

## BUSINESS CONDUCT (GIFTS, HOSPITALITY & CONFLICTS OF INTEREST) POLICY

Version: 4

Version Date : Nov 2016

Last Review Date – December 2016

Policy Maintained by – Human Resources

### 1. PURPOSE

The expression "**Company**" in this Policy means Unipart Group of Companies Limited and each and all of its subsidiary and associated companies.

The Company's **Anti Bribery and Corruption Policy** and its **Guide for Conducting Business the Unipart Way** set out the Company's policies generally for ensuring that the Company and its people comply with the requirements of the UK Bribery Act, behave ethically and lawfully and avoid conduct which would or might give rise to conflicts of interest.

The giving or receiving of gifts (including money and so called "facilitation payments") and hospitality are specific examples of things which, particularly if they take place in a business context, could amount to offences under the UK Bribery Act. Similarly, commercial sponsorship arrangements, holding significant share interests in other businesses and working for other organisations at the same time as working for the Company are examples of conduct which, even though perfectly lawful in themselves, could create conflicts with the Company's interests.

The UK Bribery Act 2010 introduced a new crime of attempted or actual bribery of a foreign public official. The definition of foreign public official is broad and it includes managers of nationalised companies. Great care must be taken when offering any gifts or hospitality to foreign public official to ensure the intention is legitimate and cannot be misconstrued.

The Company has therefore adopted the specific requirements set out in this Policy for all gifts and hospitality, and for having other financial and business-related interests, to avoid those risks and to ensure that the business-related conduct of all Unipart People is within the law and appropriate to the nature, values and ethics of the Company.

### 2. SCOPE

This Policy applies to all **Unipart People** – that is, employees and others working directly for Unipart including (without limitation) associates and temporary staff.

Where the expression "**Unipart Representative**" is used, it means any company or individual not falling within the definition of Unipart People but who provides services (including acting as a representative or agent) for the Company.

This Policy does not form part of any employee's contract of employment and it may be amended at any time.

### **3. PRINCIPLES**

The Company expects from Unipart People and Unipart Representatives the highest standards of integrity and conduct in all matters concerning the Company.

Unipart People and Unipart Representatives should take steps to prevent any potential conflicts of interest between their personal and professional relationships at work.

Our customers and suppliers are entitled to expect commercial integrity from us, and this must not be compromised.

The Company expects Unipart People and Unipart Representatives to exercise scrupulous care at all times, particularly in relation to the following:

- gifts, loans, benefits and hospitality;
- share dealing;
- financial and business interests;
- commercial, sensitive and personal information;
- during the new business tendering process
- during any contract renewal process; and
- when dealing with foreign public officials

In all circumstances, all Unipart People and, to the extent expressly described in this Policy, all Unipart Representatives must adhere strictly to this Policy and the associated procedures described later in it. Failure to do so may result in summary dismissal, contract termination and/or criminal prosecution.

### **4. UNIPARTS GIFTS & HOSPITALITY REGISTER**

The purpose of the Unipart Gifts and Hospitality Register is to highlight and record any instance where an employee has proposed, accepted or declined anything that has a potential to be construed or misconstrued as being a bribe. This mechanism ensures that we can be transparent in our business dealings. All gifts and hospitality, whether received or given, above the value of £100 will be recorded in the "Gifts and Hospitality" Register.

The register will be used on an annual basis to report on Gifts and Hospitality to both the GEC and the Unipart Group Board.

The Unipart Gifts and Hospitality Register is purely a recording mechanism. It is not an authorisation mechanism. Where authorisation is required under this policy, this should be obtained from the relevant individual as specified in the policy.

Unipart People may register by completing the relevant form shown in the appendix 1 to this policy and sending it by e-mail to:  
corporateresponsibility@unipart.com  
as soon as reasonably practicable so that compliance with policy is evidenced.

## 5. GIFTS, LOANS, BENEFITS

For the purposes of this Policy a "gift" is any item, including cash, discounts, goods, services and **personalised hospitality** (see definition immediately below) which is provided for personal benefit as a result of a business-related relationship or connection.

The expression "**personalised hospitality**" means attendance at a non-business event - for example, a sports or music event - at which neither the host, if an individual, nor any representative of the host is present (unless the host's absence results from some unforeseen circumstances such as an accident on the way to the event). All such personalised hospitality is treated by this Policy as a "gift" and subject to all the provisions of this section 5. Other classes of hospitality are dealt with separately in section 7 below.

### 5.1 Receipt of Gifts, Loans or Benefits by Unipart People

#### 5.1.1 Prohibited Gifts

The following types of gifts from customers, suppliers or potential customers or suppliers to Unipart People or their close family are **prohibited**:

- any cash gift or loan;
- any gift offered by an organisation tendering for work with the Company
- personal gifts of a lavish nature received either:
  - at home;
  - at work;
  - on business trips; or
  - when participating in a work related event.
- repeated/regular small gifts from the same donor.

Payments by actual or potential customers or suppliers to sponsor or subsidise internal Company events purely for Unipart People (e.g. staff parties) are prohibited. For payments permitted as bona fide "Sponsorship" see section 9.

#### 5.1.2 Permitted Gifts

The types of gifts are permitted from customers and/or suppliers so long as they are not regular occurrences and the Company is not currently involved in a tendering process with that customer/supplier:

- low value (less than £100) gifts conditional upon line manager approval;
- gifts valued at £100 or more conditional upon Divisional Managing Director Approval and entry on the Company's Gifts and Hospitality Register;
  
- benefits for individuals that have been agreed or approved by the Company and which are made available to all employees e.g. discounts and discount vouchers. These do not need to be registered on the Unipart Gifts & Hospitality Register;
  
- personal trophies and /or certificates and prizes received as a result of a 'work-related' competition entry sponsored by a customer or supplier – actual or potential - or any other third party; conditional upon line manager approval for those below £100 or Divisional Managing Director approval and entry on the Company's Gifts and Hospitality register for those valued at £100 or more.

It is recognised that where a business relationship has developed into a personal friendship, which exists **outside** the working environment, then personal presents are likely to be exchanged (e.g. birthdays, etc.). This is permissible provided that:-

- a) gifts are paid for by the individual, not the "supplier's" organisation;
- b) the relevant individual informs their Company manager and if their manager decides it is necessary the individual may be required to register the gift on the Unipart Gifts & Hospitality Register.

Merchandise samples which are given to an employee for testing or other bona fide business purpose are not considered to be a gift, but to avoid misunderstanding where their value is in excess of £100 their receipt should be registered on the Unipart Gifts & Hospitality Register. Merchandise samples when no longer required are to be returned, where possible, to the donor.

#### 5.1.3 Registering Gifts

Any gifts, benefit or loan valued at £100 or more must be registered on the Unipart Gifts and Hospitality Register, irrespective of whether it is accepted (with appropriate authorisation) or rejected.

#### 5.1.4 Treatment of unauthorised gifts

Any gifts, loans or benefits that you are not authorised to accept must immediately be:

- registered on the Unipart Gift & Hospitality Register; and
- rejected or returned with a letter politely explaining the terms of this Policy and stating that the recipient is prohibited from accepting them.

Any unauthorised gift which cannot be returned (e.g. perishables) should be disposed of at the relevant senior manager's discretion; for example, shared between team members or raffled for charity. In these cases the supplier should also be informed, in writing, of the Company's action..

#### 5.1.5 Declaration of gifts to HMRC

Employees should be aware that personal gifts accepted by them are considered to be a taxable benefit to the extent that the total value of such gifts exceeds £250 per annum. Employees are required to declare the value of these gifts on their HMRC self-assessment forms where relevant.

### **5.2 Offering or Giving Gifts and Incentives by Unipart People and Unipart Representatives**

This section 5.2 applies to all Unipart People and to all Unipart representatives.

You must not give anything if it might imply that Unipart is acting improperly and you should always be mindful of protecting Unipart's reputation and brand.

#### 5.2.1 Prohibited gifts

The following types of gift may not be offered on behalf of the Company:

- cash gifts to individuals ;
- personal gifts of a lavish nature;
- any sort of gift where the intention is to improperly influence the recipient's judgment;
- any sort of gift where you know that the recipient is not allowed to receive it.

### 5.2.2 Permitted gifts

The Company recognises that, on occasions, it may be appropriate to offer a gift as a token of appreciation. In such cases the intending donor should put a request in writing to the relevant Company Managing Director explaining:

- Who the gift is for
- Why it should be given
- The nature of the gift and its approximate value.

All such gifts valued at £100 or more must be registered on the Unipart Gifts and Hospitality Register

### 5.2.3 Personal Sales Incentives

- personal sales incentives where the recipient's employer has signed-off the relevant incentive program and has specifically acknowledged in writing that the employer is aware of it and has agreed to the employee's participation in it, i.e. that the individual may receive the relevant personal incentive (e.g. holiday, TV etc.), such gifts must be registered in the Unipart Gift & Hospitality Register

Sponsorship is dealt with in section 9 below.

### 5.2.4 Overseas Travel

If any individual is travelling overseas on business to an area where gifts are an important part of business culture then you will be allowed and expected to participate in gift giving and receiving but this still needs to be proportionate and reasonable from a UK perspective. Guidance should be obtained in advance from the relevant Company divisional Managing Director and in the case of Unipart People (only) all gifts must be registered on the Unipart Gifts & Hospitality Register.

## 6. FACILITATION PAYMENTS

This section 6 applies to all Unipart People and to all Unipart Representatives.

In many countries, it is customary business practice to make payments or gifts to officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course; or we may need lawfully to import or export goods or materials.

Despite this, facilitation payments of that kind are against the Company's policy and in almost all cases are illegal within the UK as well as within most countries in which we operate. The UK Bribery Act 2010 makes no distinction between "facilitation payments" and bribes – regardless of size, location within the world or local cultural expectation even if that is “how business is done here”.

However, in the event that a facilitation payment is being extorted, (e.g. if you are forced to pay under duress or faced with potential harm) such a payment may be made, provided that you:

- contact the UGC Group Legal Department as soon as possible;
- record the payment appropriately within Unipart's books and records to reflect the substance of the underlying transaction.
- Register the payment on the Unipart Gifts and Hospitality Register,

## **7. HOSPITALITY**

This section 7 applies to all Unipart People and to all Unipart Representatives whether offering or being offered Hospitality.

Hospitality is the offer or provision of hosted event, or event at which the host is present plus any travel/accommodation etc. which is ancillary to the event and for which the host pays or contributes.

When considering hospitality or business entertainment, whether offering or receiving, individuals should be mindful of protecting the Company's reputation and brands.

### **7.1 Acceptable Hospitality for which there is no requirement to seek approval or register:**

- working lunches or refreshments provided during an on-site business visit;
- hospitality extended to all attending a course, seminar, conference or other external event, where attendance has been approved by a relevant Manager;
- free seminars, talks or workshops, provided that they are free to all in attendance;

### **7.2 Acceptable Hospitality that must be authorised**

Hospitality must be on an appropriate scale and not put Unipart People or Unipart Representatives in a position where they may be influenced in making a decision in relation to the Company business, or where they may give the appearance of being so influenced.

Hospitality is permitted if:

- a representative (e.g. host) from the sponsoring organisation is present; and

- the Company is not in a tendering process with the other party; and
- the purpose is to hold a bona fide business discussion or to develop better business relations, not to create any form of obligation; and
- the entertainment was openly offered and not solicited; and
- such entertainment is neither so frequent nor extensive as to raise questions of impropriety

**In the case of Unipart People, any hospitality proposed to be offered, given or accepted should be:**

- Authorised in advance by your line manager where such hospitality is valued at less than £100;
- Authorised in advance by your Divisional Managing Director where such hospitality is valued at £100 or more.
- registered - all offers of hospitality valued at £100 or more (whether accepted or not) must be registered on the Unipart Gifts & Hospitality Register as soon as reasonably practicable.

## **8 . WORK RELATED CHARITABLE DONATIONS**

The Company does not wish to discourage personal charitable giving, but does need to ensure that charitable donations do not constitute, and cannot be construed as constituting, unlawful bribes or improper business incentives giving rise to conflicts of interest.

For the purposes of this section the expression "**work related charitable donation**" means a donation or pledge of a donation for a charitable or not-for-profit organisation:

- a) by the Company, or by any Unipart People in a personal capacity, at the request of an actual or potential Company customer or supplier or any employee of an actual or potential Company customer or supplier;
- b) by an actual or potential Company customer or supplier, or by any employee of an actual or potential Company customer or supplier, at the request of the Company or of any Unipart People in a personal capacity.

This includes any donation by way of "sponsorship", for example by reference to the run time or number of miles completed in a marathon race.

ALL work related charitable donations or pledges (i.e. of the kinds described in sub-paragraphs (a) or (b) above) must be registered in the Unipart Gifts &



Hospitality Register if the amount exceeds £250 per annum. (This value relates to donations or pledges in the UK – International Policy limits are set by relevant Managing Directors for overseas countries.

Unipart People must not request or receive a work related charitable donation where they or any member(s) of their direct family benefit directly from the donation, nor where they are a trustee (or a close relation is a trustee) of the relevant charity or not-for-profit organisation.

During any business or contract tendering process involving actual or potential customers or suppliers of the Company, Unipart People must be particularly careful that an offer or request for a work related charitable donation does not constitute, and cannot be construed as constituting, an unlawful bribe or improper business incentive. During a process of that kind ALL offers or requests for work related charitable donations, irrespective of financial size, to or from the relevant supplier or customer must be registered in the Unipart Gifts & Hospitality Register.

## **9. SPONSORSHIP**

Sponsorship can take many forms but it includes arrangements under which, for example:

- a) a party (e.g. a football club, a motor racing team etc.) receives payment from a sponsor (such as the Company) in return for advertising or promoting the sponsor (e.g. by way of logos on team clothing or cars, providing hospitality at events at which the third party is competing etc.); or
- b) a sponsor (such as a supplier) makes a payment to a party (such as the Company) towards the cost of an event arranged by the Company for third party potential customers to promote sales of the Company's products including those it purchases from the sponsor.

Where the Company enters into a commercial sponsorship deal (or requests sponsorship for) a person, event or team for promotional, marketing or community relations purposes this activity should be assessed in line with the relevant Corporate Responsibility strategy and/or marketing strategy and must:

- be transparent and legitimate
- deliver the required Company benefits
- not compromise the Company and / or its representatives
- ensure that the recipient operates in a manner that is consistent with the Company's values – i.e. it must enhance rather than detract from our brand value

All sponsorships must be registered in the Unipart Gifts & Hospitality Register.

Sponsoring an individual where the money is paid to a charity or not-for profit trust is subject to section 8 (Work Related Charitable Donations)

#### **10. OVERSEAS TRAVEL EXPENSES**

Paying for a customer or potential customer to travel to see a Unipart facilities or demonstrations that cannot be delivered in the customer's country is legitimate. However, such travel expenses should be made according to the Company's travel expenses policy. They should be authorised by the relevant Managing Director and fully documented. Under no circumstances should we pay the travel expenses of any other individuals, e.g. family members, accompanying a potential or actual customer.

Any gifts or entertainment given or received during an overseas trip must be registered at your earliest opportunity.

#### **11. SHARE DEALINGS AND INTERESTS**

Any employee of the Company should disclose to their manager share interests or options over shares in publicly quoted companies where the interest represents or relates to more than 1% of that company's issued share capital or when, through his/her work, (s)he has possession of unpublished information which, if published, might affect the price of that organisation's shares or other securities.

"Shares or other securities" means any type or class of share, debenture, loan stock or option traded on a recognised stock exchange, irrespective of whether the purchase or sale is made through an employee share scheme or otherwise.

All Unipart People must disclose in writing to their divisional Human Resources Director, and all Unipart Representatives must disclose in writing to the Company, any financial interest they or their close relatives or associates have in any business which supplies or supply goods or services to the Company. This disclosure also applies to any interest in an activity or pursuit which could lead to potential conflict between their work with or for the Company and their activities or pursuits.

The Company regards the requirement to declare interests as a contractual responsibility. Disciplinary action will be taken against Company employees who fail to declare a relevant interest or abuse their official positions for self-benefit or the benefit of families, friends or associates.

#### **12. FINANCIAL INTERESTS AND BUSINESS ACTIVITIES**

No Unipart People may be financially involved in any outside business if his/her activities on behalf of the Company could materially affect the fortunes of that business. This includes businesses which are or which become suppliers, customers or competitors. If any such interests are already held the employee

must declare these in writing to their manager, who will advise whether action is necessary.

If an employee wishes to engage (whether or not in working hours) in any outside business as a proprietor or director, (s)he must obtain written permission from his/her director. (S)he must also obtain such permission before becoming involved with an outside business as an employee, or in some other capacity, if there could be a conflict with the Company's own interests. Even where there is no possibility of a conflict of interests employees may also be required to obtain permission under separate guidance regarding extra-mural activities and the requirements of the Working Time Regulations.

The Unipart Group will not permit its employees to engage in outside employment which could conflict with or detrimentally affect their duties with the Group.

Unipart People who are involved in commercial agreements on behalf of The Company must inform the Company of any conflict of interest situations where it could be perceived a personal interest, or interests that they owe to another body, may (or may appear to) influence or affect the individual's decision making e.g. going on holiday with a supplier who is a close personal friend.

### **13. DISCIPLINARY PROCEDURE**

Failure to comply with the above guidelines by an employee would constitute a breach of the Guide to Conducting Business the Unipart Way codes of conduct. Any suspected or actual breaches of this Policy will be suitably investigated and progressed as defined in the Unipart Disciplinary Policy and/or reported to a relevant external authority e.g. Serious Fraud Office, Police etc., for investigation and or action.

In the event that a serious allegation is considered to be well founded, disciplinary action, up to and including summary dismissal, will be taken.

Unipart Representatives will be dealt with in the appropriate manner.

### **14. WHISTLEBLOWING**

Unipart People who suspect or know of any breach of this Policy are encouraged to report it immediately to the Company as detailed in the Unipart Whistle-Blowing Policy.

### **15. RESPONSIBILITY**

All those persons referred to within the scope of this Policy are required to adhere to its terms and conditions.



Individual managers are responsible for ensuring that this Policy is applied within their own area.

Any queries on the application or interpretation of this Policy must be discussed with the Human Resources department prior to any action being taken.

The Human Resources Leadership Team has the responsibility for ensuring the maintenance, regular review and updating of this Policy. Revisions, amendments or alterations to the Policy can only be implemented following consideration and approval by the Group Executive Committee.



## **APPENDIX 2**

### **CHARITABLE DONATIONS**

Please use these forms for the registration and authorisation to request or pay a charitable donation on behalf of Unipart where:

- The donation is more than £250 OR
- The donation is requested by/received from a third party currently in a tendering process with The Company

Once completed and signed, the person who has received or is offering a gift / hospitality must email the completed form to [corporateresponsibility@Unipart.com](mailto:corporateresponsibility@Unipart.com) as soon as reasonably practicable so that compliance with the policy is evidenced.

<b>REQUEST FOR WORK RELATED CHARITABLE DONATION TO A THIRD PARTY IN EXCESS OF £250 AND/OR FROM ORGANISATION IN TENDERING PROCESS</b>	
Request to make a donation received from Name / Company	
Unipart person to whom the request was made Donation in excess of £250 made by – Name Cost Centre	
Name of Charity	
Authorising signature	

<b>WORK RELATED CHARITABLE DONATION RECEIVED FROM A THIRD PARTY IN EXCESS OF £250 AND/OR FROM ORGANISATION IN TENDERING PROCESS</b>	
Donation in excess of £250 received from Name / Company	
Who instigated charitable donation <ul style="list-style-type: none"> <li>• Employee number</li> <li>• Name</li> <li>• Division</li> </ul>	
Name of Charity	
Authorising signature	

### APPENDIX 3 PRODUCT SAMPLES

Please use this form for the registration and authorisation of product samples with a value of £100 or more.

Once completed and signed, the person who has received or is offering a gift / hospitality must email the completed form to [corporateresponsibility@Unipart.com](mailto:corporateresponsibility@Unipart.com) as soon as reasonably practicable so that compliance with the policy is evidenced.

<b>PRODUCT SAMPLE RECEIVED BY A UNIPART PERSON VALUED AT £100 OR MORE</b>	
Person who received sample:	
Employee Number (for employees only)	
Name (please indicate if the offer also related to a guest of your choosing eg and wife)	
Division	
Role within Business	
Date received	
From (Company's name)	
From (Individual's name)	
Description of product include serial number where relevant	
Reason for receipt of product	
Duration you expect to keep product and what will happen to the product after this date?	

## **APPENDIX 4**

### **Summary of the main values**

#### **GIFTS & CHARITABLE DONATIONS**

<b>GIFT/DONATION</b>	<b>CONDITION</b>	<b>AUTHORISATION</b>	<b>REGISTER</b>
Cash or cash equivalent e.g. non work related tickets to a sports event, gift vouchers etc.		DO NOT ACCEPT	Register the offer on Gifts and Hospitality Register
Repeated/regular gifts from the same donor		DO NOT ACCEPT	Register the offer on Gifts and Hospitality Register
Discounts e.g. 10% discount vouchers provided to all employees by a client or other third party	The offer has been authorised by the Company	No requirement to obtain further authorisation	No requirement to register benefit
Gifts or prizes with a value of less than £100	The recipient is not actively involved in a tendering process with the donor	For transparency obtain line manager approval.	No requirement to register gift
Gifts valued at £100 or more.	The recipient is not actively involved in a tendering process with the donor	Authorisation by Divisional MD required prior to accepting gift	Register the offer whether accepted or not
Merchandise samples with a value in excess of £100			Register on Gifts and Hospitality Register
Work related charitable donations less than £250	The recipient is not actively involved in a tendering process with the donor	No requirement to obtain authorisation	No requirement to register
Work related charitable donations of £250 or more OR where the donor and recipient are in a tendering process.		Authorisation by Divisional MD required prior to donation	Register on Gifts and Hospitality Register



## **APPENDIX 4 (contd)**

### **Summary of the main values**

#### **HOSPITALITY**

<b>HOSPITALITY</b>	<b>CONDITION</b>	<b>AUTHORISATION</b>	<b>REGISTER</b>
Normal working lunches or refreshments provided during an on-site business visit, course, conference etc.		No requirement to obtain authorisation	No requirement to register
Free seminars, talks or workshops – provided they are free to all in attendance		No requirement to obtain authorisation	No requirement to register
Business hospitality such as an occasional meal, ticket to the theatre or sporting event that is a networking event even if it is of a social nature hosted by the sponsor – estimated value less than £100	The recipient is not actively involved in a tendering process with the donor	For transparency always agree attendance with line manager	Register on Gifts and Hospitality Register
As above but the estimated value is greater than £100	The recipient is not actively involved in a tendering process with the donor	Authorisation by Divisional MD required prior to accepting invitation	Register on Gifts and Hospitality Register