

Policy on business gifts and hospitality**1. Reference and Scope:****Code of Conduct, edition 1/2018**

Integrity, page 10:

“Business gifts or hospitality are offered or accepted only in accordance with local legislation and business practices.”

This policy is governed by the General Managers. They use their discretion to approve exceptions for extraordinary occasions.

Events organized as part of meetings such as Business Boards, Company Review Meetings with international participation of Epiroc employees are outside the scope of this document.

Gifts to our employees related to celebrating festivals such as Diwali, Dasher, New Year, social annual day and others are not considered as business gifts and do not form part of this policy. They are covered by specific HR policies.

The Epiroc Group strongly recommends and promotes the use of the “Profile Store” for branded giveaways. For a well described category of giveaways we will maximize the use of “Profile Store” and Epiroc Mining India Limited will consolidate the needs to take advantage of the volume.

2. Offering business gifts to customers and stakeholders. ¹

- a. Preferable we always select a gift from the “Profile Store”
As a recommendation, we categorize gifts into 3 categories according value:

Category 1:	Below INR 650 (Euro 10)
Category 2:	Between INR 650 and INR 1300 (Euro 10 to 20)
Category 3:	Upto INR 2600 (Euro 40)

Typical gifts from the “Profile Store” are USB sticks, pens and pen sets, cuff links, key- rings, leather ware, the cookbook, watches and scale models.

Due to the Indian import duties on textiles it is not advised to order textiles from the Profile Store.

Gifts from category 1 can be decided by Regional Manager, category 2 can be decided by the Business Line manager, category 3 selectively by the General manager (or equivalent)

- b. For special events, such as grand opening of premises, silver or golden jubilee of customers or business partners company, the gift should not exceed a value of INR 30,000 (Euro 450) and can only be decided by the General manager

The gift should always be given in the name of Epiroc to the Company and never personally addressed.

The gift can never be given in money: neither in cash, neither in cheque nor in any form of prepaid or cashable tickets for events.

When invited to sponsor a Corporate Social responsibility (CSR) project it remains to the sole discretion of the General manager to do so, after having verified if the CSR project is transparent and in line with our Business

Code of Conduct. Only in this case money can be wired via bank account to the project. Corporate Communications who is in charge of our own CSR programs can always be consulted.



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c. Epiroc product launches and participation in Exhibitions

When participating in product launches and exhibitions, it is common practice to offer a gift to the visiting business partners or prospect business partners.

Gifts considered as “hardware” should be acquired via the “Profile Store” and should be preferable from category 1, exceptional category 2.

Gifts such as caps, umbrellas, shirts or polo’s can be locally sourced but have to be in line with the branding identity manual of which the examples can be seen in the “Profile Store” catalogue.

d. Epiroc employees participating in events such as local Epiroc training programs, Epiroc seminars, conferences, sports events, exhibitions, product launches.

We restrict ourselves to provide our employees with caps, shirts, polos and T-shirts that can be locally sourced but have to be in line with the branding manual.

As an exception, for events such as Annual Business conferences, the limit can be raised to gifts up to category 2.

General:

All business gifts have to be branded according the appropriate Epiroc brand and in line with the corresponding brand identity manual.²

We refrain from giving cash, bottles of liquor, or tobacco as a business gift.

Handing over a business gift should always be done in a transparent way and never behind closed doors.

3. Accepting business gifts from a stakeholder or prospect stakeholder.

a. When offered a business gift it should always happen in a transparent way and never behind closed doors. The gift should always clearly carry the brand name of the company that offers the gift.

The value should in general not exceed the value of category 1, and whenever multiple persons of our organization are offered a business gift, it should always be the same (value). The gift remains also with the individual.

As we prefer to promote our own brand rather than our customers’ and stakeholders’ brands, neither want to inspire our stakeholders to offer business gifts, it is strongly recommended to use the business gifts in your private environment rather than in the business.

Whenever a gift is offered and accepted that can be estimated to fall in category 3, the General Manager should be informed and the gift should be considered as company property.

As an individual we do not accept gifts exceeding the value of category 3.
We never accept cash or cashable items.

Gifts exceeding category 3 in value can only be accepted by and in the name of Epiroc (India) Ltd. and only on special occasions such as inaugurations, grand openings or jubilees of the company. They remain also property of the company.



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4. Offering hospitality to customers and stakeholders.

a. Work- lunches.

As work lunch is considered a lunch that fits within the time of the visit of or to a customer our stakeholder and in between the meetings.

When offering a work lunch, the selected restaurant has to be of good standard, good reputation and reasonable price level. We do not offer alcoholic beverages with work lunches. If the guests, insist he can get we however avoid to join him.

b. Business dinners.

In some cases it occurs that a business dinner is proposed to a customer or prospect customer in preparation of next day's business discussions.

The same as for business lunches applies with the exception that alcoholic beverages can be served but only when it is convenient for the guest(s) and if they join.

Expenses on dining and wining should be reasonable and as a guideline stay within an INR 5000 (Euro 75) limit per person.

We should be cautious when offering a business dinner for celebrating a business success, or in anticipation of closing a deal.

In case such a dinner is offered to the customer, the General Manager should always be informed and approve and preferably there should always be a minimum of 2 representatives of the customer and 2 from Epiroc present. This for reasons of transparency.

c. Hospitality.

When inviting customers and prospect customers or stakeholders to a by Epiroc organized event, we must be cautious in offering travel and overnight stay in hotels.

As a general rule we do not do, but the General Manager however can approve exceptions. For events organized by the General Manager himself, according to his prokura he should get approval of his Country Company executive or the Division President.

d. Entertainment

We have to be very cautious in offering late night entertainment, other than the hotel, restaurant, or approved membership bars, and always reflect whether our presence can damage our customer's and our company's reputation

5. Accepting hospitality from customers and stakeholders.

a. Work lunches.

A work lunch that time wise fits within the time of the visit of or to a customer our stakeholder, and in between the meetings of the day, can be accepted

The selected restaurant has to have a good reputation and a reasonable price level. Work lunches in high-end restaurants have to be avoided

We do not accept alcoholic beverages during business lunches, even if the host(s) does so.



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b. Business dinners.

In some cases it occurs that a business dinner is proposed by a stakeholder or prospect stakeholder in preparation of next day's business discussions.

The same as for an offered business lunch applies with the exception that alcoholic beverages can be served but only when the host(s) is offering it and joins.

Estimated value of the dining and wining has to be reasonable and as a guideline stay within an INR 5000 (Euro 75) limit per person.

We should be extremely careful to accept a business dinner in anticipating of or for celebrating a business success. In case such an invite is made to us, the General Manager should always be informed and approve and preferably we should always be present with minimum 2 representatives of Epiroc and a minimum of 2 representatives of the stakeholder. This for reasons of transparency.

c. Hospitality.

When being invited by stakeholders to an event, such as but not limited to: seminars, sports events, inaugurations, celebrations or jubilees, we never accept prepaid travel arrangements and overnight stay in hotels at the expenses of the hosts.

Before we accept, it has to made clear within our own organization and with the host that we will pay for our own travel and stay, or that we will reimburse the host.

d. Entertainment

We have to be very cautious in accepting late night entertainment, other than the hotel, restaurant, or approved membership bars, and always reflect whether our presence can damage our Company's reputation.