



EURASIAN RESOURCES GROUP SARL GIFTS AND ENTERTAINMENT POLICY

Compliance Policies - Policy 8.2- Gifts and Entertainment

Approved by	The Board of Managers
Origin Date:	August 24, 2014
Last Revised Date:	November 18, 2018
Executive Sponsor(s):	Group Head of Compliance
Contact(s):	Group Head of Compliance

In this document, the “Company” or “ERG” means Eurasian Resources Group S.ar.l. and includes all subsidiaries.

Business Units may impose more stringent rules to meet their local Legal requirements.

1. Policy Objective

- 1.1. The Company recognizes that gifts, entertainment and other promotional expenses help to develop and maintain positive and constructive business relationships with its suppliers, customers and other business associates. Promotional expenses might be essential to showcase and advertise products. In different geographical locations this practice can vary significantly, often depending on local laws and specific customs. Irrespective of that, some gifts and entertainment may create improper influence and the appearance of conflict of interest and in some instances can be perceived as a bribe that could damage the Company’s reputation or even break the law.
- 1.2. The purpose of this Policy is to provide Company employees with clear rules and guidance for providing and accepting Gifts, Entertainment and other promotional expenditure so that business relationships can be developed and maintained by the Company in a way which would prevent reputational or legal damage for the Company.
- 1.3. The Policy shall be applied together with the ERG Code of Conduct, ERG Anti-Bribery and Corruption policy, as well as all applicable anti-bribery laws and all applicable laws relevant to its business, and satisfy related record keeping requirements.
- 1.4. The Company takes steps to require Counterparties to comply with this Policy unless the relevant Counterparty has in place its own policies and procedures to prevent bribery and corruption, and such policies are at least as stringent as those set out in this Policy.
- 1.5. The Policy sets out the:
 - 1.5.1. baseline standards of conduct regarding receiving and offering Gifts, Entertainment and other promotional expenditure;
 - 1.5.2. process for review and approval of Gifts, Entertainment and other promotional expenditure, which require higher level of due diligence and approval; and
 - 1.5.3. roles and responsibilities in ensuring compliance with this Policy.

2. Scope

- 2.1. This policy applies to:
 - 2.1.1. the Company and its business subsidiaries (the “Company”);
 - 2.1.2. all directors and employees of the Company (including temporary or contract staff) and their family members and its counterparties.

3. Definitions

- 3.1. **The Board** – the Board of Managers of Eurasian Resources Group S.ar.l..
- 3.2. **Gift** - anything of value (whether monetary or non-monetary) including but not limited to discounts, loans, favorable terms on any product or service, services, prizes, transportation, use of third parties’ vehicles, use of vacation facilities, stocks or other securities, participation in stock offerings, home improvements, tickets, and gift certificates.
- 3.3. **Entertainment** - includes but is not limited to meals, receptions, social, sport or cultural events,

participation in sporting events etc. Hospitality requires the host ERG employee to be present otherwise the expenditure is a gift.

- 3.4. **Promotional Expenses** – means expenses relating to the promotion, demonstration or explanation of the Company assets, products and services or other reasonable business purposes and might include trade shows, site visits, expenses to attend Company training and other promotional spending.
- 3.5. **Family member** – any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, grandparents, grandchildren, aunt, uncle, nephew, niece, cousin of a person, and any person (other than a tenant or an employee) sharing the household of such person.
- 3.6. **Government Official** is:
- (i) any elected or appointed Government official (e.g. a legislator or a member of a Government ministry),
 - (ii) any member of the judiciary or any person who otherwise performs a judicial or quasi-judicial function,
 - (iii) any employee or individual acting for or on behalf of a Government Official, agency or enterprise performing a governmental function, or owned or controlled by, a Government, (e.g. an entity hired to review bids on behalf of a government agency),
 - (iv) any political party officer, candidate for public office, officer, or employee or individual acting for or on behalf of a political party or candidate for public office,
 - (v) any employee or individual acting for or on behalf of a public international organisation (e.g. the World Bank, the United Nations, the European Commission),
 - (vi) any member of a royal family or a member of the military, and
 - (vii) any individual otherwise categorised as a Government Official under law.
- “**Government**” means all levels and subdivisions of governments, including local, regional, national, administrative, legislative or executive).

4. Key requirements

- 4.1. Promotional expense should be transparent, proportional and *bona fide*, and appropriate to general business practice.
- 4.2. Employees must never provide or accept any Gift, Entertainment or other Promotional Expense:
- a) that is prohibited by applicable laws;
 - b) that could influence or be perceived to be capable of influencing a contractual or material transaction;
 - c) if it is anticipated that for that offering/receiving, a preferential treatment in connection with the fulfilment of a duty is expected, or hoped for;
 - d) if the offering/receiving is explicitly asked, or the impression that such a gift, entertainment or promotional expense is expected is left;
 - e) if recipient is targeted by any Sanctions and these restrictive measures prohibit the provision of gifts, entertainment or other promotional expenses to this person;
 - f) that is or might be construed as a bribe, payoff or kickback;
 - g) in return for simplifying any administrative procedures;
 - h) intended for a family member of Government Officials and counterparties; and
 - i) any gifts of cash or cash equivalents (including gift certificates, securities, loans, vouchers, cheques etc).
- 4.3. Employees shall not use personal funds to accomplish what is otherwise prohibited by this and other ERG Policies.
- 4.4. The Business purpose shall be clear and specific.
- 4.5. Gifts or Entertainment cannot be frequent. In determining what is frequent, regard should be had to all of the circumstances in relation to the Gifts and/or Entertainment, including but not limited to the nature and scope of the relationship and the Gifts and/or Entertainment and the matters referred to in this policy.
- 4.6. Gifts or Entertainment should be openly offered and not requested by the recipient.
- 4.7. Employees are responsible for understanding and complying with any contractual provisions or policies related to Gifts and Entertainment for the organizations with which they conduct business.
- 4.8. It is never appropriate to offer or accept Entertainment of an indecent or sexually orientated nature.

- 4.9. All Gifts, Entertainment and Promotional Expenses, irrespective of the value, must be accurately and fully documented in writing and reflected in the Company's books and records.
- 4.10. All employees must promptly inform the Gift giver and make every effort to refuse Entertainment or return a Gift that fails to comply with the above-mentioned rules. If it is not possible to decline or return the Entertainment or Gift, the affected Employee must immediately report to his\her line manager and the regional Compliance Department.
- 4.11. The guidance, including practical examples of activities which may be treated as a breach of the Policy is attached as Appendix 1.

5. Government Officials

Providing and receiving Gift, Entertainment and other Promotional Expenses

- 5.1. Many countries prohibit Gifts, Entertainment and other promotional expense to Government Officials. Other countries may allow it but enforce limits. Therefore providing or accepting Gifts, Entertainment or Promotional Expenses **of any value to/from government officials and their family members require advance approval** of the line manager and Business Unit Compliance manager (see an approval form in Appendix 2). Transregional interactions should be pre-approved by Group Compliance.
- 5.2. Any Gift, Entertainment, Promotional Expenses paid by the Company for any Government Officials should be legitimate expenses which are reasonably and properly incurred and which reasonably relate to the promotion, demonstration or explanation of the Company products and services or another reasonable business purpose.
- 5.3. Additional requirement to those stated in section 4 are the following:
 - 5.3.1. First class air travel and luxury hotels for Government Officials visitors at the Company's expense are not permitted. Business class is allowed if Government Officials is accompanied by ERG employee, if this would be permitted in accordance with the ERG Travel Policy if the Government Official was an employee.
 - 5.3.2. Per diems are generally prohibited except approved in written by Group Head of Compliance.
 - 5.3.3. No costs for Government official's spouse/guest will be paid by ERG.
 - 5.3.4. No stopovers that involve personal activities.

6. Third parties

Providing and receiving Gifts

- 6.1. Employees may give/accept Gifts to/from third parties provided that:
 - a) it complies with the Policy Principles set out in Section 4; and
 - b) the value of the gift does not exceed **100 USD** or such lower thresholds that may be adopted by regional Business Units.
- 6.2. Gifts that would exceed the Group limits set out in this Policy require prior justification to, and approval by, the employee's Line Manager and Business Unit Compliance manager.

Providing and receiving Entertainment and other Promotional Expenses

- 6.3. Reasonable business Entertainment and other Promotional Expenses are permitted only if:
 - a) it complies with the Policy Principles set out in Section 4;
 - b) the Entertainment and other Promotional Expenses are not exceeding **250 USD** per attendee or such lower thresholds that may be adopted by regional Business Units.
 - c) both the host and recipient are present (otherwise it should be considered as a Gift).
- 6.4. Entertainment and other Promotional Expenses that would exceed the Group limits set out in this Policy prior justification to, and approval by employee's Line Manager and Business Unit Compliance manager.

7. Exceptions

- 7.1. In the event that it is not possible to obtain advance approval, employees shall notify Compliance Department at the first opportunity.
- 7.2. Employees who receive a Gift at an event of a ceremonial nature that might not be appropriate under this Policy, but is impractical or offensive to refuse at the time, may accept the Gift and then report within a reasonable time to the Business Unit Compliance Manager, and seek further guidance from them.
- 7.3. Gifts, Entertainment and Promotional Expenses, which would breach the Policy Principles set out in Section 4, cannot be approved.
- 7.4. Branded materials (i.e. pens, notebooks, flash drives, calendars etc.) approved by PR and Compliance departments with a price less than 35 USD could be considered as hand out materials for marketing purposes and excluded from approval requirements of this policy. Prior verification with Compliance and PR against the list of countries with restrictions on providing gifts/marketing materials to government officials is required.
- 7.5. Any deviation on implementing policy locally should be approved in writing by Group Head of Compliance.

8. Responsibilities

- 8.1. The Board is responsible for establishing this Policy.
- 8.2. The Compliance Committee of the Board is responsible for oversight of compliance with this Policy.
- 8.3. The Business Unit Heads and Compliance Department are responsible for establishing appropriate responsibilities, procedures, training and internal controls within their respective operations to ensure the consistent implementation of this policy across all jurisdictions and compliance with its requirements.
- 8.4. It is the responsibility of each Business Unit Head to ensure that their respective employees are made aware of this Policy.
- 8.5. It is the responsibility of each Company employee to comply with the terms of this Policy.

9. Monitoring and Audit

- 9.1. The Group Head of Compliance should periodically, but not less than annually, report on the implementation of the Gift and Entertainment Policy to the Compliance Committee of the Board.
- 9.2. The Business Unit Heads and Compliance department are responsible for maintaining a list of provided and accepted Gifts, Entertainment and Promotional Expenses.
- 9.3. The Company maintains a system of internal accounting controls sufficient to reinforce compliance with this Policy as determined and reviewed from time to time by the Chief Financial Officer and to provide reasonable assurance that:
 - a) transactions are executed in accordance with required approvals (as may be delegated to senior management or other appropriate personnel within the Company);
 - b) transactions are recorded as necessary to:
 - c) permit preparation of financial statements in conformity with accepted national and international principles or any other criteria applicable to such statements; and
 - d) maintain accountability of the Company's assets.
- 9.4. No payments or transactions shall be kept "off the books" to facilitate or conceal improper payments. There should be no false or misleading accounting entries or expense claims relating to any payments.
- 9.5. Internal Audit of the Group may, on behalf of the Audit Committee of the Board, verify compliance with this policy and report it to the Committee.

10. Non-compliance

- 10.1. Any non-compliance with this Policy should be documented and reported to the owners of the Policy and Executives.

- 10.2. Any ERG employee or business partner found to have violated the Policy may be subject to disciplinary action or administrative, civil or criminal liability, and/or termination of the Company's business relationship with such business partner in accordance with applicable laws.
- 10.3. If any employee or associated person has concern around activities of other Company employees, which could contravene the Policy, they are encouraged to report such concerns, in accordance with Whistleblowing and investigation policy, to the Company management, HR, Legal, Compliance or ERG Hotline (the ERG Hotline website (www.erg.ethicspoint.com), by phone (a list of the numbers is provided on www.erg.ethicspoint.com) or send email to Compliance@erg.net).

11. Revision Process

- 11.1. This ERG Policy will be updated periodically (but not less than once every 2 years) to reflect any change in business requirements.
- 11.2. All change requests should be directed to one of the document owners (contacts).
- 11.3. Material changes to this ERG Policy must be approved by The Board. Non-material changes, corrections and clarifications may be approved by the Chief Executive Officer.

12. Document Version Control

Version	Version date	Description of Changes	Policy Owner	Approved
1.0	24/08/2014	Initial release and publication	Head of Compliance	ERG Board of Managers
2.0	18/11/2018	General review and update of the content.	Head of Compliance	ERG Board of Managers



APPENDIX 1 - Guiding questions

When considering whether providing or accepting Gift, Travel or Entertainment would breach the Policy employees shall ask yourself the following questions:

Matter for Consideration	Question	Action if answer is "YES"	Action if answer is "NO"
Intent	Is the intent only to build a business relationship or offer normal courtesy?	Permitted, subject to Policy restrictions.	Deeper analysis of circumstances required. Consult Business Unit Compliance Manager.
	Is the intent to influence the recipient's objectivity in making a business decision?	Not permitted.	Permitted, subject to Policy restrictions.
Materiality	Is the Gift, Entertainment or Promotional Expense modest?	Permitted, subject to Policy restrictions.	Deeper analysis of circumstances required. Consult Business Unit Compliance Manager.
	Could it place the Company (or the other party) under an obligation?	Not permitted.	Permitted, subject to Policy restrictions.
Frequency	Is the Gift, Entertainment or Promotional Expense a one off or occasional?	Permitted, subject to Policy restrictions.	Deeper analysis of circumstances required. Consult Business Unit Compliance Manager.
	Is the Gift, Entertainment or Promotional Expense part of a pattern of frequent Gifts, Entertainment or Promotional Expense that could place the Company (or the other party) under an obligation?	Not permitted.	Permitted, subject to Policy restrictions.
Reward	Are there any circumstances in which the Gift, Entertainment or Promotional Expense could be interpreted as a reward?	Not permitted.	Permitted, subject to Policy restrictions.
Legality	Is the Gift, Entertainment or Promotional Expense legal both in employees' country and in the country of the third party?	Permitted, subject to Policy restrictions.	Not permitted.
Compliance with the other third party's rules	Is the receipt of the Gift, Entertainment or Promotional Expense allowed by the recipient's organization?	Permitted, subject to Policy restrictions.	Not permitted.
	Is the recipient a government official or an employee of a state-owned company?	Consult with Business Unit Compliance Manager.	Permitted, subject to Policy restrictions
Transparency	Would employees be embarrassed if your manager, colleagues or anyone outside the Company became aware?	Consult with Business Unit Compliance Manager.	Permitted, subject to Policy restrictions.
Avoiding double standards	If employees receives Gift, Entertainment or Promotional Expense - would you be comfortable to provide such a Gift, Entertainment or Promotional Expense himself/herself? (and vice versa)	Permitted, subject to Policy restrictions.	Consult with Business Unit Compliance Manager.

Annex 2 – Approval form

Gift, Entertainment and Promotional Expense Approval Form*

ERG Legal Entity	
Date of request	
Name of Requester	

Details of a recipient

Full name of recipient	
Position	
Place of work	
Is the recipient a government official? **	NO YES

Nature of expense:

Description of gifts, entertainment or other promotional expense (flowers, souvenirs etc. / business dinner/launch, travel etc.)	
Estimated costs (EUR) ***	
Business reason	
Date of the event	

APPROVALS:

Approvers	Date	Signature	Name of Approver
Line manager			
Compliance manager			

* Any electronic form must be based on this form. Where an electronic approval has been granted, it will supersede a hard copy approval.

** Government Official (GO) –

- (i) any elected or appointed Government official (e.g. a legislator or a member of a Government ministry),
- (ii) any member of the judiciary or any person who otherwise performs a judicial or quasi-judicial function,
- (iii) any employee or individual acting for or on behalf of a Government Official, agency or enterprise performing a governmental function, or owned or controlled by, a Government, (e.g. an entity hired to review bids on behalf of a government agency)
- (iv) any political party officer, candidate for public office, officer, or employee or individual acting for or on behalf of a political party or candidate for public office,
- (v) any employee or individual acting for or on behalf of a public international organisation (e.g. the World Bank, the United Nations, the European Commission),
- (vi) any member of a royal family or a member of the military, and
- (vii) any individual otherwise categorised as a Government Official under law. "Government" means all levels and subdivisions of governments, including local, regional, national, administrative, legislative or executive).

*** Limits to GO may vary per country. Contact your Compliance team