

BBA Aviation

**POLICY ON
GIFTS AND ENTERTAINMENT**

June 2011

1 GENERAL PRINCIPLES

BBA Aviation expects the highest standards of integrity and conduct from its employees in all matters affecting the company. Employees should apply the principles of this policy at all times. **Failure to comply with this policy may result in disciplinary action, up to summary dismissal for gross misconduct.**

Please note that some BBA Aviation companies may have policies that are more stringent than this policy. Where this is the case, the more stringent rules must be observed.

All references in this document to BBA Aviation include BBA Aviation plc and all of its subsidiaries and affiliate companies.

2 GIFTS AND ENTERTAINMENT

The giving and receiving of gifts and entertainment can establish and reinforce goodwill. However some gifts and entertainment can secure (or appear to secure) improper influence and might even be seen as bribes attracting criminal liability the implications of which can be very serious both for BBA Aviation, the company and individuals involved. See BBA Aviation's Policy on Bribery and Corruption.

“Gifts and entertainment” includes all products or services, business courtesies, gratuities, meals, drinks, discounts, hospitality, entertainment, recreation, tickets, transportation and other “things of value” (thereby excluding courtesies and gratuities of minimal value such as small promotional items, diaries, calendars, etc.) for which the recipient does not pay the fair value.

3 GOVERNMENT AGENCIES

Most countries have their own specific and very strict rules governing the acceptance of gifts and favours by government officials, employees and consultants. The offering of gifts and favours including travel, accommodation or daily expenses (directly or through intermediaries) to government employees and consultants, including the attempt to do so, is a criminal offence in most countries and subject to severe penalties. **BBA's policy prohibits the giving of all kinds of gifts, gratuities, courtesies, entertainment or favours to employees, officials and consultants and their immediate families of any governmental units (including State companies) world-wide without the prior approval of the President or Managing Director of your BBA Aviation division and the BBA Aviation Legal Department. Please see the Policy on Bribery and Corruption in respect of facilitation or “grease” payments. Note also the rules that apply to BBA Aviation companies that enter into certain types of contract with the US Government and that have a United States Government Contracts Compliance Policy.**

4 GIFTS AND ENTERTAINMENT - SOME GUIDING PRINCIPLES

BBA Aviation employees must not accept, offer, procure or encourage the giving or receipt of gifts or entertainment between BBA Aviation employees (or their close family) and employees (or close family members) of organisations with which the BBA Aviation employee has or may have business dealings unless the gift or entertainment meets the following guidelines:

- it must be reasonable in cost, amount and frequency;
- it must be appropriate to the occasion and circumstances;
- it must not be intended or appear to be intended to influence the business judgement of the recipient; and
- it must be capable of withstanding public scrutiny without damaging BBA Aviation's reputation.

Approval of your line manager, before giving or receiving gifts or entertainment, is required for the following instances:

- Gifts: gifts valued at more than \$100/£75;
- Entertainment: entertainment (such as invitations to ordinary sports, theatre and other cultural events) valued at more than \$250/£175 per event;
- Meals: meals in excess of \$150/£100 per head per night (or local equivalent for a meal of the same standard);
- Purchase of season tickets/annual purchases/debentures to sporting/entertainment events or locations require the approval of the relevant Divisional Head and notification to the Group Chief Executive. Should the cost of any of these exceed \$25,000/£17,500 (or local currency equivalent) in any one year or a commitment is made to purchase any of these for more than one year and the aggregate cost exceeds \$25,000/£17,500 they will also require approval of the Group Chief Executive. This approval must be obtained in writing and will include guidance on the use of such season tickets.
- Travel or overnight accommodation.

Should a line manager approve such a gift or entertainment they must report such authorisation to their Divisional Head.

The following are never permissible:

- Any gift or entertainment that is in breach of relevant laws, regulations or customs;
- Any gift or entertainment which might be linked (or appear to be linked) to a competitive procurement or bidding process including an RFP;

- Any entertainment that is indecent, sexually oriented or which might tarnish BBA Aviation's reputation;
- Any gift of cash or cash equivalent (including but not limited to cheques, travellers cheques, money vouchers).

If there is any doubt as to whether any particular gift or entertainment is permissible, prior approval must be received from your line manager.

5 BRIBES AND "KICK-BACKS"

See BBA Aviation's Policy on Bribery and Corruption. Prohibited payments include rebates, commissions and "kick-backs" to third parties or intermediaries where the recipient or payee is not clearly the provider of the service, as well as "consultancy fees" and other such payments where the value to the company making the payment cannot be legitimately demonstrated. Breach of this Policy will result in disciplinary action up to and including summary dismissal.

6 IMPERMISSIBLE GIFTS

You must immediately return (and report) any gift of cash or cash equivalent.

Gifts received which are not permitted by this policy may be retained initially if it would be insulting to reject or return it but this must be reported immediately to your line manager who will then decide what action should be taken.

7 EMPLOYEE RESPONSIBILITY

Protecting BBA Aviation's reputation is every employee's responsibility. Employees should therefore immediately report suspected violations of the law or of this policy pursuant to the BBA Aviation Disclosure of Unethical Conduct Policy; they will not suffer any adverse company action when doing so, and the matter will be dealt with in the strictest possible confidence.

8 COMPLIANCE

Compliance with this Policy will be treated in the same manner as other BBA Aviation-wide policies. All Managing Directors will be required to sign a disclosure statement twice each year (mid-year and year-end) acknowledging their receipt of a copy of this Policy; their dissemination of the Policy to their direct reports; and their disclosure of any known violations of the Policy, to the extent not previously reported as required under the Policy.

This policy and compliance with it will be the subject of review as part of the BBA Aviation Internal Audit Programme.