

## **GIFTS ENTERTAINMENT AND HOSPITALITY POLICY**

### **PREAMBLE**

Business gifts or entertainment and hospitality are sometimes used in the normal course of business activity. However, if offers of gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the perception of, or an actual conflict of interest or "illicit payment". Therefore, gifts and hospitality given or received should be modest in value and appropriate, and in compliance with NGIL gifts, entertainment and hospitality policy.

### **SCOPE**

- This Gifts, Entertainment and Hospitality Policy ("this policy") covers offering or receiving of gifts, entertainment or hospitality.
- This policy applies to all employees of the Company (Corporate office and all the divisions), their immediate family members and also to any business associate who acts on behalf of NGIL.
- It should be borne in mind that if stricter norms are prescribed under any applicable law with respect to gifts and hospitality, then, the employees shall comply with such stricter norms.

### **DEFINITIONS**

- "gifts" would include any gratuitous monetary or non-monetary benefit.
- "hospitality" would include any form of travel, hotel, food, drinks, entertainment, or any events (participating or watching) such as sporting events, theatrical events, awards or ceremonies.
- "business associate" would include suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or such other persons with whom the Company has any business or transactional dealings.
- "immediate family members" includes spouse, children, parents, grandparents and brothers and sisters.

### **ACCEPTING / OFFERING GIFTS**

As a general rule, an employee of the Company or their immediate family members should not accept or offer a gift from/to a business associate or any third party. The employees of the Company must never ask for any gift that benefit them personally, regardless of value.

However, if gifts like diaries, items bearing logo of the organisation, gifts like sweets/chocolates, cakes etc. offered on religious occasions like Diwali, Christmas etc. and are not used in the personal capacity rather than distributed/consumed among the employees in the organisation, the same will not be considered as a violation of this policy.

Promotional items of the Company bearing Company Logo may be given as gift to Customers /suppliers/Vendors/Guests in the normal course of business. In other scenarios where gifts are to be offered to any third party in the interests of the organisation, the same may be done with an approval from the Chief Risk Officer or Managing Director provided the value of the individual gift offered is less than Rs.5000.

### **ACCEPTING HONORARIUMS**

The employees may, from time to time, be invited by various external bodies to deliver lectures, share thoughts on experiences, participate in panels, and so on. This is typically on account of both the individual's stature in a profession, as well as being part of a highly respected entity like the Company.

An illustrative list of some of these invitations could include:

- Delivering lectures or taking sessions in educational or professional or industry institutions/ associations;
- Invitations to become panel members in various bodies of public interest;
- Supporting training or education for a specific period of time;
- Delivering lectures in public conferences.

In many such cases, the individuals are given a memento or a gift, and sometimes, an honorarium in the form of cash. It is expected that any honorarium received must be declared to the Risk Officer. The employee may normally be permitted to retain 100% of the value of the amount received, if deemed to be fair and reasonable. Any memento or gift received by the employee in his personal or professional capacity need not be declared.

With respect to such assignments, the employee may also accept hospitality in the form of travel and lodging arrangements offered as part of the invite, provided the same is fair and reasonable.

### **ACCEPTING ENTERTAINMENT OR HOSPITALITY**

Entertainment may be accepted / provided for legitimate business purposes, such as building goodwill and enhancing relationships with customers, vendors and business partners. However, one must take care not to violate the law by offering or receiving excessively lavish gifts or hospitality that are perceived as 'bribes' and must ensure that gifts and hospitality adhere to the defined standards.

The following is never appropriate and such hospitality should never be accepted:

- Hospitality that can be viewed as excessive in the context of the business occasion;
- "Adult" entertainment, or any sort of event involving nudity or lewd behaviour;
- Hospitality that can be viewed as creating any affiliation of NGIL with any particular political party;
- Hospitality that the recipient knows the gift-giver is not permitted to give;
- Hospitality that would involve a breach of any applicable law.

Employees and their immediate family members are also covered in this. Employees should consult the Department Head, Head of Human Resources or Chief Risk Officer when in doubt as to whether an event, location or expenditure is appropriate or not.

### **POLICY BREACH/DISCIPLINARY ACTION**

Any breach of, or failure to abide by this policy, would be disclosed to the Audit Committee of the Board of the Company, and appropriate action, including possible termination of services of the employee in breach, would be initiated. Such action shall be in addition to any other rights or remedies that the Company may have against the defaulting employee under any applicable law.

### **PERIODIC REVIEW AND EVALUATION**

The Board of Directors will monitor the effectiveness and review the implementation of this policy considering its suitability, adequacy and effectiveness.

NGIL reserves the right to vary and/or amend the terms of this Gifts and Hospitality Policy from time to time.

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