

Gifts & Hospitality Policy

Introduction

Gifts and hospitality are often used in the course of business as a means to build goodwill and strengthen working relationships. Giving and receiving appropriate gifts and hospitality can be part of building and strengthening normal business relationships. However, gifts or hospitality (including entertainment) may create a conflict of interest or illicit payment, or the perception of inappropriate business conduct.

Violations of the Gifts and Hospitality Policy (“the Policy”) could damage the integrity of the business relationship, Devcon Limited’s reputation, and may also lead to regulatory action including fines and/or debarment for Devcon Limited, and/or criminal prosecution for those individuals involved. When giving or receiving a gift or hospitality, you should always consider how it will be perceived by others and act accordingly.

Purpose

This Policy provides guidance for gifts, hospitality and entertainment whether given or received while conducting legitimate business activities. It describes Devcon Limited’s approval process and provides guidance on potential ‘red flags’ areas to be avoided. It also provides direction for document maintenance and record keeping in relation to gift/hospitality.

This Policy plays an important part in demonstrating Devcon Limited’s strong commitment to a positive ethical culture and avoidance of bribery and corruption.

Who Does This Policy Apply To?

This Policy applies to all Devcon Limited employees, which includes officers, employees (full and part time), and temporary workers (such as consultants and short-term or fixed-term workers) of any Devcon Limited company, subsidiary, affiliates, or third parties representing Devcon Limited.

What Is a Gift?

A gift is a tangible item, any payment, or an advantage given or received without payment. This includes, but is not limited to:

- Goods like flowers, gift bags, chocolates, a bottle of wine;
- Personal discounts, commissions or anything else of financial value ;
- Holiday presents;
- Cash, payments, loans or advances or cash equivalents like gifts certificates, gift vouchers, gift cards, shopping cards, etc. (note: these are always prohibited);
- Stocks, shares, equities;
- Free services, such as insurance, tuition fees, repair or improvement activities or any preferential treatment;
- Technology devices and tools (iPads, Chromebooks, computers, mobile devices, etc.);
- Product subscriptions or licenses;
- Transportation;
- Use of a giver’s time, materials and facilities.

What Is Hospitality?

Hospitality means any form of amenity, entertainment, travelling or accommodation or invitation offered or received.

Hospitality also includes any Third-Party Travel Expenses, such as transportation and accommodation. These include, but are not limited to:

- Meals: breakfast, lunch, dinner, cocktails, receptions;
- Hotel accommodation;
- Travel and trips by car, air, train or boat;
- Seminars, conventions, conferences, or forums;
- Invitations to sporting, cultural or social events.



When Is Giving or Receiving a Gift or Hospitality Appropriate?

In certain geographies and business scenarios, there may be situations when accepting/ offering gifts is appropriate. In those situations, the gift or hospitality must only occur when:

- It is done purely for business reasons (and not for obligatory or influencing reasons).
- When there is a legitimate business purpose (i.e., expenses designed to support or promote Devcon Limited's products, its brand, or reputation or to further a legitimate business relationship (such as with customers, representatives and other Business Partners).
- When it is proportionate to the relationship you have with the giver/recipient. See below for guidance on factors to help establish proportionality.
- When it does not give a sense of obligation to the receiver to do something differently or improperly. And, if you are the giver, you are not expecting anything improper in return.
- When provided or received openly and transparently.

Determining Proportionality

Consider the circumstances surrounding the offer or acceptance of a Gift or Hospitality.

- Is it high value or lavish?
- Is it offered at a time when business decisions are being made which may improperly affect the decision of the giver/recipient of the Gift or the host of the Hospitality event?
- Has the Gift or Hospitality been offered multiple times to the same person?
- If the answer to any of these questions is "yes," then the gift is unlikely to be proportional. In these situations, or any other time you may have a question, please contact your line manager to get additional support and guidance.

NOTE: Proportionality is not an exact science; it is a question of looking at all the circumstances.

Prohibited Gifts and Hospitality Under All Circumstances

- Cash or cash equivalents (such as gift cards or certificates, stock, or travellers' checks) are prohibited as gifts.
- Anything indecent or sexually oriented (for example, adult entertainment) or that may insult a person's gender, race, national origin, religion, age, disability, identity or reassignment, sexual orientation, or any other protected characteristics.
- Anything which is unlawful under the laws and regulations of the recipient's country or the policies of the recipient's organisation.
- Any gift or hospitality to or from a family member of a Government Official.
- A cash equivalent such as gold or other precious metals, gems or stones.
- Gifts given or received in the form of service or other non-cash benefit (e.g., a promise of employment, direct payment of bills, etc.).

NOTE: in some circumstances, including product feedback, raffles or sweepstakes, a gift card may be used. However, these are limited and specific situations which require compliance pre-approval regardless of value.

Compliance With This Policy

It is critical that Devcon Limited makes and keeps accurate books and records and maintains and devises a system of internal controls. It is important that all transactions are transparent, fully documented, and coded to accounts that accurately reflect their nature, including for Gifts and Hospitality. Devcon Limited must maintain a system of internal accounting controls to ensure its books and records have reasonable detail and accuracy. This includes the approval, representation, and documentation of all transactions in a fair and accurate manner.

Documenting Requests for Gifts and Hospitality

Gifts or Hospitality, even if approved, are intended to be infrequent in occurrence and not to give a sense of obligation to do something differently or improperly. Further, in some jurisdictions there are strict limitations on the frequency or value of a gift in a particular timeframe.

Gifts should include a letter indicating the person/organization that received the gift, the date of the gift and a description of the gift.



Payments for Gifts or Hospitality

Devcon Limited employees must not pay personally for Gifts and Hospitality to avoid complying with this Policy or for any other reason.

Payment for Hospitality should be made directly to the vendor and not to the recipient of the Hospitality.

NOTE: If paying for hospitality, Devcon Limited employees must be in attendance.

Expense Claims for Gifts or Hospitality

If the expense claim involves hospitality, the expense report shall include the location, participants, receipt and necessary approvals. It should also include sufficient evidence that the hospitality was provided for the approved reason (i.e. if it was for travel for a meeting, that there was, in fact, a meeting).

If the expense claim involves a gift, the claim shall include the recipient, occasion, or reason why the gift is being given, copy of purchase invoice and copy of necessary approvals.

A handwritten signature in blue ink, appearing to read 'L N Pope', with a horizontal line extending from the end of the signature.

L N Pope

Managing Director

13 January 2023

