



The Phoenix Mills Limited (PML)



Gifts, Entertainment and Hospitality Policy



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1 Introduction

The Phoenix Mills Limited (“PML” or “the Company or “our” or “we” or “us”) is committed to zero tolerance for bribery and corruption. Offering and receiving gifts, entertainment or hospitality can possibly be construed as a potential improper payment and hence should be performed with utmost care. It could be damaging for the integrity of business relationship and reputation of Company as a whole.

2 Purpose and objective

The purpose of this policy is to provide guidelines to employees¹, third parties² and business partners³ associated with PML while offering or receiving gifts to/from government departments or non-government departments while conducting business activities.

Gifts, entertainment and hospitality are often an appropriate part of a working relationship however employees of PML must not offer or receive gifts and hospitality to improperly influence a business decision. This Policy defines gifts/entertainment/ hospitality and provides guidelines on what can be offered or accepted.

The Company has set specific limits on the types and value of gifts you are permitted to accept in connection with your employment, and requires visibility and disclosure of gifts regardless of type or value as described below.

The Company’s vendors are also being advised of our gift policy and the disclosure requirements, and are asked to report to us certain gifts they make to the Company’s employees.

3 Applicability

This policy is applicable to:

1. All Employees including temporary or off roll employees of PML;
2. All Directors of the PML; and

¹ Employee is an individual who works for the Company either on full time or part time basis or acts as a consultant or an advisor or Subject Matter Expert for the Company and is bounded by the ‘contract of employment’, terms of which are either expressed or implied. They include (i) on-roll workers, trainees, articles, apprentices, seconded etc. whether remunerated or not remunerated for the services offered to the Company, (ii) Team of high level executives or executive management i.e. Chief Executive Officers (‘CXO’s’) and key process owners or AGMs and above level of the Company responsible for strategy, management, planning and administration of the Company and (iii) Any individual having decision making, planning and administration authority/ control in a Company

² ‘Third Parties’ includes any person or entity that performs services for or on behalf of the Company. They are engaged in activities that requires or involves interaction with any level of the government (domestic or foreign) and includes agents, suppliers, contractor, service provider, broker and landlord.

³ ‘Business partner’ is any individual, group of individual or entity who is associated with the firm and has interest in its operation. They are affected by the business decisions and its performance.

3. All business partners (i.e. vendors, suppliers, agents, consultants, advisors and other third party intermediaries that do, or will, or may at some time in the future; interact with public or government officials on behalf of the Company)

4 Policy statement

- Transactions or dealings with government officials are perceived as high risk by PML. Employees should be especially careful when offering or receiving gifts to/from government officials.
- Gifts, entertainment and courtesies given to or received from persons who have a business relationship with the Company are generally acceptable, if the gift or entertainment is nominal in value, appropriate to the business relationship and the occasion⁴, and does not create an appearance of impropriety.
- Gifts offered as a promotional activity (bearing Company logo and of nominal value) on occasions are allowed with adequate business justification, internal approvals and in light of proper controls and measures to ensure the same should not be in violation of Anti bribery corruption compliance.

5 Definitions

5.1 Gifts

- A “Gift” means **anything of value** whether monetary or in kind, including – but not limited to – meals, lodging, loan, cash, favorable terms or discounts on any product or service, services, equipment, prizes, products, transportation, use of vehicles, vacation or other facilities, stocks or other securities, home improvements, tickets, gift cards, discount cards, memberships and employment or consulting relationships. Intangible benefits of personal value like employment opportunities, use of influence, special privileges, personal favors, financial arrangements on favorable terms, and services, are also considered as gifts.
- Gifts to any family member or relative – including – but not limited to payments to a family member or relative or employment of a family member or relative – are deemed Gifts received by you, the employee. Gifts to any person or entity at your direction for your benefit are also deemed as Gifts received by you.

⁴ Occasion includes events organized / sponsored by the Company and festivals

6 Elements of Gifts and Entertainment policy

6.1 Dealing with Government Official

- The company has a zero tolerance policy towards bribery and corruption. The employees should be especially careful while dealing with Government Official⁵ and should not ever offer, promise, or make a corrupt payment to a Government Official for the purpose of obtaining or retaining business.
- Laws of most other nations prohibit giving anything of value to government officials in order to obtain or retain business or to secure some other improper advantage, it is important that employees take special care when offering gifts to government officials and ensure that gifts to these individuals cannot be construed as bribes.
- These transaction or dealings do not limit to financial gifts but also includes non-financial aspects like offering jobs/internships to relatives/references having following intent:
 - Obtaining or retaining business.
 - Obtaining licenses or approvals
 - Revising rates or quotes
 - Influencing decisions/outcomes etc.

6.1.1 Gifts

- Occasionally, giving a gift (such as a Company logo gift) to a government official may be appropriate to strengthen working relationships. In such cases, giving a gift to a government official is permitted only if:
 - It is consistent with accepted business practice
 - the gift is of nominal value and does not exceed INR 5000 and should contain Company logo (e.g., an article of clothing, calendar, pen, diary etc.).
 - further, the cumulative annual value of all gifts you may provide to any one recipient cannot exceed (INR 5,000) and all these Gifts should be disclosed under the Company's Gift and Entertainment disclosure procedure.
 - the gift or entertainment could not be perceived as a bribe, does not make the recipient feel obligated, or make it difficult for the recipient to make a fair decision; and
 - public disclosure of the gift or entertainment would not embarrass the Company
- The following gifts to government officials are considered unacceptable:
 - Cash or its equivalent - for example, a gift certificate is not acceptable.

⁵ Government official is very broadly defined and not limited to high level officials and state government employees. Further, the employees of government-owned or controlled entities, persons acting officially on behalf of government entity, private persons who are 'advisors', relative of officials and includes political parties, party officials and candidates also considered as public official.

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- Gifts that are solicited or encouraged by the employee.
- Gifts and entertainment that are as extensive or frequent as to raise questions of propriety.

6.1.2 Hospitality and Entertainment

- Employees and third parties must ensure caution while offering entertainment and hospitality to government clients as they can be seen as a potential bribe. They must ensure that the entertainment and hospitality extended:
 - Is for a legitimate business purpose
 - Is permitted under the law of the local jurisdiction
 - Is reasonable in value not extravagant or lavish

6.1.3 Travel

- There are instances wherein public or government official's travel to project sites i.e. Malls (add other sites) for inspection, verification, audit, etc. for issuing licenses and permits (e.g. labour license, shops & establishment license, inspection of escalators, elevators and travellers etc.) required as per local law.
- The Company does not allow providing any travel related services to the public or government officials unless required by law, however the travel arrangements can be done keeping in mind the following measures:
 - The travel arrangements i.e. taxi/cab should be booked by approved Company vendors and the services should be same as provided to employee and should not be different or one of kind.
 - Should be done only in exceptional circumstances and be approved in advance by Compliance Officer⁶/ GM Legal/ Centre Director.
 - The purpose of the travel must be business-related and should not be to obtain or gain or influence a business advantage.
 - Further, the Company will not approve travel expenses for family members of Government officials, and will never approve trips that appear to be provided to obtain or retain business or secure an improper advantage.
- Employees should talk to their supervisor when in doubt as to whether an event, location or expenditure is appropriate.

6.2 Dealing with Non-Government Official

- Apart from public or government officials, Company has zero tolerance on bribery and corruption while receiving/offering gifts to non – government organization/s.

⁶ The Compliance Officer is responsible for overseeing, designing, managing and monitoring the Compliance framework of the Company and ensure the Company complies with all applicable regulatory requirements and internal policies of the Company.

- Instances happen wherein usual exchange of small gifts (nominal value) are provided to non-government business partners which abets in good business relationship.

6.2.1 Gifts

Accepting/Receiving Gifts

- Employees or third parties representing PML should never ask for or take gifts or other favors that benefit them personally.
- PML employees may accept gifts from non-government business partners under exceptional circumstances up to value of INR 5,000.
- All gifts received/given as per the above limit should be disclosed to the Head of Department/ Compliance Officer/ GM Legal/ Centre Director and :
 - is not in form of cash or cash - equivalent like gift card etc.
 - does not create an obligation on the receiver to extend favors like better rates, preferred vendor, award of contract etc.
 - would not embarrass the Company or the gift giver if disclosed publicly;
- The cumulative annual value of all gifts an employee may receive from any one gift giver cannot exceed INR 5,000 unless and should be disclosed under the Gift and Entertainment disclosure procedure and approved by the director(s) of the Company.

Offering/Giving Gifts

- **Giving** gifts occasionally to third parties may be appropriate to strengthen relationships or comply with local customs. Specifically, employees may offer gifts to suppliers, customers or other business associates for legitimate business purposes only, such as for working relationships only through branding merchandise, provided the gift is approved by the Head of department and should be recorded in the gift register.
- PML employees may **offer** gifts to customer/visitors if the gift is:
 - is valued up to INR 5,000 (preference should be given to merchandise of a promotional nature with Company logo)
 - if any circumstances valued INR 5,000 or above, is approved by the gift giver's first and second level reporting managers
 - gifts should be disclosed under the Gift and Entertainment disclosure procedure
 - part of a promotional activity (bearing Company logo) with proper business justification
 - with proper documentation and records containing details of the activity, target customers and basis of selection of customer for gifts

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- The following gifts are never appropriate:
 - gifts of cash, or cash equivalent (such as gift cards or gift certificates);
 - gifts that are bribes, payoffs or kickbacks (e.g., gifts given in order to obtain or retain business, or to secure an improper advantage);
 - gifts that are prohibited by local law;
 - prohibited by the recipient's organization;
 - gifts given in the form of services or other non-cash benefits (e.g., the promise of employment); and
 - gifts to family members of customers, suppliers or other business associates outside PML.

6.2.2. Entertainment

- The Company employees may accept and be allowed to provide nominal business entertainment (e.g. meals) offered for business purposes which is also provided to employees of PML, provided it:
 - is not given as a bribe, payoff or kickback (e.g., in order to obtain or retain business, or to secure an improper advantage);
 - does not create the appearance (or an implied obligation) that the giver is entitled to preferential treatment, an award of business, better prices or improved terms of purchase;
 - is infrequent;
 - is in good taste and occurs at a business appropriate venue;
 - is based on business justification and at an appropriate business venue;
- The following is never appropriate:
 - entertainment that can be viewed as excessive in the context of the business occasion;
 - "adult" entertainment or any sort of event involving nudity or lewd behavior;

6.2.3 Travel

- In exceptional circumstances customers, suppliers or other business associates may pay for travel-related expenses of the Company's employees. As these situations are rare, offers to pay for travel and/or related expenses from third parties must be:
 - reviewed and approved by the first and second level reporting managers; and
 - disclosed under the Company's Gift and Entertainment Disclosure Procedure.

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- In reviewing the travel request, the first and second level reporting managers should consider a number of factors, including whether:
 - the primary purpose of the travel is business-related;
 - the class of travel is appropriate in the business context;
 - the itinerary minimizes side trips and avoids tourist or vacation destinations.
- Employees and Directors of PML should not approve trips that appear to be provided in exchange for business or improper advantage
- PML should never approve
 - any travel related expenses of spouses or children,
 - trips with intent to gain potential improper business advantage
 - trips arranged for tourist destinations without any business requirement.
- Note that the Company will never approve travel expenses for spouses or children, and will never approve trips that appear to be provided in exchange for business or improper advantage.

7 Gifts, Hospitality and Entertainment disclosure procedure

- Gift and Entertainment disclosure procedure will be a key element in ensuring compliance with this policy.
- Employee must report and provide proper description in writing (typically by e-mail) or using a form A (refer appendix 1) of such expenses incurred by them in their claim forms to his or her immediate supervisor (first level) and/or to his or her supervising manager (second level) within three business days following receipt/giving the Gift/Entertainment/Travel.
- The notification must include, at a minimum, a complete description of the Gift/Entertainment/Travel, the actual value of the Gift (or if the actual value is not readily available, a reasonable estimate of the value of the Gift with verifiable documentation supporting the estimate), the date the Gift was received, the person or entity that provided the Gift and their relationship with PML.
- It is the responsibility of the Reporting Employee to retain an email or hard copy of every such notification they send. Their supervisors are not required to retain copies of these notifications. If a question arises whether proper notification occurred, and the Reporting Employee cannot provide a copy proving their compliance, they will be in violation of the Gift and Entertainment Policy.

Gifts and Entertainment to Public Sector/Government Officials:

- It is very important that when working with any public sector officials – regardless of location, department or agency, and including but not limited to government-controlled

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organizations – there are specific rules related to giving of favors, gifts and entertainment to that official.

- No employee may give a gift without the prior approval of Compliance Officer/ GM Legal/ Centre Director/ Head of Department. All the approvals must be taken in writing through e-mail and/or using form A (refer appendix 1).

8 Record Keeping

- PML requires its employees to record transactions in complete, accurate and detailed manner. There should be no false, misleading, or artificial entries made in the books and records of the Company for any reason.
- Due of tax and other legal reporting rule, it is essential that the expense report accurately records/ reflect favors, gifts and entertainment provided to customers as part of your employment, and you must accurately state the purpose of the expenditures or the identities of the individuals receiving the favors, gifts or entertainment.
- All the transactions should have adequate supporting (including approvals) of the expense incurred and should be recorded by disclosing the exact nature of expense.
- As per the applicable ABC laws it is essential that any form of gift, entertainment and hospitality is accurately reflected in the books of account as per Indian GAAP.
- This should be irrespective of the fact whether the recipient is government or any corporate entity or individual. Supporting of the expense should clearly state
 - purpose of gift and
 - details of individual and their respective entities and department to whom gifts have been offered
- A record should be maintained for all gifts received and given by way of maintaining a Gift register, for audit purposes In case of question on any retrospective payments/expense this is essential for PML as an organization to maintain its stance on, “no bribery and no corruption.” (Refer appendix 2)

9 Compliance and Transparency

- Any kind of noncompliance with the terms of this policy is not acceptable as this may cause financial as well as non-financial damage like reputation loss to the Company.
- A record for all gifts received and given should be maintained for audit purposes by way of maintaining a Gift register. The Gift register should be maintained by Legal/ Compliance team. Gifts and hospitality expenses should be accurately and appropriately recorded in the financial records of the Company as per Indian GAAP.
- Employees who breach this policy are subject to appropriate disciplinary action, which may include dismissal for cause.

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10 Amendments

- In case of identification of ineffective provisions of the Policy or related business processes of PML, which may be deemed necessary by the Board of directors, the Policy may be amended/ updated by issuing an order under the signature of the Board of directors.

11 Appendix

Appendix 1 - (Gifts/Entertainment/Travel expenses)

Name and Designation			Date
Employee ID			
Department			
Accepted or Given			
Details of the Gifts/Entertainment/Travel			
Amount (INR)			
Purpose			
Government Official/Commercial Business Partner			
Details of the event			
Individual name and Company to /from Gifts/Entertainment/Travel received/provided			
Any prior instance of Gift/Entertainment/Travel received/given during this FY from/to same party	Yes	No	
Please share details of Gift/Entertainment/Travel with Amount in INR			
Any other relevant information			
Declaration	I hereby declare that the Gifts/entertainment/Travel provided directly or through a third party, is not to influence or reward an action or decision of the government official or the commercial party or to gain an improper advantage.		
	Employee Signature		

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Approvals	Approver 1: <Name >	<Signature>
	< <i>Remarks if any</i> >	
	Approver 2: <Name >	<Signature>
	< <i>Remarks if any</i> >	

Appendix 2 - Register to record received Gifts by employees

Date	Name of the Organization	Gift Description	Amount (INR)	Purpose	Approval Received (Yes / No)