not permitted</li></ul>

### Modulaire Group Gift & Entertainment Examples

**A member of our marketing team is attending a training session, hosted by a supplier, to understand a new item the supplier is launching. The supplier said that we will each receive a coupon for a free meal at a local restaurant worth €125. Can we accept the coupon?**

*Since the coupon has a retail value in excess of €100 and the coupon would constitute a cash equivalent gift, it cannot be accepted. Politely decline the coupon and explain our gift policy to the supplier.*

**A consulting firm who I have been working with for several months has asked if I could attend a local football match with them. While at the match, we plan on discussing the status of the project they have been working on. Should I accept the invitation, especially since it will give me an opportunity to discuss the status of the project in a more relaxed setting?**

*You can accept the invitation, but you need to 1) notify the consulting firm that you need to reimburse them, from personal funds, for the cost of the ticket if the retail price is in excess of €250 and 2) consider the appropriateness of the cost of the ticket as a qualified business expense on your expense report. If you have any doubts, contact your ECA.*

**I am attending a business training session sponsored by a professional organisation. Following the first day of training, the suppliers sponsoring the event are going to provide snacks and drinks at a reception for all attendees at the session. Can I go and have snacks and a drink?**

*Yes. Since the reception is open to all attendees, you're not being singled out as a representative of Modulaire Group.*

**A vendor has offered me seats to a popular sporting event. The vendor explains that he does not want anything in return, he cannot attend the event and he does not want the seats to be wasted. The retail value of the tickets, however, does exceed the value limits established in the Modulaire Group Gift & Entertainment Policy. Should I accept the seats?**

*Because the vendor will not be present at the sporting event the tickets will constitute a gift rather than entertainment. Even if you do not believe that the gift was offered to gain any improper advantage, you must politely decline the tickets because the retail value of the tickets is in excess of €100.*

**A local government official has told you that her agency would like to do business with Modulaire Group. However, she says there are certain "impediments" that could be removed if the company agrees to fund a community investment. What she's asking for is not expensive. Should you agree?**

*No. Gifts and favours that are provided to or on behalf of government officials or employees with the intention of influencing a business decision are considered bribes and can result in serious legal and business consequences. Contact your local ECA for advice on handling the situation.*

**A vendor invites an Modulaire Group associate to discuss business over dinner and when the bill arrives, the vendor insists on paying the entire bill. What should the Modulaire Group associate do?**

*Assuming that the cost of the meal is not in excess of €250 per person and is not inappropriately lavish, the associate may accept the meal. However, if this situation occurs again, consult with your ECA regarding the best course to follow going forward.*

## **Legal and Risk Team Contacts**

### **Group General Counsel**

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