	Policy on Gifts, Entertainment and Hospitality	Writer	Ethics Committee
		Department	All
		Update	October 2018

Objective

The policy aims at defining the way employees are to deal with gifts from third party individuals and companies. All employees must comply with the limitations rules set in this procedure, systematically declare any gift received in the Company on-line gift register and request approval when applicable.

The objective of this policy is to set out the minimum standards that must be applied and is not exhaustive. The policy should be read in conjunction with the Congo Equipment Code of Conduct and any other related policies. The policy does not specifically address the additional requirements of doing business with public officials and should be read in conjunction with the policy dealing with public officials.

Regulatory Background

- **Congo Equipment Code of Conduct**

Our Code of Conduct defines our values and provides guidance on acceptable practices that define the way we do business. We need to be proud of our reputation for integrity and excellence and the high ethical standards to which we hold ourselves accountable. It is a fundamental expectation that we obey the laws and regulations of the DRC and that we apply international best practices.

- **Impact and Legislation**

Congo Equipment is a joint venture company with shareholders Tractafric Equipment International GBL and Barloworld Equipment (Pty) Limited. Both shareholders subscribe to the requirements of the UK Bribery Act, and by definition, Congo Equipment as well.

The UK Bribery Act makes it an offence for a person to offer, promise or give a financial or other advantage to another person where the intention is to bring about improper performance by the other person. It is also an offence to request, agree to receive or accept a financial advantage or benefit that will result in an improper activity.

- **Public Officials**

It is an offence to bribe a public official. Small payments made to facilitate routine government action, so called facilitation payments are a criminal offence under the UK Bribery Act.

Applicability

Any gift or invitation, whether received or offered, with a value under \$150 or the equivalent thereof, is deemed to be of nominal value as long as it is a once-off gift or invitation.


Occasional small promotional gifts or invitations of a nominal value do not need to be approved.

Any gift or invitation with a monetary value exceeding \$150 must be approved by the reporting manager and the signed Gift Approval Form disclosed in the gifts register. The Ethics Committee meets quarterly to review the declarations to the gift register.

The non-declaration of gifts or hospitality or rewards of a monetary value could lead to severe disciplinary action as well as the termination of future dealings with the supplier or client concerned.

Does the policy mean that gifts, entertainment and hospitality are no longer allowed?

No. Congo Equipment views gifts, entertainment and hospitality as a normal and important part of building business relationships and it is not the aim of the policy to stop these activities.

 	Policy on Gifts, Entertainment and Hospitality	Writer	Ethics Committee
		Department	All
		Update	October 2018

However the policy introduces safeguards to ensure that gifts, entertainment and hospitality, given or received, are used appropriately and in accordance with the law. The policy also introduces a gift register so that Congo Equipment can be 100% transparent about all gifts, entertainment and hospitality.

Are there any types of gifts, entertainment or hospitality that I am never allowed to give or receive?

Yes. Congo Equipment considers that the following are **NEVER ACCEPTABLE**:

- Cash or cash equivalents – this includes gift certificates and vouchers
- Anything disproportionately generous
- Anything illegal, indecent, sexually oriented or that could otherwise adversely affect the Company's reputation
- Anything intended to induce/ create an obligation to reciprocate
- Events or meals where the business partner paying for it is not present
- Anything where parties are engaged in an active tender or bidding process
- Facilitation payments and kickbacks
- Political contributions

In addition, as a general rule Employees are not permitted to offer gifts, entertainment or hospitality to Public Officials.

Does the policy apply to me?

Yes. The policy applies to everyone who works within Congo Equipment including:

- Directors
- Employees
- Officers
- Permanent and temporary contractors
- Subcontractors
- Agents
- Consultants



What is the Approval Criteria Test?

This is a test that all gifts, entertainment and hospitality must pass before they are offered or accepted. To pass the approval criteria test you need to be able to answer **NO** to all of the following questions:

- **Is it . . .** made with the intention of influencing someone to obtain or retain business or a business advantage or in exchange for favours or benefits?
- **Is it . . .** cash or a cash equivalent? (e.g. gift certificates or vouchers)?
- **Is it . . .** habitual? (with the exception of an annual seasonal gift, entertainment or hospitality e.g. a Christmas present).

. . . and **YES** to all of the following questions:

- **Is it . . .** legal? This means locally and in the countries in which Congo Equipment and the other party are governed.
- **Is it . . .** given openly?
- **Is it . . .** given in Congo Equipment's name and not the Employee's name?
- **Is it . . .** appropriate? Consider all the circumstances including the type, value and timing.
- **Is it . . .** something we would offer/ accept ourselves? We must act with integrity and avoid double standards. Do not accept something you would not offer and vice versa.

 	Policy on Gifts, Entertainment and Hospitality	Writer	Ethics Committee
		Department	All
		Update	October 2018

What if I am given a gift that I know does not pass the approval criteria test but it is impossible for me to refuse e.g. if it would cause offence to refuse?

The gift should be stored in a secured on-site location whilst your manager or supervisor, with guidance from the Ethics Committee, decides whether the gift can be retained by or donated to a recognised charity. You must make sure that you send an email to giftregister@congo-equipment.com summarising the events including the outcome.

Where can I raise questions?

Questions should be raised by writing to the Ethics Committee, who will answer by writing.

What is the gift register and do I have to use it?

The gift register is an email account which has been set up as an easy way of recording gifts, entertainment and hospitality. Put simply it is exactly what it sounds like – **A REGISTER** – therefore **do not expect a response from giftregister@congo-equipment.com**.

Every email sent to giftregister@congo-equipment.com becomes a record on the gift register. At Congo Equipment we aim to be 100% open about any gifts entertainment or hospitality and the gift register is in place to further this goal.

Everybody must use the gift register and it is very easy to use! In cases where approval is not required then simply send an email to giftregister@congo-equipment.com containing a brief summary of the gift/entertainment/hospitality. Important details to include are:

- What is it e.g. a meal with Joe Bloggs from Bloggs Co at McDonalds
- Approximate cost per person
- Whether Congo Equipment was the giver or the recipient
- The reason for the gift/ entertainment/hospitality e.g. to further business relationship
- Whether it passes the Approval Criteria Test

Where approval is required, you should send the scanned copy of the Gift Approval Form signed by your manager to giftregister@congo-equipment.com.

Emails to the gift register do not have to be formal and can be as short as a couple of lines. The important point is that we record all gifts, entertainment and hospitality.

Does the policy mean that I cannot give a colleague within Congo Equipment a gift or socialize with them without first checking the policy?

No - the policy **does not** apply to your dealings with colleagues within Congo Equipment. It is only relevant to gifts, entertainment and hospitality given to or received from business partners from outside of Congo Equipment.

EXAMPLES

GIFTS

Can I accept?

A corporate umbrella?

Yes. An umbrella is a standard business gift that satisfies the Approval Criteria Test and is likely to be of nominal value - approval would not be needed and this would not need to be recorded on the gift register.

 	Policy on Gifts, Entertainment and Hospitality	Writer	Ethics Committee
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An i-Pad?

Probably not. I-pads cost upward of \$400 so approval would be needed. The reporting manager would probably not approve this as it is unlikely to satisfy the Approval Criteria Test because it is not an appropriate business gift being an expensive personal item. The giver's intentions would also be questionable – this is the sort of gift you would give if you were trying to influence someone.

Shop Vouchers?

No. Vouchers are classed as a cash equivalent and can never be accepted.

A small hamper from a contractor at Christmas?

Yes - This would probably be acceptable as Christmas is an appropriate time to give a gift and a small hamper is a normal Christmas gift. However, you should consider the value as if it costs more than \$150 you may need to seek approval before accepting.

Please note that if it were a large and luxurious hamper it would go beyond a nominal gesture at Christmas. It would be considered to be extravagant and would not meet the Approval Criteria Test standard of being appropriate in all the circumstances.

ENTERTAINMENT

Can I accept?

A pair of tickets for a show?

Yes. This is likely to be acceptable, subject to the Approval Criteria Test. Depending on the likely cost of the tickets you may need to seek approval.
Please note that if the host were not present this would become a gift.

An all-expenses paid invitation to join the sponsor box at the Monaco Grand Prix?

Partially - approval is needed for a trip of this type and value. Your approver will consider the Approval Criteria Test to decide whether you can go.
HOWEVER, the "all-expenses paid" aspect of this offer would not be acceptable. You should discuss with your approver whether Congo Equipment will pay for your travel and accommodation.

HOSPITALITY

Can I accept?

Drinks at a local bar during a bidding session?

No. This would not be allowed if bidding was taking place.

Drinks at a local bar following the signing of a contract?

Yes - this should be fine as contracts have been signed so no bidding/tendering is on-going. Thought should be given to the type of bar chosen and whether parties could consider paying for themselves. The drinks should not usually be so expensive that this would require approval.

A modest meal with a supplier at his expense following a meeting. This is routine and you always go to this restaurant with this particular supplier after meeting, it probably happens once a month.

 	Policy on Gifts, Entertainment and Hospitality	Writer	Ethics Committee
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No - under the Approval Criteria Test, Employees are not permitted to give/receive hospitality on a regular basis. As the supplier in this example takes the Employee out, at his own expense after every meeting, this would be classed as habitual. As a guideline Employees should give to/or accept from another party only **twice a year**.

HOWEVER, if the Employee wished to go for a meal with the supplier after every meeting and each of them was to pay their own way, then this would not be a breach of Congo Equipment policy.

A modest meal with a supplier at his expense at Christmas. This is an annual tradition you have.

Yes – Congo Equipment appreciates that annual festive traditions are an important part of many cultures. Congo Equipment makes an exception to the usual rule in this regard on the proviso that gifts etc. given/accepted in these periods:

- are not lavish; and
- comply in all other respects with the Policy



Deon Heyns
CEO



Note: Any gift or invitation, whether received or offered, with a monetary value exceeding \$150 must be approved by the reporting manager through this Gift Approval Form and must be sent by e-mail to giftregister@congo-equipment.com.

Declaration from the employee offering or receiving the gift of a monetary value exceeding \$150:

Date:

Name:

ID number:

Position:

I have the following gift to report:

Approximate cost per person:

Was Congo Equipment the *giver* or the *recipient*?

Reason for the gift:

Does the gift pass the Approval Criteria Test?

Signature:

Approval from the reporting manager:

Date:

Name:

Position:

I hereby approve the above described gift.

Signature: