## Policy Summary

This policy sets out the steps to be taken and the requirements to be met in relation to the giving and receiving of business courtesies including Gifts or Hospitality, by any CMS employee, director or officer.

<table>
<thead>
<tr>
<th>How to Comply</th>
<th>Actions &amp; Responsibilities</th>
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</thead>
<tbody>
<tr>
<td>1. Ensure the key principles, applicable values and required approvals have been satisfied for any business courtesy given or received.</td>
<td>All covered persons to ensure all the key principles are satisfied within the values allowed and prior approval obtained where required.</td>
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<tr>
<td>2. Enter the details of business courtesies given, received or declined, into CMS Gifts and Hospitality Register.</td>
<td>All covered persons to record full details of relevant business courtesies, whether given, received or declined.</td>
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<tr>
<td>3. Obtain prior written approval for any business courtesy to be offered to or received from a Government or Public Official.</td>
<td>All covered persons to obtain prior written approval from CMS Contracts, Commercial, and Legal in relation to any business courtesy to be offered to or received from a Government or Public Official.</td>
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## Definitions

1. **Covered Persons**: CMS Employees and Contractors
POLICY

A. Zero-Tolerance Of Bribery And Corruption

It is CMS policy to conduct all of its business in an honest and ethical manner. Bribery is a criminal offence. CMS takes a zero-tolerance approach to any form of bribery and corruption.

B. What are business courtesies?

a. A business courtesy can be any kind of Gift or Hospitality offered or given to or received from an individual or external company.

b. A Gift is anything of value.

c. Hospitality includes meals, beverages, invitations to business events or trade shows, tickets to cultural or sporting events, travel, accommodation or other kinds of entertainment.

C. Key Principles Of Acceptable Gifts And Hospitality

a. The exchange of business courtesies, such as Gifts and Hospitality is common place and can strengthen and help develop business relationships. However, when given or received improperly can expose CMS to a significant risk.

b. Employees must consider all the following when determining whether a Gift or Hospitality is acceptable:

   i. **No Influence:** there is no intention to influence a business decision or to secure an improper advantage; nor is there the appearance of doing so.

   ii. **No Tender:** you are not involved in a current tender or bid.
iii. **Proportionate:** it is reasonable, appropriate and proportionate to your role.

iv. **Normal activity:** it is a normal business activity or customary in the context of customary industry standards. For example, food and beverages provided as part of a meeting as normal business Hospitality.

v. **Attendance:** you or another CMS employee or representative will accompany the recipient in relation to the provision of any Hospitality.

vi. **Extra Restrictions Apply To Government Officials:** if government officials are involved, special rules apply. See section F below for requirements.

vii. **No conflict:** it does not create a conflict of interest.

viii. **Offered openly:** it is given or received openly.

ix. **Frequency:** It must only be on an occasional basis.

x. **Approved:** must have the appropriate business level approvals as set out in the table below.

xi. **Recorded:** must be recorded as set out in Section D.

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<tr>
<th></th>
<th>Value (or local currency equivalent) per person</th>
<th>Approval Requirements</th>
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<tbody>
<tr>
<td><strong>Gifts</strong></td>
<td>GBP £50 and below</td>
<td>• Self-approval</td>
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<tr>
<td></td>
<td>Above GBP £50</td>
<td>• Prior approval by the appropriate approver</td>
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<td></td>
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<td>• As approved on Gifts and Hospitality webpage</td>
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<tr>
<td><strong>Hospitality</strong></td>
<td>GBP £100 and below</td>
<td>• Self-approval</td>
</tr>
<tr>
<td></td>
<td>Above GBP £100</td>
<td>• Prior approval by the appropriate approver</td>
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</table>
D. CMS Gifts And Hospitality Register

a. An appropriate record must be kept and details entered into the CMS Gifts and Hospitality Register in relation to any Gift, Hospitality or other business courtesy valued at over GBP £10 (ten pounds sterling) or equivalent, whether offered or received, and whether accepted or declined.

b. All covered persons should ensure they have access to the ‘Cobham Connect Intranet’. If no access is possible for some reason, the employee should send an email with the details to the appropriate responsible member of BU Leadership Team to record.

E. Guidance For Approvers

a. The nominated Approver must have reason to be satisfied that each of the requirements have been met before approving. To check the frequency of Gifts and Hospitality, the nominated Approver can view previous activity on the CMS Gifts and Hospitality Register.

b. Should a Gift of higher value than allowed be genuinely accepted in error, a record should be made in the CMS Gifts and Hospitality Register with appropriate comments explaining the circumstances. It would be appropriate in such circumstances to either return the gift or submit to a company raffle.

c. Should Hospitality be accepted or consumed with higher value than allowed due to circumstances beyond the control of the employee at the time, a record should be made in the CMS Gifts and Hospitality Register with appropriate comments explaining the circumstances. Action should be taken by the Approver and Recorder to avoid reoccurrence.
F. Foreign Public And Government Officials

a. Non-US

If the giving or receiving of a Gift or Hospitality involves a non-US public or Government Official, particular care needs to be taken as most countries prohibit the giving or offering of anything of value to influence an act or secure improper advantage. Therefore, if a Government or Public Official is involved the following additional requirements apply:

i. Local law advice should be taken to check the local laws regulating such Gifts and Hospitality in that specific country.

ii. Specific prior approval of the Business President must be obtained.

b. US

i. In order to ensure compliance with the US Foreign Corrupt Practices Act (FCPA), any US public or US Government Official is involved, then the US Government Gratuities Policy must be complied with.

G. When It Is Never Acceptable

a. It is never acceptable to give or to receive a Gift or Hospitality in any of the following circumstances:

i. Cash: giving or accepting Gifts in cash or cash equivalent (such as gift certificates or vouchers); or

ii. Improper Influence: where the purpose is to secure an improper advantage or influence a business decision to obtain or retain business or business

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1 A Government Official is an individual employed by or acting on behalf of any government department or agency, state owned or state controlled companies. This would also include any political parties, party officials or candidates for political office, or Royal families.
advantage or offer or accept anything of value that may compromise your independence or judgment, or could induce you to award or offer services in a biased or non-competitive fashion; or

iii. **Current bidding process**: where it might be linked or appear to be linked to a competitive or non-competitive procurement or bidding process, including an RFP; or

iv. **Something in return**: if offered or accepted for something in return; or

v. **Indecent**: if the Gift or Hospitality is indecent or sexually offensive.

**H. Where can I get further advice and guidance?**

a. If you are in any doubt, DO NOT, offer or accept the Gift or Hospitality.

b. Ask your manager for guidance.

c. Ask a question via the Helpline.