

# **GIFTS AND HOSPITALITY POLICY 2023-2024.**

## **1.0 INTRODUCTION**

1.1 Accepting or offering gifts or personal hospitality could be seen to influence a Associate's or third party's business's actions or decisions and we want to protect Associates and our Company from bribery or potential bribery. The Company has a zero tolerance attitude to bribery in all its forms. The Company's Anti-Bribery Value Statement is displayed on the Group's website [www.pinewood.ai](http://www.pinewood.ai).

In general, the Company does not believe that it is appropriate for Associate to accept gifts or personal hospitality from customers, suppliers or any other person or organisation with which the Company has (or might have) business connections. This is because it is important to ensure that no Associate acts in any way that could create a sense of obligation by accepting the gift or personal hospitality. Recognising that this policy needs to be proportionate, the Company also

deems some forms of small promotional gifts and certain corporate entertainment to be a legitimate part of business life. This policy accommodates this and gives essential guidance on the subject.

## **2.0 RECEIPT OF GIFTS - DISCLOSURE**

2.1 Any Associate who receives or is offered a gift of any kind (with the exceptions set out in 2.6 below) from an existing or potential business contact must disclose the fact of the gift, its nature and the identity of the sender to their Dealer Principal/ Business Leader.

2.2 In cases where the Associate's Dealer Principal/Business Leader agrees that the gift is intended as a token of gratitude for work carried out to a particularly high standard or for an exceptional level of service given, the Associate may, at the Dealer Principal/Business Leader's discretion, be permitted to retain the gift. Thus, small gifts that are genuinely given as a token of appreciation

or gratitude will be acceptable, provided that the Associate properly declares the gift in line with this policy and provided that the Associate does not subsequently treat the person who sent the gift more favourably than other customers/suppliers or business contacts.

2.3 If the gift is anything other than a small token of appreciation having no substantial financial value, the Dealer Principal/ Business Leader will decide what to do with the gift. This could include donating the gift to charity, dividing it amongst Associates, offering it up as a prize for Team incentives or saving it as a charity raffle prize. There may be occasions on which the appropriate thing to do in the circumstances is to politely return the gift (see 2.5 below).

2.4 The Company's view of what constitutes a "token" gift is linked to the perceived value of the gift. Gifts of money, however small, must always be disclosed, so as to avoid any future dispute about the purpose of the gift. As well as disclosure to your Dealer Principal/Business Leader, gifts which are not money and have a perceived value over £50 must be recorded on the register described at 4.0 below.

2.5 If, in the opinion of the Dealer Principal/Business Leader, the gift is inappropriate or might constitute a bribe or other inducement, the Associate will be required to pass the gift to their Dealer Principal Business Leader, who will return it to the sender with a suitable letter explaining the Company's policy and asking that it be respected in the future (see Appendix 2 for a model letter). The Dealer Principal/Business Leader is expected to make his or her decision with the help of relevant guidance issued by the Company to leaders.

2.6 This duty to disclose gifts does not apply to promotional gifts, i.e. items such as stationery, pens or diaries that bear the logo or company name of another organisation, provided that these have no significant value. However, since it is likely that such gifts will be received by only a limited number of Associates, they should always be shared amongst other Associates where appropriate.

### **3.0 RECEIPT OF INCENTIVES, HOSPITALITY OR ENTERTAINMENT**

3.1 We also require you to report to your Dealer Principal/Business Leader all corporate incentives, entertainment or hospitality offered to you by third parties. In broad terms "corporate" means an event designed for business promotion, incentive or reward purposes organised by the donor

and on which the donor accompanies participants at the event in question. An Associate may only be given authorisation to accept hospitality in circumstances where the donor will be present. This is in order to avoid situations where the hospitality could be offered solely as a gift rather than corporate hospitality. Reporting in this way will enable your Dealer Principal/Business Leader to assess whether or not it is appropriate for you to accept the offer. Factors to be taken into account include: the identity of the donor, the value and nature of the offer, how much time away from the business it would entail and how much expenditure by the business it would entail (if not "all expenses paid"). The decision of your Dealer Principal/ Business Leader as to whether or not

you may accept the offer is final and in the Dealer Principal/Business Leader's discretion, acting in accordance with this policy and guidance issued by the Company to Leader.

3.2 We require you (with very limited exceptions) to register offers of incentives, entertainment or hospitality received. The requirement to register applies whether or not the offer is accepted. The exceptions are detailed in 3.3 below.

#### **3.3 Exempt Hospitality**

The Group's businesses operate within the motor retail sector, which has a culture in which events and hospitality (many focussed on motor vehicles) are an integral part of business relationships. Motor manufacturers and their associated companies expect their franchised dealers to participate in events

centred on their vehicles and associated products and services, and also to attend sporting and arts or other leisure or entertainment events to foster good relations, some of which are also attended by potential mutual customers or customer decision-influencers. The Group has therefore set some basic principles to define what are “business-as-usual” events for those performing roles which entail promotion of the brands we represent or fostering relations with motor manufacturers and our mutual customers or customer decision-influencers, so that these may be exempted from our written declaration or recording processes. This is on the basis that, for the Associates involved, participation is “in the ordinary course of business” and does not carry a risk that, by attending they will either (a) be induced to act improperly themselves; or (b) cause anyone else to act improperly.

An “Exempt Event” is an event to which a Associate has been invited by a motor manufacturer (or its associated finance company) of the brands the Group represents (the “Host”) and:-

- is organised and paid for wholly or partly by the Host; and
- is attended by the Host’s representatives; and
- if the event involves an overnight stay or attendance by our Associates’ partner/guest, either:-
  - A. has business content relating to the Host’s products or services; or
  - B. is a prize/reward in the context of a published business performance incentive operated by the Host.

It is assumed the perceived value of the Associate’s attendance exceeds the limit for central declaration (£250). However you are not required to report it centrally if it falls within the above criteria.

The processes the Group has adopted in this area are designed to be appropriate to our business and the sector within which we operate, and not onerous obligations which are disproportionate to the actual risk of bribery. If the event fulfils the above criteria, the only step the Associate invited needs to take is to obtain permission to attend from his relevant Senior Leader. If it does not, the event invitation must be declared to the Associate’s Dealer Principal/Business Leader or Senior Leader (as appropriate) and recorded locally (if the perceived value is less than £250) or to the centre, if in excess of £250 (see further at 4.0 below).

### 3.4 Obtaining permission

The relevant Leader’s response to a request for permission to attend any event (whether or not an Exempt Event) will be determined by his/her assessment of the following, in his or her reasonable discretion:-

1. the needs of the business and the effect of that Associate’s absence, by attending the event
2. the amount of any costs the Group has to bear associated with that Associate’s attendance at the event

3. the apparent business purpose of the event and its relevance to that Associate's job role
4. the extent of the legitimate business benefit (direct or indirect) the Group will derive from that Associate's attendance
5. the presence of any significant hazards to health or safety of participants in the event and the related insurance arrangements
6. whether or not the event involves any apparently illegal act, including an assessment of the bribery risk.

The relevant Leader should consult the Group's Specified Persons' Handbook on Anti-Bribery to assist his/her decision. The relevant Leader's decision will be final.

3.5 Where a Associate is given permission to attend a business contact's charity event (sponsored or supported by the business contact host) the Associate should make a personal contribution to the charity as a charity donor, so that he or she can demonstrate he or she is not solely relying on the business contact's generosity.

## **4.0 REGISTERING OF GIFTS, INCENTIVES, HOSPITALITY OR ENTERTAINMENT**

4.1 The register of offers or receipt of gifts, incentives, hospitality or entertainment to a perceived value of between £50 and £250 is kept locally by your Dealer Principal/Business Leader. Please note: this is for single instances of between £50 and £250. See Appendix 1 for an example of a register entry. The register form should be downloaded from the Company intranet. Offers exceeding that perceived value (£250 single or £250 cumulative from a single third party over 12 months) must also be reported for recording on the central register kept by the Group Head of Internal Audit,

who is based at Loxley House. The email address to send your information to is:  
[human.resources@pinewood.co.uk](mailto:human.resources@pinewood.co.uk)

## **5.0 OFFERING GIFTS OR HOSPITALITY TO THIRD PARTIES**

5.1 The vast majority of Associates are not authorised to offer Gifts or Group-funded hospitality to customers, suppliers or other business contacts. Where a Associate occupies a senior leadership role which carries with it the authority to provide gifts or hospitality, they must operate within their prescribed limit and in accordance with the Company's expenses policy.

In summary, Associates should approach either their Divisional Managing Director, or equivalent senior leader or the Head of Human Resources and Development. If the matter is extremely serious then a Director of the Company or the Company Secretary should be approached. The nature of the complaint will determine the Company's next course of action.

5.2 To maintain good relations, these Leaders are allowed to offer gifts and hospitality to a customer, supplier, or other business contact provided that:-

5.2.1 it is appropriate to the Group's business interests and not motivated by a desire to induce improper conduct or decisions;

5.2.2 the hospitality is not allowed to develop into an inappropriate personal relationship, for example, in return for attending events the leader hosts, the business contact provides special discount arrangements for Group Associates;

5.2.3 the host's relevant senior leader is informed of the social aspect of a business relationship;

5.2.4 in the case of existing or potential Group customers or suppliers, the host's relevant Senior Leader has given prior approval or a general authorisation. It is also essential that the Senior Leader be accurately briefed to prevent any suggestions that the host is seeking to influence the guests or recipients of gifts to behave improperly within the business relationship; and

5.2.5 the host is present at the event to which the business contact is invited; this is in order to avoid situations where the hospitality is offered solely as a gift rather than corporate hospitality.

## **6.0 DISCIPLINARY ACTION**

6.1 This policy forms part of the terms and conditions of all Associates' contract of employment and any breach of the policy will be regarded as misconduct, leading to disciplinary action up to and including summary dismissal.

## **7.0 FURTHER INFORMATION**

7.1 Please read the 'What if?' scenarios we have supplied in Appendix 3 to help answer some of the questions you may have. If you are still unsure of your responsibilities in relation to this policy, or the action to take in a particular situation, you should consult your Dealer Principal/Business Leader or email [human.resources@pinewood.co.uk](mailto:human.resources@pinewood.co.uk).

7.2 If you are a Dealer Principal or Business Leader, not only are you obliged to adhere to this policy but you must also record and or report such gifts/hospitality as required by this policy.

7.3 If you are a Dealer Principal or Business Leader and are offered gifts, hospitality or entertainment which are reportable as described in this policy, you should report this to your Regional Director Senior Leader or email [human.resources@pinewood.co.uk](mailto:human.resources@pinewood.co.uk) in accordance with this policy.

7.4 If you are a Regional or National Franchise Director (or similar level in non-motor divisions) and are offered the gifts, hospitality or entertainment which is reportable as described in this policy, you should report this to your Divisional Managing Director or email [human.resources@pinewood.co.uk](mailto:human.resources@pinewood.co.uk) in accordance with this policy.

7.5 It is Company policy to ask all third parties we deal with to report to us any Associates they believe to be requesting or offering inducements of any kind or engaging in any activity that may contravene the Bribery Act 2010.

7.6 The Company's Value Statement on Anti-Bribery appears on the Company's website under "Corporate Governance" within the "Corporate Profile" section.