

BUSINESS HOSPITALITY AND GIFTS POLICY

Introduction

Millennium & Copthorne Hotels plc (“M&C”) seeks to conduct its business in an honest and transparent manner. Accordingly it is appropriate to have a set of standards to which employees should adhere when giving or receiving hospitality and/or gifts to or from third parties.

It is acknowledged that, on occasion, it is appropriate to offer gifts and/or hospitality to third parties or accept gifts and/or hospitality offered by third parties for the purpose of maintaining good public relations, developing business contacts and other general purposes which will potentially benefit M&C in terms of generating goodwill.

General

- A Gifts and Hospitality Log will be maintained in each region to record the both the giving and receiving of gifts and/or hospitality.
- This Log will be inspected at least four times a year by Internal Audit and regional management.

Entertainment of and/or gift giving to third parties

At no time should the recipient of hospitality and/or a gift be given the impression that any reciprocal gesture by way of invitation, gift or the award of business is expected or desired.

Hospitality

- Business entertainment is confined to hosting meals or drinks in F&B outlets owned preferably by the M&C Group.
- At locations where there are no F&B outlets owned by the Group, business entertainment at outlets owned by others may be allowed.
- All outlet consumptions for this purpose must be signed by the most senior person hosting the event, and names and organizations of participating guests and those of staff members must be indicated on the bill or expense report where applicable. There may be specific requirements of local tax authorities which must be observed in addition.
- When entertaining in outlets owned by the Group, an important consideration to be made is not to displace paying customers; thus peaks days of the week should be avoided and specific blackout dates designated by the management of the outlet should be observed.
- Where there is a choice of outlets owned by the Group or others, entertaining at the latter may be allowed for good reasons such as checking out the competition or logistical consideration for the guest. Such occasions should be minimized.
- The Group encourages all to be cost-conscious and to entertain only selectively.

Gifts

- Giving of gifts must be confined to marking a special occasion or event, such as the marriage, achievement of a long service award or retirement of a third party contact, seasonal events or to commemorate a significant milestone in the relationship with the customer.
- The value of any gift must be reasonable in the circumstances and agreed with the donor’s line manager in advance.

Receiving hospitality and/or gifts from third parties

Hospitality

- On receipt of an invitation from a third party, the employee should appraise his/her line manager of the nature of the event and its likely value and seek permission to accept.
- On receipt of the line manager's consent, the employee should notify Human Resources or other designated officer so that the details may be recorded in the Gifts and Hospitality Log. Most of our hotels do not have their own HR personnel. For these hotels, we will appoint a "Gift Administrator" who will not be the GM or Hotel Manager. For corporate offices, HR will be the gift administrator.
- No employee may accept more than four invitations from the same third party in any one calendar year.

Gifts

- Any gift of modest value¹ may be retained by the employee, subject to a maximum of four in any calendar year, and must be reported to the employee's line manager and notified to Human Resources for entry in the Gifts and Hospitality Log.
- Any gift of considerable value or in excess of four per year must be returned.
- Attempts to circumvent this restriction by having a third party's gift(s) delivered to a home address or another address not connected to M&C will be deemed gross misconduct.
- In a situation where to refuse a gift might cause offence to the offeror, the gift should be accepted but passed to the Company via Human Resources, or other designated officer, at an early opportunity.

Responsibilities

- Managers should ensure that their departmental staff members are aware of this policy and of their responsibility to act in accordance with it.
- All senior employees eligible to offer hospitality should conduct an annual risk assessment on hospitality offered and received by themselves and their subordinates.
- Anyone who believes the policy is being flouted should disclose their concerns promptly via the Whistle Blowing service, or by sending an e-mail to business.integrity@millenniumhotels.co.uk.

Further details of procedures are attached to this policy as Appendix A.

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¹ Value limit to be set locally and will be subject to approval by the Board.

Appendix A

- Definition:
- Business entertainment is defined as hosting third parties to a meal or drinks on company account for the purpose of maintaining good public relations, developing business contacts, interviewing potential employees, closing deals and other general purposes which will potentially benefit the Company either in terms of bringing in business or generating goodwill.
 - By this definition, employees entertaining employees does not constitute business entertainment, and the cost incurred will not be reimbursable.
 - Employees who are entitled to duty meals should sign the bills individually and indicate 'duty meal' on the bills. This is not treated as business entertainment.
 - On occasions where work meetings extend through meal times, the cost of F&B incurred will be reimbursable; such occasions are treated as working lunches and not business entertainment.
 - On occasions where official visitors from the corporate office or sister properties are hosted to a meal by the hotel, such expenses by the hosting party are reimbursable. These occasions are treated as courtesy meals and not business entertainment.
- Eligibility
- Only senior employees, based on their position/authority, who have been accorded signing privileges, are eligible to entertain on business. These include members of the Management Committee, General Managers, Heads of Departments, and Sales and Marketing personnel authorized by the Regional Chief Operating Officers or GMs.
 - On exceptional and ad hoc basis, other employees may entertain with prior approval of their Department Heads - if circumstances warrant it.
- Procedure
- When signing a bill at an outlet owned by the Group, the following procedure applies:
 - Where it says "name" on the bill, write in the name of the most senior employee hosting the event;
 - Where it says "signature" on the bill, the most senior employee hosting the event should sign it;
 - Where it says "room number", indicate the Division or Region (e.g. Global Sales, MCIL, USA, etc.);
 - Fill in names , positions and organizations of guests in space available on the bill or on the back of the bill;
 - Write legibly to minimize potential clerical errors.
 - When entertaining at outlets not owned by the Group, the employee should pay for the cost incurred and submit an expense report for reimbursement of the cost later.
- Approval
- The relevant Accounts team has to ensure that each business entertainment bill is duly approved by the immediate superior of the signing employee before re-charging to the relevant cost centre.