



**The MGT Group**

**Gifts & Entertainment  
Policy & Procedures Handbook**

Version 1.1  
March 2011



**"Strictly Confidential"**

# APPROVAL

This Gifts and Entertainment Policy & Procedures Manual is hereby approved by The MGT Group's Ethics Officer "EO": Mr. Colonel C.S. Tiwari and Chief Executive Officer "CEO": Ms. Manju Puri

**Ethics Officer "EO":**

Name: Colonel C.S. Tiwari

Signature: 

Date: 30<sup>th</sup> MARCH 2011

**Chief Executive Officer "CEO":**

Name: Ms. Manju Puri.

Signature: 

Date: 30<sup>th</sup> MARCH 2011



# UPDATES & REVISIONS

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## 1. Introduction



It is unethical, against the law and contrary to good corporate governance for businesses, their directors, officers, employees or representatives, to offer or provide persons with gifts and/or entertainment with a view to improperly influence or induce those persons in order to obtain some benefit or result.

On the other hand, it is a daily occurrence in business, and it is in fact a business prerequisite, that businesses and their suppliers and customers build up sound relationships and a thorough understanding of their respective products and services offerings and requirements. No business can provide a professional service unless it has an intimate knowledge of the offerings of its suppliers and of its customers' requirements.

In general, Gifts and Entertainment offered with a view to establishing and strengthening relationships are acceptable from a business perspective, but when these Gifts and Entertainment are offered in order to induce some benefit or result, it becomes a criminal offence.

## 2. Policy statement



The MGT Group is committed to achieving the highest possible standards of service and the highest possible ethical standards in all of its practices. To achieve these objectives, it encourages compliance with ethical standards and not accepting graft or bribery under any circumstances and reporting such incidents immediately to The MGT Group, furthermore: Gifts or Entertainment that are offered to induce a business decision or may have a doubt to do so are not allowed under any circumstances and should as well be reported to The MGT Group.

## 3. Eligibility



This policy applies to all employees, whether permanent, contract or temporary, regardless of their position in the company, with no exception.

## 4. Purpose



The purpose of this policy is to establish principles and guidelines as to what would constitute normal and acceptable behaviour in relation to gifts and entertainment, and as to what would be regarded as unethical, criminal or contrary to good corporate governance and behaviour.

On the basis that this policy provides guidelines only and that it is not intended to deal with each and every possible scenario that may arise, where any doubt exists as to whether a specific type of conduct or behaviour would be acceptable or not, prior advice should be sought from the Ethics Officer "EO" or Chief Executive Officer "CEO" or the Head of Human Resources.

Following are examples of Illegal giving / acceptance of gifts:

- Giving or receiving money or other cash equivalent as a business gift.
- Giving or receiving gifts that are too costly or frequent to be within the customs of the marketplace.
- Giving any gift to reward a government employee.
- Giving or receiving gifts that influence or give the appearance of influencing business judgment.
- Offering a gift if you know it would violate the recipient's policy to accept it.



The MGT Group will not tolerate any illegal giving / acceptance of gifts, entertainment, graft or bribery, and will treat this as a serious disciplinary offence, which will be dealt with under the Disciplinary Rules and Procedure.

## 5. Responsibility & Commitment



Each person working for The MGT Group must fully co-operate with The MGT Group efforts to maintain high standards of business conduct and ethics. This means not only complying with all applicable laws and regulations, but also embracing principles of honesty and fair dealing with colleagues, customers and others at all times. The responsibility of each individual to conduct The MGT Group business in a manner consistent with these principles is personal. It cannot be avoided by contrary instructions from a supervisor or by turning a blind eye.

## 6. Culture Etiquette

In some parts of the world, particularly in the Middle East, there is a high symbolic value in the exchange of gifts between senior executives. In such cases failure to give or accept a gift appropriate to the other party's status could be viewed as an insult and could be damaging to The MGT Group's business relationship with that party. In such cases the senior executive concerned should declare these items in writing as per this policy to the Ethics Officer who has the discretion to refer the matter to the Chief Executive Officer "CEO" who jointly will take a decision about this matter.

## 7. Gifts

### 7.1 Receiving Gifts:

The general rule is that gifts should not be accepted from customers or suppliers. In all cases where a gift is offered or received, the donor or prospective donor should be advised as diplomatically as possible that The MGT Group's policy prohibit accepting gifts. Also, the employee should express the hope that in the future gifts will not be offered.

As an exception to the general policy, a gift may be accepted if its design, labeling, etc. suggests or it is also considered to be serving an advertising function for the donor and its retail value, not more than US\$ 50 and either (I) the gift was not accepted in return for any additional service or to influence a business decision and an abrupt refusal would, in a judgment of the employee, have an adverse effect on the relationship with the customer or supplier; or (II) refusal or return of the item is truly impractical or would be considered as an insult to the customer.

Any gift of a retail value of US\$ 50 or more is to be refused or returned to the donor with an appropriate explanation of organization's policy. If refusal of such gift will lead to an adverse effect on relationship with the customer or supplier, in such case, the gift will be accepted and will be handed to the Ethics Officer, who in co-ordination with the Chief Executive Officer "CEO" and Head of Human Resources will dispose of the gift in the following ways:

- 1- A raffle will be conducted among The MGT Group Employees and the gift will be handed to the winner of the raffle, Or:
- 2- The gift will be given to the Employee of the Year as a sort of appreciation for his/her efforts, Or:
- 3- The gift may be disposed in any other way as deemed appropriate by the Ethics Officer, Chief Executive Officer "CEO" and Head of Human Resources department.

All gifts received from a business contact, irrespective of type or value, shall be reported on The MGT Group's standard [Gifts Disclosure Form](#) as revised from time to time. Each report should include a recommendation as to the appropriate disposition of the gift and the response to the donor.

In their explanation to Human Resources and customers of the reasons for this policy, supervisors should include a reminder that acceptance of gifts is potentially destructive of the objective service The MGT Group employees are expected to render to all customers and could tend to adversely affect the business judgment, for example: the acceptance of gifts from suppliers could tend to generate an unwarranted bias in favor of products which are neither competitively priced nor of optimum quality or utility.

## 7.2 Giving Gifts

Officers and employees in their personal capacities may give gifts to whomever they choose. However, all personnel are expected to consider the appearance of such action if the recipient is a customer, supplier or government official, in addition to being a personal friend or acquaintance. The context of the action is important, and if the officer or employee believes his personal gift might be interpreted as consideration for an official or business favor, then something should be done to rebut this presumption and reinforce the personal nature of the gift.

From time to time a supervisor may decide that a gift from The MGT Group to a customer or supplier or a dignitary is appropriate, e.g., as a modest but gracious message of thanks for the above average conduct of business, particularly note worthy service, or in the case of a dignitary as an "honorarium" which distinguishes the recipient's official capacity and is consistent with established, publicly known protocol. Such gifts are not appropriate, however, in any case, where reasonable people could allege some ulterior motive, which would embarrass The MGT Group or its employees. Also, if the supervisor knows that the recipient has a policy against accepting gifts, then no gift should be offered under any circumstances.

Gifts to customers and suppliers meeting the requirements of this section may be expensed under the heading "Business Promotion". Gifts to departing employees are generally not allowable expenses except in cases where the expenses are approved by the MGT Group's Chief Executive Officer "CEO".

## 8. Entertainment

### 9.1 Entertainment of Customers and Suppliers

Expenses of entertaining customers and suppliers are within policy and reimbursable provided that they are reasonably related to the furtherance of business relationships with The MGT Group. A reasonable relationship to business will be considered to exist where:

- There exists an expectation of deriving income or other future benefit, and during the entertainment there are discussions, which are chief aspects of the business entertainment meeting.
- The recipient of the entertainment knows the expense is incurred in furtherance of The MGT Group's business (e.g., a hospitality room at a convention).
- The entertainment directly precedes or follows a substantial bona fide business discussion.

### 9.2 Acceptance of Entertainment

Entertainment should not be accepted from customers or suppliers unless the officer or employee accepting it is in a position to reimbursement for entertainment of the customer or supplier under the above guidelines.

## 9. Claiming of Gifts & Entertainment

Business expenses should be claimed in accordance with business and Sector policies. However, at a minimum all expenditure on business entertaining should be supported by receipts and reclaimed on the normal business expense report and be approved by the claimant's manager in the usual way. The claimant should show on the receipt the number of people entertained, the organisation they belong to, their position within that organisation and the reason for the entertaining. Gifts should be approved by the donor's manager prior to purchase and the invoice approved by the donor's manager.

## **10. Graft & Bribery**

All invitations to accept graft or any proposal or suggestion of a similar nature must be reported immediately to The MGT Group's Ethics Officer. Non-disclosure of even a rejected proposal of bribery or graft shall be reason for severe disciplinary action.

Any officer or employee who is found to have dealt in an illicit way with a vendor for personal gain will have his employment with The MGT Group terminated immediately.



## **11. Specimen Forms**

1. [Gifts Disclosure Form](#)
2. [Entertainment Disclosure Form](#)
3. [Graft / Bribery Disclosure Form](#)

# Gift(s) Disclosure Form

**DISCLOSER:**

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Fax: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
 Position: \_\_\_\_\_ Department: \_\_\_\_\_  
 E-Mail: \_\_\_\_\_ Signature: \_\_\_\_\_

**DETAILS OF GIFT(S):**

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(Please provide a detailed and complete description the Gift(s), use more papers where needed, number and attach herewith)

**SUPPORTING DOCUMENTS:**

- 1. \_\_\_\_\_ 6. \_\_\_\_\_
- 2. \_\_\_\_\_ 7. \_\_\_\_\_
- 3. \_\_\_\_\_ 8. \_\_\_\_\_
- 4. \_\_\_\_\_ 9. \_\_\_\_\_
- 5. \_\_\_\_\_ 10. \_\_\_\_\_

(Please number, cross reference the supporting documents and attach herewith)

**ETHICS OFFICER USE ONLY:**

Date received: \_\_\_\_\_ Time received: \_\_\_\_\_

Reference: \_\_\_\_\_

Receipt acknowledged:  es

Disposal of the Gift: \_\_\_\_\_

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# Entertainment(s) Disclosure Form

**DISCLOSER:**

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Fax: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
 Position: \_\_\_\_\_ Department: \_\_\_\_\_  
 E-Mail: \_\_\_\_\_ Signature: \_\_\_\_\_

**DETAILS OF ENTERTAINMENT(S):**

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(Please provide a detailed and complete description the Entertainment(s), use more papers where needed, number and attach herewith)

**SUPPORTING DOCUMENTS:**

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|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |

(Please number, cross reference the supporting documents and attach herewith)

**ETHICS OFFICER USE ONLY:**

Date received: \_\_\_\_\_ Time received: \_\_\_\_\_  
 Reference: \_\_\_\_\_  
 Receipt acknowledged:  es   
 Disposal of the Gift: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Graft / Bribery Disclosure Form

**DISCLOSER:**

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Fax: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
 Position: \_\_\_\_\_ Department: \_\_\_\_\_  
 E-Mail: \_\_\_\_\_ Signature: \_\_\_\_\_

**DETAILS OF ENTERTAINMENT(S):**

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(Please provide a detailed and complete description the Graft / Bribery, use more papers where needed, number and attach herewith)

**SUPPORTING DOCUMENTS:**

- |          |           |
|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |

(Please number, cross reference the supporting documents and attach herewith)

**ETHICS OFFICER USE ONLY:**

Date received: \_\_\_\_\_ Time received: \_\_\_\_\_

Reference: \_\_\_\_\_

Receipt acknowledged:  Yes  No

Disposal of the Gift: \_\_\_\_\_

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