

# GIFTS AND HOSPITALITY POLICY

## 1. Objective

- 1.1. HES is committed to carry out its business in an ethical, transparent and legal manner and always aims to prevent any association with illegally influencing business decisions and certainly does not tolerate any forms of bribery or corruption. Gifts, hospitality, travel or entertainment given to, or received from, an individual can appear to be used as to influence a business decision. They can even be used to bribe individuals or give the appearance of being used as a bribe. As such, these activities represent a heightened risk to HES and its employees in the context of bribery and corruption compliance.
- 1.2. The rules on anti-bribery and corruption and the enforcement thereof, and correspondingly the rules related to gifts and hospitality as well, are becoming stricter and stricter. Some of these rules have extraterritorial reach, such as the laws in the United Kingdom and United States. This means that these rules can even apply in circumstances where there is a limited connection to these countries. As we are an international company, HES' policy on gifts and hospitality must adhere to the highest standards.
- 1.3. The Code of Conduct sets out the importance and basic principles of HES in relation to receiving and giving gifts and hospitality, but also generally on anti-bribery. Furthermore, please refer to the specific Anti-bribery and Corruption Policy for further background on this topic.
- 1.4. This Policy provides further guidance on HES' standards for gifts and hospitality. It should be read, understood and complied with by all HES Personnel, but in particular those that may find themselves in situations where they would like to give or receive any type of gifts, hospitality or other related expenses.

TERM	DEFINITION
<b>Bribery</b>	<p>Bribery is defined by international laws in many different ways. For the purposes of this Policy, it means: the offering, promising, giving, accepting, authorising or soliciting of an advantage, both directly or indirectly (e.g. through Third Parties) which:</p> <ol style="list-style-type: none"> <li>a) is designed to make the recipient act or carry out a duty (or omit to act or refrain from carrying out a duty) in favour of the interests of someone else (e.g. the person bribing or a Third Party);</li> <li>b) is designed to make the recipient use his/her influence, whether real or presumed, to obtain from an authority or public</li> </ol>

	<p>administration arrangements, jobs, contracts or any other favourable decision;</p> <p>c) is designed to influence a Public Official in his or her capacity as such; or</p> <p>d) is otherwise an inducement or reward for an action or omission by any person which is illegal, unethical, a breach of trust, a breach of a duty to act impartially or a breach of a duty to act in good faith.</p>
<b>Corruption</b>	Inter alia, the illegal use of entrusted power for private gain.
<b>Facilitation Payment</b>	A small unofficial bribe, also called a ‘facilitating’, ‘speed’ or ‘grease’ payment; made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.
<b>HES</b>	HES International and all wholly-owned or controlled direct and indirect subsidiaries of HES International, as well as joint ventures in which HES holds a majority interest.
<b>HES Personnel</b>	Any board of directors member, officer, employee, or independent contractor of HES and its group companies and majority joint ventures.
<b>Policy</b>	This Gifts and Hospitality Policy
<b>Public Official</b>	<p>Individual, regardless of rank or title, who is employed or appointed by or otherwise represents a public authority (political or non-political) or who otherwise discharges a public service mission. A public authority:</p> <ul style="list-style-type: none"> <li>• is understood to be a national, state or local government office or agency, embassy, defence/military unit, state-owned enterprise, including any governmental (e.g. EU, UN, NATO, OECD) or quasi-governmental (e.g. WTO, IMF) organisation; and</li> <li>• includes, for the avoidance of doubt, anyone who holds a judicial position of any kind, members of a royal family, any elected representative of any kind, employees of local authorities and government departments, employees of companies wholly owned by or controlled by a public body or otherwise any person holding public authority or who discharges a public service mission.</li> </ul>
<b>Red Flag</b>	A red flag is a serious concern about a Third Party’s, or anyone’s integrity. For instance, being listed on a sanctions list, having prior court convictions, adverse media reports, allegations of corruption or any suspicious behavior in relation to e.g. money laundering, bribery and corruption.

<b>Something of Value</b>	Something of value should be interpreted broadly and includes money, but may also take other forms as long as it can be seen as an advantage, including, but not limited to: gifts, hospitality, travel, job offers, other entertainment; loans or a reward; any other tangible or intangible thing that has value to the recipient.
<b>Third Party</b>	Any (prospective or potential) individual not employed by HES and/or any entity not owned or controlled by HES, that provides services or goods to HES or on behalf of HES or engages in business activities with HES or HES Personnel.

## References and annexes

- 1.5. This Policy should be read in conjunction with the Anti-Bribery and Corruption Policy, the Anti-Money Laundering Policy, the Code of Conduct and the List of Do's and Don'ts.
- 1.6. Annexes:
- Annex A: Declaration Form

## 2. Applicability and governance

- 2.1. This policy applies to HES and all wholly-owned or controlled direct and indirect subsidiaries of HES, as well as joint ventures in which HES holds a majority interest. Specifically, it applies to every employee, director or officer of these entities. Agents, representatives, consultants or other contract staff that are working for these entities should also adhere to these guidelines.
- 2.2. HES will ensure that this Policy, or a policy with similar standards, is applicable to joint ventures in which HES holds a minority interest.
- 2.3. The Chief Compliance Officer, with support of the local compliance officer, is responsible for the development and implementation of this policy. The Chief Compliance Officer is the ultimate owner of these guidelines and carries the ultimate responsibility.
- 2.4. This Policy will be reviewed regularly by the Chief Compliance Officer and in addition may be reviewed from time to time to take account of, for example, changes to legislation, regulatory developments or organisational changes. In particular, differences between jurisdiction will result in certain deviations of this Policy in order to ensure compliance.

## 3. Gifts and hospitality

- 3.1. In light of the heightened bribery and corruption risks which gifts, hospitality, travel or entertainment represent, HES Personnel must adhere to the rules and guidelines as set out in this Policy.

3.2. Employees may only give or receive relatively limited gifts and hospitality and these must always be for legitimate business purposes. In Section **Fout! Verwijzingsbron niet gevonden.** the specific maximum monetary ceilings are set out which must always be adhered to when giving or receiving gifts and hospitality. However, next to adhering to these monetary ceilings each employee should always consider whether the gift or hospitality is reasonable and proportionate for the particular circumstance.

### Public Officials

- 3.3. Extra caution should be taken when dealing with Public Officials, as the inherent bribery and corruption risk is much greater. Therefore, only gifts such as small corporate branded memento's and meals representing a value of EUR 25 may be given to or accepted from Public Officials. No prior written approval is required for such gifts and hospitality.
- 3.4. Any gift or meal given to or accepted from Public Officials exceeding EUR 25 requires prior written approval from the Chief Compliance Officer.
- 3.5. However, no gift, corporate memento or meal should ever be given with the intention to influence a Public Official, irrelevant of its value.
- 3.6. We do appreciate that in our line of business we regularly conduct business with counterparties that are partially or wholly state owned. As such, if you have any questions or concerns please contact your Chief Compliance Officer for consultation and guidance.
- 3.7. Please refer to the Anti-Bribery and Corruption Policy for further guidance on the specific rules that apply in relation to interaction with Public Officials.

## 4. Approval thresholds

4.1. HES Personnel must comply with the following thresholds when offering or receiving gifts or hospitality:

APPROVAL THRESHOLDS		
Non Public Official		Public Official
< EUR 100 or < EUR 400 aggregate p.p.p.y	No prior written approval required	> EUR 25 or > EUR 100 aggregate p.p.p.y.
> EUR 100 or > EUR 400 aggregate p.p.p.y.	Prior written approval by Chief Compliance Officer required	Prior written approval by Chief Compliance Officer required
<i>p.p.p.y. = per person per year</i>		

## 5. Gifts and hospitality rules

5.1. As set out in Section 3, in addition to the above thresholds the following rules are applicable in relation to all gifts and hospitality given or received, regardless of value and provider/recipient:

- a) Only small corporate branded memento's and meals may be given to, or accepted from, Public Officials;
- b) Payments or gifts must never be: (i) made or offered in cash or cash equivalents (e.g. gift vouchers); (ii) of a sexual, immoral or illegal nature; or (iii) solicited from any Third Party;
- c) Gifts should be consistent with business practice and customs.
- d) It should be reasonable and proportionate for the particular circumstances, and provided for a legitimate business purpose given with the aim of furthering a business relationship. Therefore, they should never be extended to friends and family members of the recipients, and donors should always be present at any hospitality event;
- e) No gift or hospitality should be offered to or accepted from any Third Party which is participating in a tender process;
- f) Hospitality, travel or overnight accommodation should not be offered or accepted where it is provided for entertainment purposes rather than for a business purpose. Attendance of friends and family members is strongly discouraged, but in any event must be pre-approved by the local compliance officer;
- g) Regardless of the value of the gift or hospitality, HES Personnel is expected to make a judgment call to determine whether the gift or hospitality offered, given, accepted or received is legitimate, not lavish or excessive, moral and does not create an obligation on the recipient to give something in return (a quid pro quo);
- h) HES Personnel must always be in attendance when hospitality is given. There must be a clear business rationale for the hospitality.
- i) If a gift is delivered to you, or given to you in a face-to-face setting and you are unable to immediately ascertain whether its value is under EUR 100, you must seek approval from the Chief Compliance Officer at the earliest opportunity. If approval is not given, you must return the gift to its sender explaining politely why you are unable to accept it;
- j) Whenever a gift or hospitality is to be declined under this Policy, the recipient should always do so politely and refer to this Policy as the reason for the declination;
- k) The thresholds above only apply to the extent permissible under prevailing local law. In addition, the offer of gifts and hospitality should never knowingly breach the recipient's own contractual or legal obligations (if accepted), whether under their contract of employment, the Code of Conduct or otherwise. To this end, the following must be included in any written invitation to hospitality:

*"in line with our procedures, we are asking that all guests ensure they are able to accept this invitation under their own local regulations, laws or other applicable policies before accepting".*

- l) Repeated gifts and hospitality from/to the same person within the same calendar year should be avoided, unless there is a strong business purpose to justify it. In any event the value of all repeat items must be aggregated for the purpose of calculating the approval threshold;
  - m) Gifts and hospitality offered in the context of corporate social responsibility must comply with the pre-approval thresholds and notification requirements set out in this Policy;
  - n) If in doubt about whether or not to accept a gift or hospitality, always refuse it. You can also discuss any concerns with your local compliance officer; and
  - o) Always exercise your common sense. You should not accept or offer gifts or hospitality that you would not be comfortable telling your colleagues about or embarrassed if it was brought to the public attention. Remember: just because a gift or hospitality is culturally acceptable in a particular country, this does not mean it will be deemed appropriate by HES' standards.
- 5.2. Please note that the thresholds above do not apply to the obligation to register and report any gifts, hospitality, travel and entertainment given or received, regardless of value (as detailed in section 6.3 below).
- 5.3. In case you want to give or accept gifts or hospitality that exceed either the maximum individual threshold or the maximum yearly total threshold, you must notify your local compliance officer and your managing director (at least 48 hours in advance of the relevant activity) to obtain prior written approval. A managing director must notify the Chief Compliance Officer and the Chief Compliance officer to obtain prior written approval. The obligation to report the transaction (as detailed in section 5 below) of course still applies when obtaining prior approval.

*Practical examples*

*Example 1:* crew of a docked vessel asks you for (or gives you) a carton of cigarettes.

*Example 2:* a contact relation employed or related to a Third Party recently involved in a tender, invites you to attend a sport event, free of charge.

## **6. Books, records and the gifts and hospitality register**

- 6.1. All records of HES should be accurate and complete and any transaction with a Third Party must be able to be substantiated and justified.
- 6.2. All accounts, invoices and other records involving transactions must be recorded accurately, completely and in a timely manner. Appropriate documentation to support the transaction must be maintained. This also specifically applies to all transactions and expenses in relation

to gifts and hospitality. Under no circumstances should a person prepare an account “off-book”.

- 6.3. Employees shall record all transactions that involve gifts and hospitality – given to or received from both non-Public Officials and Public Officials – on the gifts and hospitality register, without applying any threshold. The declaration form attached at Annex 1 should be used in this regard. The completed form should be provided to your local compliance officer a minimum of 48 hours prior to the relevant activity.
- 6.4. The local compliance officer and Chief Compliance Officer will maintain an accurate and complete record of all forms received from employees regarding transactions involving gifts and hospitality, reported incidents and of each request received regarding gifts and hospitality which exceeded the thresholds set out in Section 4 (both when approved or refused).

## **7. Consequences**

- 7.1. A violation of anti-bribery and corruption rules and correspondingly the rules related to gifts and hospitality as well, can lead to significant fines, criminal proceedings and prison sentences. Additionally, bribery and corruption can cause serious damage to HES’ reputation.
- 7.2. A violation can also have personal consequences, including disciplinary action or dismissal. Certain violations may also have to be reported to (regulatory) authorities, which could lead to further action from these authorities (towards HES or personally).
- 7.3. Therefore, it is extremely important that this policy is complied with.

## **8. Seeking advice or reporting conduct**

- 8.1. If you are aware of any (possible) violation of this Policy you must report these to your local compliance officer or the Chief Compliance Officer. You can also contact your local compliance officer in case of any questions ([to include contact details]).
- 8.2. Please refer to the Whistleblower Policy for further guidance and an explanation on (i) how you can report a concern and (ii) the procedures applicable to any report that is made.
- 8.3. While it is your duty to report a violation when you become aware of it, early reporting gives HES the opportunity to detect a potential risk early and thereby hopefully mitigate possible harmful consequences.
- 8.4. HES does not tolerate any retaliation against any person making a report in good faith. Any form of such retaliation will be seen as a violation of this Policy.
- 8.5. In the event that you would prefer not to contact your local compliance officer or the Chief Compliance Officer, please refer to the Whistleblower Policy, more specifically the Hotline.

## 9. Audit and risk assessment

- 9.1. To develop a strong compliance program and effective internal controls, HES will perform a regular risk assessment and audit by sample checks, and depending on the results a full audit of the compliance with this Policy.

## 10. Update history

- 10.1. This Policy will be reviewed and, if necessary, updated regularly by the Chief Compliance Officer and in addition may be reviewed and, if necessary, updated from time to time to take account of, for example, changes to legislation, regulatory developments or organisational changes.

VERSION	REVISED BY	DESCRIPTION	REVISION DATE

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# Annex 1

## Gifts and Hospitality Declaration Form

This form must be filled out and signed and submitted to your local compliance officer, or in the event of an approval threshold exceeding situation, to the Chief Compliance Officer to e-mail [mh@hesinternational.eu].

<b>Name employee:</b>		<b>Signature:</b>
<b>Job title:</b>		
<b>Date:</b>		

APPROVAL THRESHOLDS		
Non Public Official		Public Official
< EUR 100 or < EUR 400 aggregate p.p.p.y.	No prior written approval required	> EUR 25 or > EUR 100 aggregate p.p.p.y.
> EUR 100 or > EUR 400 aggregate p.p.p.y.	Prior written approval by Chief Compliance Officer required	Prior written approval by Chief Compliance Officer required
<i>p.p.p.y. = per person per year</i>		

DECLARATION	
Details of gift / entertainment / hospitality / meal / travel	
<i>Brief description of item:</i>	
<i>Reason for gift or hospitality:</i>	
<i>Value of item:</i>	
<i>Date on which it was or will be provided:</i>	
<i>Location where provided:</i>	
<i>Additional information for consideration</i>	
<i>Evidence of written pre-approval (where necessary)</i>	

Details of provider and receiver	
<i>Name of person and/or company providing the gift or hospitality:</i>	
<i>Name of person and/or company receiving the gift or hospitality:</i>	
<i>Has the provider or recipient provided you/HES, or received from you/HES any other gift / entertainment / hospitality / meal / travel in the previous 12 months?</i>	
<i>Relationship:</i>	

APPROVAL		
<b>Date:</b>		<b>Signature:</b>
<b>Name:</b>		