



Group Directive

Invitations and gifts –

How to deal with gifts and invitations to events
in business relations

Date: 15.12.2016

Version: 1.0

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Appendix 1 Invitations Information and Control Form

1 Introduction

As a matter of principle, employees of the EWE Group are generally allowed to both accept and extend reasonable invitations to and from business partners. The same principle applies when it comes to giving and receiving gifts in business settings (e.g. marketing gifts such as flower bouquets). In order to avoid legal risks and incorrect impressions, the following rules must be adhered to.

2 General principles

2.1 Cash or cash equivalent Gifts

Receiving or giving gifts of cash or cash equivalent (such as gift cards or gift certificates) is strictly forbidden.

2.2 Standards for invitations and gifts

According to the standards set forth by the EWE Group, business invitations (e.g. sporting or other events, food and drink, etc.), gifts, and other personal benefits for business partners have to be common and reasonable. This is the case if in particular

- the value of the benefit is appropriate and within socially-acceptable bounds (see 3.3.2)
- the invitations or gifts are given in an open and transparent way (see 2.3)
- the invitations or gifts are exclusively for business purposes in order to promote good business practices.
- the subject of the event or the present is ethically not controversial.

Invitations and gifts are not considered to be common and reasonable if in particular

- they exclusively aim to provide the recipient with a personal advantage which is not endorsed by the general public and/or
- they aim to influence the recipient on a decision or they are likely to induce the impression of influencing a decision and/or
- they are granted due to the recipient's claim.

2.3 Transparency

In order to establish transparency, invitations and gifts for business partners have to be sent to business addresses. Indications such as "private/confidential" must not be used while sending.

3 Requirement for invitations to events organised by EWE

3.1 What kinds of invitations are allowed?

Business-related invitations can be only sent for events with a corporate communication purpose. This is the case if the event provides one or more of the following opportunities

- (for the invitee) to get in contact with employees of the EWE Group for the first time or to get introduced to them and/or
- (for the invitee) to get in contact with employees of the EWE Group he knows from his business relationship and/or

- (for the invitee) to be able to engage in business communication with other invitees to establish a business network and/or
- to gain information about business-related or technical issues etc. from employees of the EWE Group via speeches, stands, exhibitions, company visits or sponsorship measures.

The above-mentioned principles apply for events organised by the EWE Group itself (proprietary events) as well as external events in which the presence of one or more employees of the EWE Group is required. Invitations extended in the absence of employees of the EWE Group have to be treated as a present. Therefore, the special requirements and value limitations concerning gifts have to be observed (see 5).

3.2 Invitation of accompanying persons

The invitation of accompanying persons of business partners (spouses, partners, children etc.) is allowed if it is common by cultural or business conventions for this event to invite spouses/partners or other accompanying persons.

Appropriate events of this kind can be organized as weekend and evening events as well as highly formal events like company jubilees, cultural receptions, galas, balls, etc. or family related events which are typically attended with partner. Here, the benefit granted towards the invited person is at most multiplied by two if the invitee is free to decide the companions attending him/her to the event.

3.3 Value limit

Invitations are only allowed if they are in range within following value limits:

3.3.1 Appraisal

In order to determine the personal benefit to an invitee, one has to identify which effort the invitee uses effectively. If the participation at an event requires the purchase of an entrance ticket, the regular costs of this entrance ticket has to be taken as a basis (the amount a third party would have to pay using commonly accessible distribution channels). Special conditions granted to the EWE Group must not be taken in account.

3.3.2 Value limit for invitations of business partners who are not public officials

Common and Reasonable invitations may be granted to the maximum amount of

EUR 125

(per person exclusive VAT in whole report)¹

The amount of up to EUR 125 is to be regarded as the supreme value limit which can not be exceeded in normal circumstances. In fact, invitations of business partners shall be clearly below this value limit.

¹ All amounts mentioned in this directive hereafter are to be understood as exclusive VAT in whole report. Furthermore, the equivalent in Turkish Lira applies.

The socially-acceptable bounds in relation to the benefit have to be determined case-by-case individually and depend on the business partners' occupational and social status. Guidance as to what values are considered to be in socially-acceptable bounds are given below in Section 8.

3.3.3 Exceeding value limits

In the presence of special circumstances (e.g. special events like municipal dialogues, general public utility congresses or parliamentary evenings), the above-mentioned limit can be exceeded with special permission. When exceeding the value limits, the special circumstances which led to the exception have to be documented. An example of such special circumstances would be if it were impolite by social or business conventions to decrease the extent and value of the invitation. In any case such invitations have to remain common and reasonable concerning their value.

In this case it shall be the Managing Director of the related company to give appropriate special permission in name of their company. They shall keep their Compliance Officer or Compliance Representative informed about the special permission.

3.4 Special requirements concerning public officials

Under Turkish Law the issue of invitations to public officials is strictly regulated. Public officials are prohibited from requiring gifts directly or through their relatives, third parties, or an institution; or to provide any kind of benefits, accept any gifts or borrow money from business owners even if they are not in the course of performing their tasks. The fundamental principle for the public officials is that they shall not receive gifts or benefits related to their tasks. This principle also applies to their relatives, any legal entity or 3rd party related to them.

Invitations to public officials may only be extended to events within the scope of public representation. In principle the invitation of public officials may not exceed the value limit of EUR 30 per person. Exceptions to this limit are only allowed under the provision of point 3.3.3. (3.3.3 Exceeding value limits). Concerning spouses/partners or other companions of the public officials: the explanations written under point 3.2 apply but only within the scope of public representation.

3.5 Frequency of invitations

An accumulation of invitations in a short period for one person exceeding the value limit specified above has to be avoided (inadmissible accumulation of invitations to one person).

3.6 Date of invitation

Under certain circumstances invitations in a temporal connection with a business transaction, a tender process or procurement may suggest influencing a business decision in a dishonest way. Therefore, this has to be avoided generally.

3.7 Documentation

An invitation to an event is only permitted if the event is analysed beforehand according to the provisions of this Corporate Directive. Compliance has to be guaranteed by the inviting department.

Each invitation has to be documented properly. A documentation template is provided in Appendix 1. The documentation has to be preserved by the responsible inviting department for the duration of 10 years.

4 Invitations to business meals

An appropriate hospitality of public officials, decision makers, and business partners is possible as long as the invitation is within a reasonable scope, there is a present business occasion and within a reasonable scope of public representation for public officials – thereby the occupational and social status of the invitee has to be considered. The grant has to be appropriate and within socially-acceptable bounds like depicted in 3.3.2 and 3.3.3. Receipts have to be accounted using the general expense sheets.

5 Procedures for giving gifts

Gifts for business partners can be delivered only if they are common and reasonable and within the value limits specified below.

5.1 Which kind of gifts are allowed to grant?

Advertising gifts, such as mass promotional articles, advertising material which is to be recognised as such (pens, calendars, notebooks etc. with prints of EWE or local company logo) are permitted. Furthermore gifts conforming to general business conventions or according to general politeness are permitted.

For all other types of gifts, the value limit specified herein shall apply. If existing guidelines of the receiving company are common known for the employee and these guidelines contain stricter regulations or value limits, these have to be considered generally to avoid problems in business relations preventively.

5.2 Value limits

According to the EWE Group definition advertising gifts are those gifts whose value does not exceed EUR 10,- per gift. Apart from the above, gifts are allowed within the value limit of EUR 35,- per gift.

5.3 Giving presents to public officials

According to the applicable law, gifts to public officials are not allowed in general. Exceptions are only to be made if the gift is within the following scope:

- a. Institutional or organizational donations (excluding cars to be used as an official car and gifts designated to be used by a particular public servant). Such donations must be registered on the inventory list and to be announced publicly with the value of contribution to the public body
- b. Books, magazines, articles, tapes, calendars, CD's or gifts of similar nature
- c. Awards or activities which are won in public contests or activities
- d. Souvenirs given in public conferences, symposiums, forums, panel discussions, dinners, receptions or similar activities

- e. All types of advertising and/or handicraft products with symbolic value distributed for promotional purposes

To avoid confusion regarding these exceptions, the applicable law also provides another list of items which are strictly prohibited:

- a. gifts of greeting, farewell, and celebration; scholarships; travel fees; cost-free accommodation and gift vouchers received from those who have a service or interest relationship with the institution that the respective civil servant(s) works for;
- b. transactions performed at unreasonable prices compared to market price while purchasing, selling or hiring services, movable or real property;
- c. gifts including jewelry, clothes, food or any other goods offered by those benefiting from the public service; and
- d. loans obtained from those who have a business or service relationship with the relevant institution.

5.4 Exceeding value limits

In the presence of special circumstances the above-mentioned value can be exceeded. Gifts exceeding the value limit shall only be allowed if reviewed and authorized by the Managing Director of the related company. In case of any dispute arising from this issue this shall be solved by the legal department and the Compliance Officer / Compliance Representative. During the review and authorisation process the special circumstances for exceeding the value limits have to be argued and documented.

6 Acceptance of invitations and gifts

6.1 General principles

Each employee of the EWE Group has to consider in particular the regulation of this Corporate Directive, the EWE Code of Conduct, as well as the applicable law of the country the legal unit operates in.

Notwithstanding potential duties of approval in individual cases, the acceptance of invitations and gifts by employees of the EWE group is only allowed if the guidelines concerning the giving of invitations and gifts are adhered to. As a strict rule, the employees of EWE are under no circumstances allowed to demand invitations or gifts.

6.2 Nonconforming invitations and gifts

If an employee receives an invitation or a present and doubts its conformity, he/she has to immediately hand over the item to his/her direct superior. If the invitation is not available in written form, the content and the subject have to be documented. The direct superior scrutinises the compatibility to this Corporate Directive. The legal department, as well as the local Compliance Officer / Compliance Representative, can be consulted. If the requirements are fulfilled in accordance with this Corporate Directive, it shall be returned to the employee.

If the requirements are not fulfilled in accordance with this Corporate Directive, it will be in the direct superior's own discretion to decide whether to return it or to donate it as a gift for a lottery/auction in favor of public benefit associations. Each Company shall appoint an individual responsible for handling a donation. All lottery or donation activities shall be documented strictly. In case the direct superior decides to send the gift back to the originator, the originator will receive an accompanying letter informing about the content of this Corporate Directive concerning invitations and gifts and will be simultaneously requested to refrain from grants not fulfilling the requirements.

7 Starting date of the directive

This Corporate Directive shall be effective and applied as from 15.12.2016. A review of this directive shall be undertaken frequently by the local Compliance Officer.

8 Definitions and guidance

Definitions

“Public officials” are civil servants, politicians and other persons holding functions of general public administration.

“Business meals” is official induced hospitality for business partners within projects or meetings in which business or technical subjects will be discussed.

“Business Invitations” are invitations to meetings with business partners allowing business communications within the framework of events.

“Business partners” are the individuals EWE gets in contact with on economic and entrepreneurial actions, in particular customers, suppliers as well as opinion leaders originating from the economy, administration and politics.

“Gifts” are one-side occasioned grants to business partners of EWE or employees of EWE handed over by business partners due to advertisement reasons (pen with logo) or to reasons of customary politeness (e.g. flower bouquets).

Guidance values

The values (per person) depicted hereinafter are to be used as a guidance determining the reasonable social standard value in considering the occupational and social status of the invitee; the classification to management levels underlies the hierarchy structure adopted from EWE Group which is not and needs not to be transferable to all business partners:

- Lower employee and management level: EUR 20,-
- Business partners of middle management: EUR 45,-
- Business partners of top management: EUR 70,-

Notwithstanding these guiding values the value limit of EUR 125 in point 3.3.2 is valid whereas the limit in general shall not be exhausted.

APPENDIX I

INVITATIONS INFORMATION AND CONTROL FORM

1. Description of the Event

Name/Type and Subject of the Event

Place:

Date/Term/Period:

2. Description of the Invitation and Monetary Value per person:

Remarks	Amount:
Type and Scope of Invitation:	
Type and scope of Transportation undertaken:	
Type and scope of other issues undertaken:	
Total Amount:	

3. Contribution of the event to corporate communication

Does EWE introduce itself to the public effectively within the framework of the event? If your answer is yes, How?
In which category do you place the event?

Business Related Event []	Mixed Event []	Amusement Event []
Is this an event in which a number of business partners participate together? []		
Is this an event in which only a single business partner participate?[]		

4. Invitation of accompanying persons

Could spouses or other accompaniers (e.g. children) be invited to the event according to ordinary cultural and business life practices?	Yes []	No []
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5. The recipient of the invitation

Is she/he a public official meaning an employee of any public institution, that is, municipality, official organization, public institution or any enterprise similar to public one and etc.?	Yes []	No []
Celebrities, such as singers, actors etc.?	Yes []	No []
Employees of Company/Affiliated companies?	Yes []	No []
Business Partners?	Yes []	No []

6. Invitation Limits

Has the limit of EUR 125 (30 EUR for public officials) in the Group Directive on Invitations and Gifts been exceeded? If your answer is yes, state your reasons.
Is there approval of CEO of the Company for limit excess? Are the local Compliance Representatives or the Compliance Officer informed? Please attach the related approval/information to this form.

If required: Notes about departments /units from which support has been taken?

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Date, Add who the people/department from which support has been taken are

Date of Control:	
Supervisor Signature:	