



**Day&Zimmermann**

*We do what we say.®*

## **Policy: Giving and Receiving Gifts, Meals, and Entertainment**

**Policy No.: 1102-08**

**Responsible Officer: Senior VP, General Counsel and Secretary**

### **1.0 Policy**

#### **1.1 General**

Employees must avoid any activity with a business partner of the Company that may conflict or appear to conflict with the interests of the Company. Employee must avoid any activity that may be perceived as unduly influencing an individual in favor of the Company.

Employee's receipt and/or acceptance of any excessive gifts, meals, or entertainment from a customer or supplier of the Company may create a conflict of interest or the appearance of a conflict of interest. In addition, Company employees providing excessive gifts, meals, or entertainment to an employee of a customer or supplier may result in or create the appearance of undue influence on the individual.

The Company established the following guidelines for giving and receiving a gift, meal, or entertainment.

#### **1.2 Gifts, Meals, or Entertainment Involving a Supplier or Non-Governmental Agency Customer**

##### **1.2.1 Accepting a Gift, Meal, or Entertainment to a Supplier or Non-Governmental Agency Customer**

Company employees are permitted to accept a gift, a meal, or entertainment from an active non-government agency customer or supplier or a potential non-governmental agency customer or supplier in accordance with the guidelines below:

1. Company employees may accept no more than two (2) gifts, not to exceed two hundred dollars (\$200.00) in total value, and no more than two (2) meals, also limited to two hundred dollars (\$200.00) in total value, from the same legal entity in a calendar year.
2. Company employees may accept up to two (2) tickets per calendar year to a social event, such as a theatrical or musical performance, or sporting event hosted by an active or potential non-governmental agency customer or supplier of the Company, even if the total value is greater than two hundred dollars (\$200.00). In addition, an employee is allowed to accept two (2) invitations to play golf or other sports with an active or potential non-governmental agency customer or supplier, even if the value of a single, individual event is greater than two hundred dollars (\$200.00) per person. Company employees must not accept more than two (2) invitations per calendar year from the same non-governmental agency customer or supplier.
3. Company employees receiving a gift, meal, or an entertainment related ticket or invitation must inform the immediate their respective supervisor in hard copy or electronic format prior to or directly after receiving such gift, meal, or entertainment related ticket/invitation.
4. The foregoing is not applicable Company suppliers who provide supplies or services to

## 1.2.2 Providing a Gift, Meal, or Entertainment to a Supplier or Non-Governmental Agency Customer

1. An employee may provide a gift of up to two hundred dollars (\$200.00) per person, per calendar year to an active or potential non-governmental agency customer. An employee may provide meals of up to two hundred dollars (\$200.00) per meal to an active or potential non-governmental agency customer, with no annual limit on the number of meals. The two hundred dollar (\$200.00) limit is not applicable to a social event, such as a golf outing, sporting event, or theatrical or musical performance that an employee may host to entertain an active or potential non-governmental agency customer on behalf of the Company.
2. An employee may provide a gift or a meal up to two hundred dollars (\$200.00) per person, per calendar year to an employee of an active or potential supplier. In addition, an employee may provide an active or potential supplier up to two (2) tickets per person, per calendar year to a social event, such as a theatrical or musical performance, sporting event, or social activity hosted by the Company, even if the total value is greater than two hundred dollars (\$200.00).

## 1.2.3 Consideration for Related Topics

1. A permitted invitation in each situation mentioned in *Section 1.2.1 and 1.2.2* cannot be for an event, which includes airfare or hotel accommodations, or entertainment related activities that would reflect adversely on the Company's reputation or image in the marketplace, or the community.
2. A Staff/ Business Unit Head can establish a lower dollar limit threshold for giving and receiving a gift, meal, or entertainment, if deemed reasonable and appropriate.
3. The gift or receipt of cash or other related currency is prohibited. This includes gift cards and crypto currency, for example.
4. An allowable gift is a seasonal or holiday gift or a general sales or promotional item.

## 1.2.4 Exception Approval

An exception to the above guidelines must be approved in writing by the Staff/ Business Group Leadership Council member. An exception to the above guidelines for a member of the Leadership Council requires an approval from the CEO.

The approver of an exception shall consider the following:

1. Is the Company in contract negotiation with the inviting or invited party?
2. Will participating in a social or sporting event during a contract negotiation create an appearance of undue influence?
3. Will receiving or giving a gift or meal during a contract negotiation create an appearance of undue influence?
4. Is there an appearance of a conflict of interest?

## 1.3 Meal, Gift, or Entertainment Involving a Governmental Agency Customer, Employee, Public Office Holder, or Political Candidate

### 1.3.1 General Principle

Public service is a public trust, and U.S. Government employees and representatives are obligated as public servants to act with integrity and impartiality when undertaking official responsibilities. The U.S. Government gift rules under [CFR 2635 Subpart B](#) are designed to help U.S. employees and representatives avoid the appearance public office is being used for private gain or decision are being made with bias.

### 1.3.2 Guidance on Gifts to a Governmental Agency Customer, Employee, Public Office Holder, or Political Candidate

A U.S. Government employee is prohibited from soliciting or accepting a gift from a prohibited source because of the U.S. Government employee's official position unless the item is excluded from the definition of a gift or falls within one of the exceptions.

A **prohibited source** is defined as an individual who:

- Seeks official action by the U.S. Government employee's agency;
- Does business or seeks to do business with the Federal employee's agency;
- Conducts activities regulated by the U.S. Government employee's agency;
- Has interests that may be substantially affected by performance or non-performance of the U.S. Government employee's official duties; or
- Is an organization a majority of whose members are described above.

A **gift** includes a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. A **gift** also includes services, as well as gift of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, or payment in advance or reimbursement.

There are some items, which are **not** considered **gifts**, in most instances, including, but not limited to:

- Soft drinks, coffee, donuts, and other modest non-alcoholic refreshments offered other than as part of a meal;
- Items of little value which are intended solely for presentation, such as greeting cards, plaques, certificates, and trophies;
- Anything paid for by the U.S. Government, secured by the U.S. Government under a U.S. Government contract, or accepted by the U.S. Government in accordance with a statute;
- Anything for which the U.S. Government employee pays market value;
- Most rewards and prizes in contests open to the public;
- Commercial discounts available to the general public or to U.S. Government or military personnel; and
- Free attendance to an event on the day a Federal employee is speaking or presenting information on behalf of the governmental agency.

Common exceptions to the prohibition of **gifts** are:

- Unsolicited gifts with a value of twenty dollars (\$20.00) or less, not to exceed fifty dollars (\$50.00) in a year from one source;
- Gifts clearly given because of a family relationship or personal friendship with such U.S. Government prior to the business relationship;
- Free attendance at a "widely attended gathering";
- Discounts and similar opportunities and benefits available to U.S. Government employees or military personnel;
- Certain awards and honorary degrees;
- Social invitations to free events from persons other than **prohibited sources**; and
- Informational materials, including writing, recordings, documents or other records that are educational or instructive in nature.

Even if a gift falls within one (1) of the exceptions, a U.S. Government employee is not necessarily free to accept it. None of the exceptions apply if a U.S. Government employee:

- Accepts a gift in return for being influenced in the performance of an official act;

- Solicits or coerces the offering of a gift;
- Accepts gifts so frequently as to create an appearance that the U.S. Government employee is using public office for private gain;
- Accepts a gift of promotional training in contravention of applicable U.S. Government procurement policies; or
- Accepts a gift in violation of any statute.

### **1.3.3 Consultation with the Law Department**

Company employees must consult with their respective Staff/ Business Group Law Department to determine if a **gift**, in any form, including an item having a monetary value, a meal, or an offering of entertainment is permitted for a U.S. Government Agency Customer employee, public office holder, or political candidate.

The rules for gifts, meals, and entertainment are complex, and each situation must be evaluated carefully. The primary approval authority is vested in the Staff/ Business Group with consultation with their respective Law Department. The Ethics Officers and the Staff/ Business Group Law Departments are available to assist in properly resolving questions or concerns.

### **1.3.4 Meal, Gift, or Entertainment Involving a Governmental Agency Customer, Employee, Public Office Holder, or Political Candidate of U.S. State and Local Governments and Foreign Governments**

Additional and specific requirements and restrictions apply regarding the offering of gifts, meals, and/or entertainment to government employees, officials, and representatives at the state and local levels, as well as officials and representatives of foreign governments. Each instance must be evaluated and authorized and approved in advance by a Staff/ Business Unit Head only after consultation with the Staff/ Business Group Law Department.