



Ultra Electronics Holdings plc

Gifts and Corporate Hospitality Policy

30 June 2011

The purpose of this policy is to set out our rules on the giving and receiving of gifts and corporate hospitality in order to protect our reputation and ensure that we operate both lawfully and ethically.

This policy applies to all employees and to contractors, consultants and agency workers.

Offering gifts

You are allowed to offer modest non-cash gifts to business partners where appropriate for marketing purposes or, as long as the gift is occasional and not regular or repeated, other purposes such as expressing thanks or making a goodwill gesture. For example, we may offer promotional material such as pens, calendars etc for marketing purposes or send a small token gift to a business partner as a Christmas gift.

If you want to offer a gift worth more than £25 or \$40 you must obtain prior approval from your Managing Director or President who will decide if the proposed gift is legitimate, proportionate and reasonable.

You should never offer:

- cash gifts;
- any sort of gift where the intention is to influence the recipient's judgment;
- any sort of gift where you know that the recipient is not allowed to receive it.

Accepting gifts

You are allowed to accept token gifts from business partners or potential business partners where this constitutes legitimate and reasonable marketing or where it is a legitimate goodwill gesture. For example, you can accept promotional items such as desk calendars or pens or occasional gestures such as a bunch of flowers from a customer to express thanks or offer congratulations.

You should never accept:

- cash gifts; or
- gifts which are extravagant/out of proportion with the value of the business relationship; or

- repeated/regular gifts from the same donor; or
- any sort of gift where your judgment might reasonably be thought to be at risk of influence as a result of the gift (for example, a gift from a potential business partner shortly before you make a decision over whether or not to award them a contract); or
- any sort of gift which might reasonably bring the business into disrepute or be contrary to terms or the spirit of our equal opportunities/dignity at work policy.

Be aware that a 'gift' includes food, drink and other corporate hospitality if the host is not present. For example, if you are invited to attend a major sporting event by one of our suppliers but the supplier will not be present then the tickets are a gift.

If you are offered a gift in circumstances which make you concerned or uncomfortable then you should raise this with your line manager. It is our policy and your responsibility to act ethically at all times.

If any unauthorised gift is offered to you then you should decline it politely explaining that our policy does not permit you to accept it, unless to do so would be embarrassing or insulting (for example because the gift is offered in public) in which case you should accept the gift and then refer the situation to your manager. The company is likely to write to the donor of the gift explaining our policy and returning the item.

Gifts and overseas travel

If you are travelling overseas on business to an area where gifts are an important part of business culture then you will be allowed and expected to participate in gift giving and receiving but this still needs to be proportionate and reasonable from an Ultra perspective. You should seek guidance from your Managing Director or President.

Corporate hospitality and entertainment

Our policy is to participate in corporate hospitality and entertainment where this will promote good relationships with our business partners.

For example, entertaining business partners at social events during major trade shows would be acceptable. In addition, working lunches with business partners are appropriate, as long as they are in line with the expenses policy of your local Ultra business.

However, corporate hospitality and entertainment, including attendance at dinners or sporting events, should not be offered or accepted if:

- the estimated value per person exceeds £250 or \$400; or
- it is lavish or extravagant; or
- it is on a scale which is disproportionate to the legitimate business value of the relationship; or
- you are offering it with the intention of influencing the recipient's judgment or when you know they are not permitted to accept it; or
- you are offered it in circumstances when acceptance would influence your business judgment or put you in a difficult position; or

- if it would infringe our expenses policy; or
- if it might reasonably bring the business into disrepute or contravene the terms or the spirit of our equal opportunities/dignity at work policy.

If you are unsure as to whether a particular invitation is appropriate, you should seek guidance from your Managing Director or President

Expenses policy

Each Ultra business has a local expenses policy. Employees in each business must adhere to that policy. In particular it is essential that employees should obtain receipts for expenses as required by the local policy.

Recording and disclosing

Each Ultra business must maintain a record of all gifts above £25 or \$40 and all corporate hospitality above £100 or \$160 whether these are given or received. These must be reported to the person who the Managing Director or President designates as having responsibility for maintaining this record.



Rakesh Sharma
Chief Executive
30 June 2011