

# Gifts and Entertainment Policy

## 1 INTRODUCTION

- 1.1 Our WE CARE values are the foundation of the way we conduct ourselves in the best interests of our business – underpinning our success now and for the future.
- 1.2 Our Core value ‘Excellence’ means exceeding customer and stakeholder expectations through safe, consistent and reliable operating and financial performance, by provision of quality services, equipment and innovative solutions. This value includes how we conduct ourselves in the delivery of these expectations.
- 1.3 KCA Deutag recognises that exchanging gifts and sharing entertainment with third parties can help build legitimate business relationships. In this policy, a "third party" means: (i) any individual who is not an employee of KCA Deutag, and (ii) any organisation other than KCA Deutag.
- 1.4 However, excessive, lavish or inappropriate gifts or entertainment can amount to, or risk being seen as, bribery or corruption. For more information, please consult our Anti-Bribery and Corruption Policy.
- 1.5 For that reason, gifts and entertainment must only be accepted, given, promised, or offered if they comply with this policy.

## 2 PURPOSE

- 2.1 The purpose of this policy is to:
- 2.1.1 set out the responsibilities of KCA Deutag and its personnel, in relation to gifts and entertainment; and
  - 2.1.2 provide information and guidance on how KCA Deutag personnel should deal with gifts and entertainment.

## 3 WHAT IS A GIFT?

- 3.1 A gift can take various forms. Examples include:
- 3.1.1 Tickets (e.g. to an event or for travel).

- 3.1.2 Access to facilities (e.g. to hotel or leisure facilities).
- 3.1.3 An item (e.g. a bottle of champagne, a bunch of flowers or promotional materials such as branded stationery).

#### 4 WHAT IS ENTERTAINMENT?

4.1 Entertainment involves activity undertaken alongside a third party. Examples include:

- 4.1.1 A business lunch.
- 4.1.2 A day out at a sporting event.

#### 5 RECEIVING GIFTS OR ENTERTAINMENT

5.1 KCA Deutag personnel must not accept gifts or entertainment from a third party:

- 5.1.1 if they know or suspect the gifts or entertainment are being offered with the expectation that they or KCA Deutag will provide a business advantage to the third party or anyone else in return;
- 5.1.2 if the gifts or entertainment might influence or be seen to be capable of influencing a business decision of KCA Deutag; or
- 5.1.3 if the gifts or entertainment are excessive, lavish or inappropriate, or are offered on a regular basis.

5.2 KCA Deutag personnel must not accept cash gifts.

5.3 Offers of gifts or entertainment received from a third party in any of the above circumstances must be declined.

5.4 When deciding whether to accept gifts or entertainment from a third party, KCA Deutag personnel should consider whether an outside observer might perceive that the intention or effect of so doing could be to influence a business decision of KCA Deutag. If an outside observer might have that perception, the gift or entertainment is prohibited (as per 5.1.2 above).

5.5 If in doubt, KCA Deutag personnel should adopt the **Pause** → **Consider** → **Speak** → **Escalate** approach as provided for in the Code of Conduct.

5.6 Those offers of gifts or entertainment that do not fall into the categories set out at 5.1 – 5.2 and that do not otherwise give rise to a concern of impropriety can be accepted subject to the approval and recording procedure set out in this policy – see section 7.

5.7 Where a gift has been received by KCA Deutag personnel but approval is not granted under the approval and recording procedure, the gift must be returned to the third party who provided it.

## 6 OFFERING GIFTS OR ENTERTAINMENT

6.1 KCA Deutag personnel must not give, promise to give, or offer gifts to public officials. KCA Deutag personnel may only provide, promise to provide or offer to provide entertainment to public officials if they have obtained pre-approval (see below).

6.1.1 When we talk about "public officials" in this policy, that includes employees of state entities, including state energy companies. If the characteristics of a third party indicate that they may be a public official (for example, because they are performing a role usually performed by the state, or because they are an employee of a company in which a state-entity owns a significant stake), they should be treated as a public official for the purposes of this policy.

6.2 KCA Deutag personnel must not give, promise to give, or offer gifts or entertainment to a third party:

6.2.1 with the intention of improperly influencing a person in order to receive a business advantage or as reward for a business advantage already given;

6.2.2 if the giving, promise or offer might influence or be perceived to influence a business decision; or

6.2.3 if the gifts or entertainment are excessive, lavish or inappropriate, or are offered on a regular basis.

6.3 KCA Deutag personnel must not give, promise to give, or offer cash gifts.

6.4 KCA Deutag personnel must not give, promise to give, or offer any gift of material value.

6.4.1 It is not possible to list all gifts of material value in this policy. Examples of gifts of material value would include: mobile phones, jewellery, televisions, cars.

6.5 When deciding whether to give, promise to give, or offer gifts or entertainment to a third party, KCA Deutag personnel should consider whether an outside observer might perceive that the intention or effect of so doing could be to influence a business decision. If an outside observer might have that perception, the gift or entertainment is prohibited (as per 6.2.2 above).

6.6 Again, if in doubt, KCA Deutag personnel should adopt the **Pause** → **Consider** → **Speak** → **Escalate** approach as provided for in the Code of Conduct.

6.7 Gifts or entertainment that do not fall into the categories set out at 6.1 – 6.5 and that do not otherwise give rise to a concern of impropriety can be accepted subject to the approval and recording procedure set out in this policy – see section 7.

## 7 APPROVAL AND RECORDING PROCEDURE

7.1 All gifts or entertainment will be subject to either: (i) the pre-approval procedure or (ii) the standard approval procedure. Where gifts or entertainment are subject to the pre-approval procedure, they do not also need to be considered under the standard approval procedure.

### Pre-approval – introduction

7.2 Certain categories of gifts or entertainment (see sections 7.5 and 7.6 below) need to be pre-approved and therefore, where possible, should be recorded before being offered or accepted.

7.3 There may be exceptional circumstances where it is not possible to access the gifts & entertainment portal and therefore pre-approval cannot be obtained. In those circumstances, you should record this as soon as practical.

### Pre-approval – **accepting** gifts or entertainment

7.4 KCA Deutag personnel must obtain pre-approval using the gifts & entertainment platform prior to accepting:

7.4.1 **from a public official:**

7.4.2 gifts of any value

7.4.3 entertainment valued at \$20 or more;

7.4.3.1.1 any gift or entertainment from a public official which, taken together with previous gifts or entertainment received by the relevant KCA Deutag personnel from the same third party in the past 12 months, reaches a cumulative value of US\$50 or more (this should be highlighted when recorded and approval is being sought);

7.4.4 **from a non-public official:**

7.4.4.1.1 gifts of any value;

7.4.4.1.2 entertainment valued US\$250 or more;

7.4.4.1.3 transport tickets;

7.4.4.1.4 an invitation where overnight accommodation is provided and paid for;

- 7.4.4.1.5 any gift or entertainment from a third party which, taken together with previous gifts or entertainment received by the relevant KCA Deutag personnel from the same third party in the past 12 months, reaches a cumulative value of US\$250 or more (this should be highlighted when recorded and approval is being sought);
- 7.4.4.1.6 gifts or entertainment from a third party if the KCA Deutag recipient could influence KCA Deutag business decisions in favour of the third party (for example, because the KCA Deutag recipient is involved in making appointments to a panel in which the third party has an interest).

Pre-approval – giving gifts or entertainment

7.5 KCA Deutag personnel must obtain pre-approval using the gifts & entertainment platform prior to giving, promising to give, or offering:

- 7.5.1.1.1 to a public official:
- 7.5.1.1.2 any entertainment;
- 7.5.1.1.3 as set out above, no gift of any value may be given, promised or offered to a public official.

**7.5.2 to a non-public official:**

- 7.5.2.1.1 gifts valued US\$50 or more, or entertainment valued US\$250 or more per person;
- 7.5.2.1.2 any gift or entertainment to a third party which, taken together with previous gifts or entertainment given by any KCA Deutag personnel to the same third party in the past 12 months, reaches a cumulative value of US\$250 or more (this should be highlighted when recorded and approval is being sought);
- 7.5.2.1.3 transport tickets;
- 7.5.2.1.4 an invitation where overnight accommodation is provided and paid for;
- 7.5.2.1.5 gifts or entertainment to a third party who could influence business decisions in relation to KCA Deutag (for example,

because they are involved in appointments to a panel which KCA Deutag is appointed to / is likely to tender for);

- 7.5.2.1.6 any equipment or product belonging to KCA Deutag other than at a commercial rate.

#### Procedure – accepting or giving gifts or entertainment

- 7.6 All gifts & entertainment must be recorded in the gifts & entertainment platform.
- 7.7 All gifts and entertainment (other than those subject to the pre-approval procedure) which are accepted, given, promised, or offered by KCA Deutag personnel must be submitted for approval within two working days.
- 7.8 As noted above, where a gift has been received by KCA Deutag personnel, but approval is not granted, the gift must be returned to the third party who provided it.

### **8 TRAINING AND COMMUNICATION**

- 8.1 All KCA Deutag personnel receive training on this policy during the induction process.
- 8.2 Training is provided to other personnel at appropriate intervals. Enhanced training is provided to those colleagues most likely to be exposed to bribery or corruption risk.
- 8.3 KCA Deutag's approach to gifts and entertainment is reflected in KCA Deutag's Supplier and Third Party Code of Ethics, which is made available to all suppliers and third parties with whom we work.

### **9 MONITORING AND REVIEW**

- 9.1 The Legal & Compliance team within KCA Deutag has overall responsibility for: (i) ensuring this policy complies with our legal and ethical obligations, (ii) ensuring that all KCA Deutag personnel comply with this policy's requirements and (iii) providing advice and assistance on the application of the policy.
- 9.2 All KCA Deutag personnel have operational responsibility for implementing this policy and for monitoring its use and effectiveness.

### **10 DUTY TO MAKE A NOTIFICATION**

- 10.1 If you consider: (i) you, (ii) other KCA Deutag personnel, or (iii) a KCA Deutag supplier may have breached
  - 10.1.1 the law,
  - 10.1.2 this policy, or

10.1.3 any applicable KCA Deutag policy, procedure or guidance,

you must report this as soon as possible.

10.2 Where possible you should notify your line manager, if this is not possible you can report this to any member of the Legal & Compliance team, the Human Resources team, Internal Audit or any other senior member of staff.

10.3 Alternatively you can report this via any of OUR SPEAK-UP CHANNELS hosted by our confidential independent whistleblowing provider.

10.4 Personnel who make a notification about a third party in good faith will not be subjected to detrimental treatment by KCA Deutag for doing so.

10.5 KCA Deutag will not tolerate any attempt to retaliate against anyone who has made a notification in good faith. Any such retaliation is prohibited under this policy and the Code of Conduct and will be taken seriously by KCA Deutag.

10.6 Further information in relation to KCA Deutag's management of good faith notifications can be found in the Whistleblowing and Non-Retaliation policy.

## **11 NON-COMPLIANCE**

11.1 KCA Deutag may take appropriate disciplinary action, up to and including termination of employment, against any personnel who fail to comply with applicable laws, this policy or any applicable KCA Deutag policy, procedure or guidance.

11.2 In addition to its internal processes, KCA Deutag may refer any concern regarding personnel to law enforcement and/or regulators.