

**Policy on Gifts and Hospitality**  
**Cobra Resources plc**

## 1. GENERAL PRINCIPLES

The Company considers the offering and receipt of corporate hospitality to be an important part of establishing and enhancing good relations with our business partners, including suppliers, customers and other business partners. Offering and receiving small gifts may also play a part in fostering friendly business relations.

However, giving or receiving hospitality or gifts which are excessive or inappropriate does not help to build good relations, and may create the impression of undue pressure or improper influence. This could damage our reputation. In some cases, gifts or hospitality may be considered to be bribes under applicable anti-bribery law, with consequent criminal penalties. It is therefore essential that you comply with this Policy whenever giving or receiving gifts or hospitality to or from the Company's business partners, or otherwise in the context of the Company's business. This Policy should be read in conjunction with the Company's Anti-Bribery and Corruption Policy.

Giving or receiving hospitality (including meals, accommodation and transport) is permitted (subject to the recording and approval requirements set out in this Policy) provided that the hospitality is not provided for an improper purpose and the nature, style and tone of any hospitality is reasonable in the circumstances and could not be perceived as lavish, disproportionate, or inappropriate. Particular care must be taken when giving gifts or hospitality to public officials (including employees of state-owned companies and of public international organisations).

You must follow the procedures set out in this Policy for recording gifts and hospitality. Before offering or accepting gifts or hospitality, check whether you need prior approval. Be careful to keep relevant receipts, as reimbursement for expenses on gifts and hospitality will only be paid on proof of expenditure, e.g. receipt or invoice.

Failure to comply with the rules in this Policy is a serious matter, and may result in disciplinary action against you. If you wish to discuss the offer or receipt of gifts or hospitality, or to receive further guidance, please contact the Compliance Officer.

Note that 'hospitality' includes lunches and dinners, as well as entertainment such as invitations to concerts and sporting events.

Note that a 'benefit' could include the offer of a charitable donation or sponsorship. 'Supplier' in this Policy includes companies / entities seeking to become a supplier to the Company or one of its subsidiaries.

A table summarising the value limits can be found in Annex 1 to this Policy. Note that there are different value limits for different jurisdictions, and you should check with the Compliance Officer for local contact information and limits. Further note that the value limits referred to in this Policy apply to both individual gifts and/or instances of hospitality, and the cumulative value over one calendar year of gifts and/or instances of hospitality from/to a party.

This Policy applies to all the Company employees and workers, including directors, non-executive directors and other corporate officers, staff of any subsidiary in which the Company has a controlling interest, as well as agency workers, secondees, consultants and contractors, irrespective of their location, function, grade or standing, engaged by the Company on its behalf and under its effective control.

## 2. RECEIVING GIFTS / HOSPITALITY

### 2.1 In general

Do not accept a gift or hospitality where you consider that the person offering the gift or hospitality intends to influence improperly a business decision, or other action, that you are due to take, or perform, or to reward you improperly in relation to a business decision or action.

Similarly, do not accept a gift or hospitality if you consider that it might lead to the appearance that you might be improperly influenced by such gift or hospitality.

All business gifts or benefits received should be reported unless of an insignificant value. The guidelines below set out the reporting and approval requirements for the receipt of gifts and hospitality.

## 2.2 Receiving gifts/hospitality from customers or other business partners

- You may keep, and need not report, small promotional items such as stationery, baseball caps etc. which are of only minimal value (i.e. up to £100). Hospitality of a value less than £100 need not be reported.
- Gifts, benefits or offers of hospitality with a value in excess of £100 but less than £300 must be reported to the Compliance Officer. Prior approval is not required.
- Gifts, benefits or offers of hospitality with a value in excess of £300 must not be accepted without the prior approval of the Compliance Officer. They will decide on the appropriate course of action.

These rules also apply to the receipt of gifts and hospitality from public officials.

## 2.3 Receiving gifts/hospitality from suppliers

- No hospitality or gifts should be accepted from a supplier during a tender/pitch/contract renewal or dispute. If you are offered a gift or hospitality during this period, discuss with the Compliance Officer.
- Outside those periods, you may keep, and need not report, small promotional items such as stationery, baseball caps etc. which are of only minimal value (i.e. up to £100). Hospitality of a value less than £100 need not be reported. Note however that repeat invitations below the threshold may constitute a bribe, and so no more than three invitations or gifts per calendar year should be accepted from any one supplier.
- Gifts, benefits or offers of hospitality with more than a nominal value (i.e. in excess of £100 from a supplier, must not be accepted without the prior approval of the Compliance Officer. They will decide what the appropriate course of action is.

Suppliers are a special case because it could be argued that our decision to place business with that supplier has been influenced as a result of the gifts or hospitality.

## 3. GIVING GIFTS / HOSPITALITY

### 3.1 In general

Do not offer a gift or hospitality where you intend to influence improperly a decision that the person receiving the gift or hospitality is due to make regarding the business of the Company.

Do not offer hospitality which you know, or believe, to be in excess of what the recipient is permitted to receive. If in any doubt, you should take steps to ascertain whether the recipient is permitted to receive the hospitality you propose.

In every case, there are two tests which must be considered:

- whether the nature and cost of the hospitality/gift is appropriate from the Company's perspective; and

- whether the company employing the individual recipient (rather than the individual recipient) would think it appropriate that we are entertaining/giving a gift to its representative in this manner.

The points set out below are intended to help you apply these two tests. Any gift, benefit or hospitality that does not satisfy both of these tests could be misinterpreted and could damage the Company's reputation. We must not, for instance, do anything which could be interpreted by an organisation as encouraging an individual from that organisation to breach his/her corporate responsibilities. Disregard of this guidance will therefore be treated as a serious matter.

- Whenever planning hospitality or the giving of a gift, you should always assume that your expenses claim will be questioned and you should consider whether there is anything about the claim which would make you feel awkward. If there is, you should not proceed without checking with the Compliance Officer.
- Do not provide hospitality unless an individual from the Company is also present. An exception to this is where travel and/or accommodation expenses are being provided to an individual for the purposes of his or her attendance at a Company corporate event, or in order to view the Company factories or other facilities for promotional purposes. Reporting and approval requirements must still be complied with.
- Do not entertain at venues or events which are sexually explicit or which could be considered racially, ethnically or religiously offensive.
- Be aware when planning hospitality that some activities may appeal more to one group of people than another (for example on gender, age or racial grounds). Care should be taken not to exclude people on these grounds.
- Hospitality should not be excessive – e.g. overly expensive wines should be avoided.
- You must not entertain an individual in a manner which his/her employer might consider inappropriate. Employers will have differing perspectives on this, depending on the relevant country, the market sector and perhaps whether it is a public or private organisation. If the employer might consider your hospitality inappropriate, you might well be putting the individual you are entertaining in an awkward position when he arrives at the event and appreciates the extent of the hospitality. By way of example, it is not unusual for some organisations to prohibit receipt of items such as the following:
  - airline tickets;
  - ground transport with a value above a token sum;
  - overnight accommodation/holidays;
  - seasonal gifts (such as hampers/wine etc);
  - any ticket to a sporting or cultural event with a face value of more than £250 or local currency equivalent.
- Where hospitality comprises more than one element (such as dinner and then the theatre) they are likely to be treated by a client organisation as one item, with the combined value putting your guest over his/her permitted limit.

- If in doubt when planning hospitality/gifts, you should contact the intended recipient to make sure you will not be putting him/her in a difficult position, and that the hospitality will not cause him/her to be in breach of the policy that applies to him/her.

### 3.2 Giving gifts/hospitality to customers and other business partners

- Gifts or benefits (not hospitality) should not be given to customers to whom we are pitching, with whom we are negotiating a contract or contract renewal, or with whom we are in dispute without approval from the Compliance Officer.
- Gifts or benefits (not hospitality) to customers with a value below £100 (except when pitching etc) do not need approval or reporting.
- Gifts or benefits (not hospitality) to customers with a value in excess of £100 but less than £300 must be reported to the Compliance Officer.
- Gifts or benefits (not hospitality) to customers with a value in excess of £300 must be approved in advance by the Compliance Officer.
- Hospitality to customers to whom we are pitching, with whom we are negotiating a contract or contract renewal, or with whom we are in dispute should be limited to courtesy tea and coffee at meetings unless approved by the Compliance Officer.
- Hospitality to customers with a value below £300 does not need approval (except when pitching etc). It should be reported to the Compliance Officer.
- Hospitality to customers with a value in excess £300 (calculated per head, per event) must be approved in advance by the Compliance Officer. If an event unexpectedly goes over this limit, it should be reported afterwards to the Compliance Officer.
- If the customer is a public sector body, including a state-owned company, you should comply with the rules below on giving gifts/hospitality to public officials.

### 3.3 Giving gifts/hospitality to suppliers

- Gifts to suppliers with a value below £100 do not need to be approved.
- Gifts to suppliers with a value over £100 but below £300 must be reported to the Compliance Officer in advance.
- Gifts to suppliers with a value over £300 must be approved by the Compliance Officer.
- Hospitality to suppliers with a value below £100 need not be approved.
- Hospitality to suppliers with a value over £100 but below £300 must be reported in advance to the Compliance Officer.
- Hospitality to suppliers with a value over £300 requires approval from the Compliance Officer.

### 3.4 Giving gifts/hospitality to public officials

Anti-bribery legislation imposes different rules for public officials. As public officials are likely to be subject to public scrutiny, they are often governed by their own strict internal rules, or by local legislation.

No gifts or hospitality should be given to public officials without approval from the Compliance Officer. Public officials include any officer acting on behalf of a government entity (federal, state or local) and employees of state-owned companies.

The only exception to this prohibition is that ordinary courtesy hospitality of nominal value only, e.g. tea and coffee, or a sandwich lunch at a business meeting, may be offered to public officials when hosting a meeting, without prior approval.

If you are in doubt about whether someone is a public official, contact the Compliance Officer. Further information can be found in the Company's Anti-Bribery and Corruption Policy.

#### 4. CONDUCT WHEN ENTERTAINING

When you are entertaining on behalf of the Company, you are expected to maintain very high standards of personal behaviour. You must maintain a professional approach when entertaining. For example:

- you must not drink too much, or encourage anyone else to do so;
- you must arrive promptly at the event and not leave early;
- you should avoid controversial comments which could be considered offensive on subjects such as politics, religion, race, gender or sex; and
- when part of a larger group, you should mingle with the guests rather than stay with your colleagues.

#### 5. CONTACTS

If you have any queries relating to the acceptability of a business gift, please speak to the Compliance Officer.

POLICY OWNER	The Company owns this Policy
APPROVAL	This Policy has been approved by the Board
IMPLEMENTATION	The Compliance Officer is responsible for ensuring that the Company's governance structures and procedures are adequate to meet the requirements of this Policy
DATE APPROVED	November 2018
EFFECTIVE DATE	November 2018

#### 6. DEFINITIONS

**"Company"** means Cobra Resources plc.

**"Compliance Officer"** means the Chief Financial Officer of the Company.

**"Policy"** means this policy on gifts and hospitality.

**ANNEX 1  
SUMMARY OF GIFTS AND HOSPITALITY LIMITS**

<b>SUPPLIERS</b>	
Gifts/offers of hospitality <b>FROM</b> suppliers involved in tender process, contract renewal or contract dispute	Do not accept - discuss with CO
Gift/offers of hospitality <b>FROM</b> suppliers with a value below £100 (except when in tender etc, see above)	Accept without approval or reporting. Not more than 3 invitations or gifts should be accepted from any one supplier in any calendar year
Gifts/offers of hospitality <b>FROM</b> suppliers with a value over £100 (except when in tender etc, see above)	Obtain approval from CO
Gifts <b>TO</b> suppliers with a value below £100	No approval required
Gifts <b>TO</b> suppliers with a value over £100 but below £300	Report to CO
Gifts <b>TO</b> suppliers with value over £300	Obtain approval from CO
Hospitality <b>TO</b> suppliers with value below £100	No approval required
Hospitality <b>TO</b> suppliers with a value over £100 but below £300	Report to CO
Hospitality <b>TO</b> suppliers with value over £300	Obtain approval from CO

<b>CUSTOMERS &amp; OTHER BUSINESS PARTNERS</b>	
Gifts/offers of hospitality <b>FROM</b> customers with a value below £100	Accept without reporting or approval
Gifts/offers of hospitality <b>FROM</b> customers with a value over £100 but below £300	Report to CO (no approval required)
Gifts/offers of hospitality <b>FROM</b> customers with a value over £300	Obtain approval from CO
Gifts <b>TO</b> customers to whom we are tendering, or with whom we are negotiating or are involved in a dispute	Do not offer gifts without prior approval from CO
Gifts <b>TO</b> customers with a value below £100 (except when tendering etc, see above)	No approval or reporting required
Gifts <b>TO</b> customers with a value over £100 but below £300 (except when tendering etc, see above)	Report to CO
Gifts <b>TO</b> customers with a value over £300	Obtain approval from CO

Hospitality <b>TO</b> customers to whom we are tendering, or with whom we are negotiating or are involved in a dispute	Do not offer hospitality beyond courtesy tea/coffee at meetings without approval from CO
Hospitality <b>TO</b> customers with a value below £300 (except when tendering etc, see above)	No approval required. Report to CO
Hospitality <b>TO</b> customers with value over £300 (except when tendering etc, see above)	Obtain approval from CO

<b>PUBLIC OFFICIALS</b>	
Gifts <b>TO</b> public officials	No gifts without approval from CO
Hospitality <b>TO</b> public officials (except for courtesy tea/coffee etc)	Discuss with CO to get approval
Gifts/offers of hospitality <b>FROM</b> public officials with a value below £50	No approval required
Gifts/offers of hospitality <b>FROM</b> public officials with a value over £50 but below £300	Report to CO
Gifts/offers of hospitality <b>FROM</b> public officials with a value over £300	Obtain approval from CO

*Abbreviations: CO - Compliance Officer*