

NSK EUROPE GIFTS & HOSPITALITY POLICY

NSK Europe Limited
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1. Introduction

- 1.1 This Gifts and Hospitality Policy (the “Policy”) explains the standards and behaviour required of all employees working for the NSK Europe Group (including all subsidiaries and affiliated companies), or acting on our behalf in any capacity, in accordance with the UK Bribery Act 2010.
- 1.2 We are committed to undertaking business fairly, honestly and with transparency at all times as set out in our [Code of Ethics](#). This commitment should be reflected in every aspect of our business conduct, including the offering and acceptance of gifts, hospitality and entertainment. We expect each of us at NSK to uphold these standards to ensure we operate ethically and legally, in everything we do, wherever we are.
- 1.3 The purpose of this Policy is to provide clear guidance of what is and is not acceptable concerning the giving and receiving of gifts and hospitality. It is not possible to provide an exhaustive list, so please use a common-sense, practical and transparent approach and, if in any doubt, please seek guidance from the Legal, Risk & Compliance Department.

2. Who Must Comply with this Policy?

- 2.1 This Policy applies to:
 - 2.1.1 all persons working for us, or on our behalf, including any of our subsidiaries and affiliated companies in Europe, including all employees, directors, officers, agency and contract workers, seconded personnel (e.g. Japanese Delegates), volunteers and interns, wherever located (“Employees”); and
 - 2.1.2 all third parties such as distributors, agents, representatives, suppliers, intermediaries, contractors and consultants who act on our behalf in any capacity (“Third Parties”). Other NSK Group companies which act on behalf of NSK Europe could also be considered to be a Third Party (e.g. if they arrange purchasing contracts on behalf of NSK Europe).

3. Appropriate Gifts and Hospitality

- 3.1 NSK recognises that the exchange of modest gifts and hospitality can be important in establishing or maintaining good business relationships. However, improper or excessive gifts and hospitality have the potential to be a bribe or be perceived as one. Therefore, it is important that such exchanges do not influence, nor appear to influence, an Employee’s business decision making. As such, we all must consider whether the giving or receiving of a gift or hospitality is appropriate.
- 3.2 In particular, gifts and hospitality that are excessively lavish or which are conditional on particular behaviours or conduct should be declined or returned.
- 3.3 Money and cash-equivalents (e.g. vouchers or gift cards) must never be offered or accepted. **Gifts of this nature should be returned with an explanation that it is not NSK’s policy to accept such gifts.**

To make sure you always make the right judgment... Ask yourself...

- **Why is it being offered?** Is the intention to reflect good working relations, or as a thank you for custom, or is it intended to try and influence the recipient to perform their function improperly.
- **Is the timing appropriate?** A modest gift simply to mark the festive period is generally OK. However, gifts or hospitality offered or accepted during a tender or procurement period, or a dispute could be considered a bribe.
- **Is it really essential and appropriate to the business relationship?** What could be the outcome for NSK or the person receiving it if the offer is accepted or declined? Would it be easy to justify its acceptance if it became public?
- **Is there any involvement with Government Officials?** (including employees of state owned or controlled companies and members of government sponsored institutions) (See section 4 below)

- 3.4 Promotional gifts of low value such as branded items of nominal value such as pens, keyrings, hats or similar items to or from existing customers, suppliers and business partners will usually be acceptable.
- 3.5 It is essential that any gifts and hospitality you offer, give, or receive in connection with NSK business must:
- (a) be exchanged in good faith, without any expectation of something in return.
 - (b) be given for a legitimate, justifiable business purpose and never to obtain an inappropriate benefit or advantage.
 - (c) be reasonable (in terms of nature and value) and customary - meaning consistent with generally accepted standards for professional courtesy and appropriate in the circumstances.
 - (d) not be (or give the appearance of being) unduly lavish, offensive or inappropriate (e.g. adult entertainment).
 - (e) be provided openly and transparently and never sent to a private address.
 - (f) be given infrequently without creating the appearance of impropriety.
 - (g) be given in NSK's name, never in your own name.
 - (h) not be cash or a cash equivalent (e.g. vouchers, gift cards, etc.).
 - (i) never be offered to any government official (see definition below) except with prior written approval (section 4).
 - (j) be expensed in accordance with the [Travel & Expenses Policy](#) (when giving gifts or hospitality).
 - (k) not be offered or accepted during a procurement period.
 - (l) not damage the reputation of NSK or have the potential to do so.
- 3.6 We appreciate that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift and/or hospitality is reasonable and justifiable and the highest standards across our region should apply everywhere rather than any lower local practices. The intention behind any gift or hospitality should always be considered.

Who is a Government Official?

Government or public officials may include officers, employees and representatives of:

- government, regulatory agencies, departments or other public bodies such as universities or royal households
- any political office, political party or a candidate for political office
- public international organisations
- local city or regional councils or authorities
- law enforcement agencies
- state-owned enterprise (e.g. a state owned airline or utility company)

plus spouses or immediate family members of any of the above.

4. Gifts & Hospitality to Government Officials

- 4.1 The laws (especially in the UK and US) regarding gifts and hospitality provided to a government official are particularly strict and there is an increased risk that they could be taken as a bribe. Therefore, special care must be taken when dealing with government officials.
- 4.2 In addition, government officials may themselves be subject to especially tight restrictions which must be respected. For instance, in some countries, government officials are not even permitted to accept a coffee or light meal from a business counterpart. Therefore, under no circumstances must gifts or hospitality be offered to a government official without prior written approval from the Legal, Risk & Compliance Department.

5. Gifts & Hospitality During a Procurement Period

5.1 Except where there is a “legitimate business purpose”, **no** gifts or hospitality should be offered to, or accepted from, any party involved in a live request for quotation (RFQ), tender or bid (“a Procurement Period”). Only basic refreshments and promotional items of nominal value such as company branded pens, key rings, hats or similar items may be offered or accepted during a Procurement Period.

6. Approval and Recording of Gifts & Hospitality

It is essential that the approval and recording requirements below are followed when offering, giving or receiving any gifts and/or hospitality.

What is considered a legitimate business purpose?

Gifts and hospitality such as meals, drinks, entertainment, travel or accommodation will usually have a legitimate business purpose where:

- It is appropriate and necessary, and provided in connection with the promotion, demonstration or explanation of NSK’s or a third party company’s products or services; and
- There is nothing to suggest an expectation in return for improper performance, undue advantage or influence or other corrupt intent.

GIFTS			
Benefit	Value	Procedure	Approval/ Record
Cash and/or cash equivalent (e.g. vouchers, gift cards)	Any	Never acceptable	If you are offered gifts of this nature, this must be recorded.
Gifts that could be considered offensive or inappropriate	Any		
Gifts to a Government Official, or employee or representative of a State-Owned Enterprise	Any		
Gifts during a procurement period (e.g. contractual negotiation, bidding, tender, request for quotation, periods)		Only promotional items of nominal value such as company-branded items (e.g. pens, key rings, etc) may be offered or accepted.	No approval or recording required.
Small (company-branded) gifts (e.g. diaries, calendars, pens, etc)	<€50	May be offered or accepted.	No approval or recording required.
Small gifts (non company-branded)	<€50	May be offered or accepted. No approval required unless two or more such gifts within a three-month period.	Notify Line Manager and record.
Gifts	>€50 <€150	Gifts over €50 may be offered or accepted with approval. However, any such gifts received should be surrendered into a department or site (charity) raffle or suchlike.	Approval from Senior Manager and record.
	>€150	May not be offered or accepted without prior approval from an OC member and LRC.	OC Member/LRC and record ¹ .

¹ Where G&H is offered to an OC member, such approval should be obtained from CEO or CFO in accordance with the policy.

HOSPITALITY & ENTERTAINMENT			
Benefit	Value	Procedure	Approval/ Record
Hospitality/entertainment that could be considered offensive or inappropriate	Any	Never acceptable.	Any such offer must be reported to LRC.
Hospitality/entertainment to a Government Official, or employee or representative of a State-Owned Enterprise	Any	Only with prior written approval from LRC.	Approval from LRC and record.
Hospitality/entertainment during a procurement period (e.g. contractual negotiation, bidding, tender, request for quotation, etc.)		Only basic snacks and beverages in connection with working meetings may be offered or accepted. Anything further must be approved in advance by LRC.	Approval from Senior Manager, LRC and record.
Hospitality (e.g. meals, drinks, sporting or entertainment events, etc.) ²	<€50	Acceptable only for legitimate business purposes.	Advise Line Manager and record.
	>€50-€250	Acceptable only for legitimate business purposes only. Prior written approval is required.	Approval from Senior Manager and record.
	>€250	If the value is in excess of €250, prior written approval is required.	OC Member/LRC and record ³ .

*Additional taxation rules apply for certain regions that must be followed as set out below			
Benefit	Value	Procedure	Approval/Record
Spain – Gifts received from a customer/ supplier	>€30	Not acceptable.	Record
Germany – Gifts and hospitality received from a customer/ supplier	>€35	Prior written approval of Line Manager and Finance Manager required	Line Manager/ Record
France – Gifts and Hospitality to a customer/supplier	<€65 >€65	Must be declared to the Finance Manager Not acceptable.	Finance Manager/ Record
Poland – Gifts and Hospitality given or received	>PLN 200	Must be declared to the Finance Manager	Finance Manager/ Record

² Company sponsored events e.g. Management/Distributor conferences are excluded but need prior consent from NSK Europe CEO and/or HRD to exceed these amounts.

³ Where G&H is offered to an OC member, such approval should be obtained from CEO or CFO in accordance with the policy.

Notes: When determining the monetary value of a benefit you must consider market value. If no monetary value can be placed on a benefit, then consider if accepting it could create a conflict of interest or be perceived to be inappropriate. If you are not sure, seek guidance from your line manager or L&C (ehq-legal@nsk.com)

7. How do I record Gifts and Hospitality?

- 7.1 Subject to the criteria above, all gifts and hospitality offered, given or received, must be recorded within seven (7) days, even if declined.
- 7.2 Employees can record gifts and hospitality, as follows:
- 7.2.1 **Online** - [Gifts & Hospitality Register](#); or
- 7.2.2 **Offline** - by completing the [Reporting Form](#) and emailing to ehq-legal@nsk.com for gift and/or hospitality to be added to the register. The offline recording procedure is to be used only where employees are not able to access the online reporting form.
- 7.3 It is the responsibility of every Employee who offers, is offered, or receives any gift and/or hospitality to report or ensure that a group report is made on their behalf.

8. What to do if I have a Question or Need to Raise a Concern?

- 8.1 If you have any doubt as to whether a gift and/or hospitality is appropriate or have any questions or concerns, always speak to your Line Manager, local HR Department or the Legal & Compliance Department (Legal Director & Company Secretary or Compliance & Governance Officer).

9. Associated Documents

- 9.1 The following documents should be referred to in conjunction with this Policy:
- 9.1.1 [NSK Europe's Code of Ethics](#);
- 9.1.2 [Anti-Bribery & Corruption Policy](#);
- 9.1.3 [Travel & Expenses Policy](#); and
- 9.1.4 [Speak Up Policy](#).