

HOLDING - COMPLIANCE

Policy: Gifts, Hospitality and Entertainment (GHE)

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PURPOSE OF THIS POLICY

The purpose of this policy is to state the expected principles and behaviours of Majid Al Futtaim employees when giving or receiving Gifts, Hospitality or Entertainment (GHE).

This policy:

- Provides definition on GHE in this context
- Provides rules on how to proceed when giving or accepting GHE

By aligning the Group on a set of GHE rules, the policy:

- Articulates a set of standards applicable to every Majid Al Futtaim employee
- Improves consistency regarding accepting and giving GHE across the Group
- Clarifies requirements and ownership in terms of documentation, recording, monitoring and approvals using the 'GHE Tool'

INTRODUCTION & BACKGROUND

Majid Al Futtaim understands that providing and receiving gifts, hospitality and entertainment is part of normal business life. The exchange of gifts of nominal value, or entertainment within existing or future business relationship, or associations with companies that have a business relationship with Majid Al Futtaim, is a common practice. It is often an acceptable way of helping to build healthy relationship and goodwill with our business partners when the GHE is intended as a gesture of acknowledgement, recognition or appreciation of a lasting relationship or future one. However, there are situations where an exchange of gift or entertainment could be viewed as a conflict of interest, or an act of bribery.

In most countries, strict laws and rules govern the provision of giving or receiving a GHE from Public Officers/Officials. It is Majid AL Futtaim's policy to comply with all such regulations and requirements.

When we are giving or receiving GHEs, we must first ensure that it is in line with local custom, local legislation, this policy, as well as the third party policy.

As further detailed hereinafter, this Policy distinguishes two types of GHEs: **Ordinary** and **Non Ordinary**. **Non-Ordinary GHEs must to be submitted and approved using the 'GHE Tool' prior to execution.**

DEFINITIONS

GHE (Gifts, Hospitality and Entertainment)

GHE includes business hospitality, entertainment and gifts, including promotional items and presents to honor a personal occasion and/or create goodwill. Specifically:

- Gifts: refers to presents given/received voluntarily without payment or the expectation of something in return (i.e., given/received in good faith) as to show appreciation towards someone, honor an occasion, celebrate or make a gesture of goodwill or kindness;
- Hospitality and Entertainment: refers to the reception and entertainment of guests, visitors, or the general public at hotels, resorts, membership clubs, conventions, attractions, special events (including theatre, football, golf, and music concerts), restaurants, bars and other venues.

Public Officers/Officials

“Public officer” is defined (per the UAE Federal Penal Code) as:

- individuals working in ministries and governmental departments
- members of the armed forces
- members of legislative, advisory, municipal councils, and directors, managers and all other employees working in public entities
- employees of state-owned or state-controlled entities

In other words, the term “Public Officers/Officials” includes all employees, officers and agents at any level, of a government department or agency, whether executive, legislative or judicial. Officers and employees of companies under government ownership or control are also considered Public Officials. Thus the term includes not only individuals such as elected officials, customs and tax inspectors and government procurement officials but also employees of state-owned or state-financed enterprises.

Non-Government Related Third Parties

This category includes existing or potential customers, suppliers, agents, distributors and their employees or representatives. In this policy, Public Officers/Officials are excluded from the term “Non-Government Related Third Parties”.

Ordinary Business Gifts and Entertainment

Ordinary GHE should be proportionate and suitable relative to the occasion as well as the employees' positions (i.e. not lavish). Ordinary business entertainment should not be given at a frequency that may be perceived as inappropriate (i.e. excessive). Specifically ordinary GHEs are:

- **Gifts** having a value below AED 500 (or the lower threshold set by your OpCo) from or to a Third Party Non Public Officers/Officials
- **Business meals and entertainment** between Majid AL Futtaim employees and Third Party Non Public Officers/Officials that are not lavish, excessive, or of a nature which might create the appearance of impropriety e.g. occasional meal, drink and related expenses with a business partner to discuss business.

Non Ordinary Business Gifts and Entertainment

All GHEs that do not fall in the "ordinary" category

- Any type of **GHE** to or from a **Public Officer/Official**, regardless of the value – this is also applicable to donations to governments
- A **Gift** with a value per person above AED 500 (or the lower threshold set by your OpCo) for **Third Party Non Public Officers/Officials**
- An **Entertainment/Hospitality** for third party (non-public officer/official) aimed at celebrating an occasion or to honour a person (vs. meeting to strictly discuss business)
- Any GHEs that involve cash or cash equivalent (such as vouchers)
- Any GHEs that occur during a tender process

Trade Incentives

Trade incentive schemes are typically part of contractual business relationships directed at customers/distributors and linked to specific trade achievements (e.g. pay-for-performance). Trade incentives usually take the form of goods or fees.

Marketing Incentives

These are programs (i.e. "gifts to consumers") designed to incentivize specific behaviour to achieve desired actions from consumers. Marketing Incentives are usually used as a means to achieving specific results, (e.g. impacting consumer behaviour) typically for a limited duration.

Governmental Organizations

Governmental organizations pertain to any regional, national, state, provincial, local or similar government, regulatory

or administrative authority. This includes branch agencies, any statutory body, commission or any non-governmental regulatory, administrative authority, body or other organization, to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law or any court, tribunal, arbitral or judicial body.

Political Contributions

Contributions made to a politician, political campaign or a political party or politically sponsored associations, NGOs, or incorporated or non-incorporated bodies of any form.

GHE Value

The actual cost or the fair market value or the perceived value (if any).

In the case of hospitality and events, the value of the GHE provided to a recipient is the total actual cost of the event or gift divided by the number of participants or attendees reasonably expected to attend or that will be invited to the event. In cases where a participant is accompanied by a partner (e.g. spouse), the total GHE value offered to the participant is the sum of both GHE values.

GHE Tool

The tool used to document the circumstances of the exchange of (given or received) non-ordinary GHE as well as obtaining approval. This form includes the information required to enable Reviewers to fully consider the request. The 'GHE Tool' is accessible from: www.mafethics.com.

SCOPE

GHEs which are in scope of this Policy

- All non-ordinary GHEs

To whom does this Policy apply?

- All Majid AL Futtaim companies, related companies, Majid AL Futtaim employees as well as their family members in respect with any GHE given or received
- Any third parties (Majid AL Futtaim contractors, joint ventures, franchise partners, consultants, temporary employees) acting on behalf of Majid AL Futtaim or its companies

GHEs which are NOT in scope of this Policy

- Any ordinary GHEs as defined by this Policy. In these cases, please refer to your applicable HR/Accounting Policy and/or Travel and Entertainment (T&E) Policy
- Marketing incentives (for example, gifts and entertainment to consumers) that are usually covered in a marketing plan. In these cases, please refer to your Marketing Policy

- Trade Incentives (for example, gifts and entertainment to distributors), covered by contractual arrangements

PRINCIPLES AND RULES TO FOLLOW BEFORE ACCEPTING OR GIVING A GHE

Local Legislation and Policies

- Local legislation must be respected and followed at all times
- Operating Companies (OpCo) and/or Business units (BU) can issue more restrictive policies in line with their operating environment, that complement or are stricter than this Policy

Proportionality and Market Customs

A GHE should be proportionate and in line with local market customs. When considering “proportionality” and the “market custom”, employees should consider the following:

- How the GHE compares in value to the usual GHE-giving practices in the country
- The suitability (e.g. not excessive) of the GHE relative to the occasion as well as the employee’s duties or position
- How the GHE might look (e.g. does it create an appearance of impropriety or a perceived conflict of interest) to an outsider (e.g. employee, distributor or supplier)
- The sum of GHE to or from that same party should not be exchanged at a frequency which may be perceived as inappropriate
- The impact of the GHE on building a healthy business relationship with the recipient

In some circumstances, refusing or declining a GHE may offend or embarrass the donor or adversely affect the relationship. In such instances and upon the receipt of the gift, the employee should accept the GHE but raise the GHE request as soon as possible to seek guidance on how to address the situation.

Conflicts of Interest

- Employees are expected to apply common sense regarding the exchange of all GHE, bearing in mind potential conflicts of interest (e.g. leading to undue influence on decision making and potentially gaining/giving preferential treatment)
- Employees may only give and receive gifts in an open and transparent manner.

Submitting a GHE Requests

The 'GHE Tool' set-up the approval workflow as follows:

- All non-ordinary GHEs should be duly registered and approved **before** they are given or received
- The 'GHE Tool' can be accessed from www.mafethics.com
- The GHE requests submitted via the tool should provide sufficient information to allow for a full analysis of the request. This includes the following information:
 - Drivers and purpose
 - Description of the GHE
 - Beneficiaries/recipients (name, company, name of governmental agency, etc.)
 - The value of the GHE per beneficiary
 - The full value of the GHE (e.g. in case of an event for multiple beneficiaries)

Approval of a GHE Request

- All requests are to be submitted to your line manager (one level up) and CEO (or delegate) for review and approval. CEO can delegate the approval one level down
- All requests involving Public Officers/Officials are to be additionally approved by the General Legal Counsel of Majid AL Futtaim Holding, OpCo or Business Unit
- All GHE requests need to be fully documented by the Requestor and are archived in the 'GHE Tool', irrespective of the decision (approval or refusal)
- GHE Requestors will be informed by email on the decision related to their GHE request

In any cases of doubt regarding the application of any of the above rules and principles, please refer to your General Legal Counsel or Chief Compliance Officer.

ROLES AND RESPONSIBILITIES

Requestor – Majid Al Futtaim Employee

- Ensures that the GHE request:
 - complies with this Policy
 - provides all required and relevant information and the circumstances of the exchange (e.g. agenda of meeting, occasion for the exchange, names and positions of the people involved, nature and value of the GHE)
- Ensures timely approval of their requests in the tool

Reviewer

- He / She ensures that the GHE request:
 - Has been completed in accordance with this Policy
 - Does not represent a legal or reputational risk to Majid Al Futtaim
- He / She reviews, approves, request to change or rejects the request based on his/her analysis of the context using the principles and rules set out in this Policy
- He / She documents the reason for rejecting the request

OpCo CFO, Risk Management/Loss Prevention

- Ensure implementation of the policy
- Ensure that proper awareness of the policy exists at OpCo level, including completion of GHE e-training
- Monitor the overall compliance of the OpCo with the GHE Policy
- Quarterly report to the respective Ethics Panel
- Monitor the approval of requests raised in the tool

The Chief Compliance Officer / Holding Business Ethics Lead

- Updates the Company GHE Policy to ensure it is in line with the changes in business environment
- Provides support to OpCo in implementing the GHE Policy
- Monitors the overall performance of the GHE Policy implementation

OWNERSHIP

- This policy is owned by the Chief Compliance Officer, who is responsible for reviewing it on a regular basis or/and on a need be basis
- Exceptions to this policy have to be approved by the OpCo CEO and Chief Compliance Officer
- Implementation of the Policy is owned by the OpCo CFO and Risk Officers / Loss Prevention