

Group Gifts & Entertainment Procedures

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1. BACKGROUND AND PURPOSE

Aviva has a legal, moral and social responsibility to its customers, shareholder and employees to deter and detect financial crime. To that end, Aviva has no appetite for intentional or repeated breaches of law, regulation or policy related to financial crime, including acts of bribery and corruption.

Aviva has a duty to comply with all legal and regulatory requirements applicable to the jurisdictions in which it operates. As a UK headquartered company, the most significant anti-bribery and corruption requirements for the Aviva Group are set out in the UK Bribery Act 2010, which has four specific offences:

- Making or offering a bribe
- Receiving a bribe
- Bribing a foreign public official
- Corporate failure to prevent bribery

Each market must align its internal risk appetite to Aviva's Financial Crime Risk Preference Statements (RPS). RPS 4 states:

"Aviva Group has no appetite for acts of bribery or corruption by an employee or person associated to the Group. This would include:

- I. Active bribery (the giving of a bribe or inducement)*
- II. Passive bribery (the receiving of a bribe or inducement)*
- III. Facilitation payments or inducements to or from public officials the payment of inducements to public officials by an employee or representative or providing facilitation payments*

Aviva Group has limited appetite for gifts, hospitality or entertainment received or offered by an employee or representative."

The corporate offence of failure to prevent bribery is applicable to the entire Aviva Group, not just its UK markets, with the only defence available being that there are 'adequate procedures' in place to prevent bribery.

The Group Financial Crime Standard (the Standard) combined with the Group Anti Bribery and Corruption Minimum Compliance Standards provide a clear statement to our shareholders, customers, employees, business partners and regulators of Aviva's position in relation to the management of bribery and corruption risk.

These Procedures are intended to complement the Group Financial Crime Business Standard and the Anti Bribery and Corruption Minimum Compliance Standards

1.1 The Risks Associated with Gifts & Entertainment (G&E)

Bona fide gifts and business entertainment and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, to better present products and services, or establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour.

These Procedures do not prohibit reasonable and proportionate G&E intended for these purposes. It is, however, clear that G&E can be intended to bring about the improper performance by another person of a relevant function or activity, or to reward such improper performance, i.e. to be used as a bribe. In this context, the more lavish the business entertainment or the higher the expenditure in relation to travel, accommodation or other similar business expenditure provided, then, generally, the greater the inference that it is intended to influence the recipient to grant business or a business advantage in return. Similarly, timing is also important – the closer G&E is to a decision made that could be deemed improper performance, the greater the inference that it is intended to influence.

Simply providing business entertainment or promotional, or other similar business expenditure which is commensurate with industry norms is not, of itself, evidence that no bribe was paid if there is other evidence to the contrary; particularly if the norms in question are extravagant.

1.2 Scope

These Procedures are intended to support all Aviva employees globally in implementing and meeting the control objectives of the Standard relating to the prevention of bribery and corruption, specifically in relation to gifts and entertainment.

If any markets have stricter legal or regulatory requirements, then they must be considered and complied with over and above the requirements of these Procedures. Where gifts or entertainment are being provided between markets and there are differing local requirements that are stricter than these Procedures, the most stringent requirements will apply. Where a market is unable to comply with any of the requirements in these Procedures, it must follow the standard Modifications and Exceptions process.

StarCompliance is Aviva's primary system for the recording and approval of G&E. When reference is made in these Procedures to StarCompliance, this also means any local register where StarCompliance is not available in the market.

These Procedures should also be read in conjunction with the requirements of the relevant market Personal Expenses Policy.

2. DEFINITION OF BRIBERY

For the purposes of the Standard and these Procedures, Aviva has adopted the following definition of bribery:

The giving or receipt of a financial or other advantage in connection with the ‘improper performance’ of a position of trust, or a function that is expected to be performed impartially or in good faith.

A bribe can take the form of a “reward” and be paid after the improper performance of the relevant duty or obligation has taken place. Bribery also occurs when someone offers anything of value knowing or believing that this will breach the internal rules or standard of the prospective third-party recipient or will otherwise constitute improper performance of a relevant function or activity by that third party.

A third party is any non-Aviva party that Aviva interacts with, including customers.

3. CULTURE AND ETHICS

Aviva expects all employees to meet the highest standards of business conduct and to manage and conduct their business according to rigorous ethical, professional and legal standards. These standards are defined in the Aviva Business Ethics Code (The Code) and apply across all Aviva operations around the world. Aviva expects equivalent standards from our business partners. It is a requirement of the Standard that each Aviva market builds and maintains an ethical culture (reference FCR-C-01).

The Code applies to all those conducting business on behalf of Aviva but is not an exhaustive guide to the rules and regulations governing the conduct of business Aviva undertakes across the Group. Rather, its purpose is to establish a common set of guiding principles, supported by Group-wide policies and standards, to provide a common understanding of the Group’s ethical standards and to promote operation in accordance with these standards.

Failure to comply with the Code may result in disciplinary action including dismissal.

The principles set out in the Code are fundamental to Aviva. Adherence to the Code is mandatory and all employees must read, understand and sign their acceptance to it on an annual basis. For further information relating to the Code and the consequences of non-compliance, please contact your local Corporate Responsibility representative. The Code can be found [here](#).

4. GIFTS

The offer or acceptance of gifts could give the appearance of impropriety and all employees must adhere to the following principles:

- Generally, Aviva employees must not offer or accept any gift to or from a third party, including customers, other than items of nominal value (e.g. company branded diary, pen, folder etc.)
- Approval must be obtained prior to the giving or acceptance of gifts. A gift must also be recorded in StarCompliance even if it is declined
- Offering or accepting cash or cash equivalents such as vouchers or loaded store cards are generally **prohibited**, irrespective of the value. However, in some cultures it is customary at certain times of the year to offer / receive small gifts, including cash / cash equivalents, e.g. red envelopes to celebrate Chinese New Year, and it may cause offence if such a gift is refused. As a result, employees may offer / accept a token gift of limited commercial value under such circumstances providing that it would not place the employee in a compromising position and if refusing the gift may jeopardise business relations. This must be recorded in StarCompliance accordingly.
- If tickets to an event (e.g. sports, theatre, etc) are offered and the host will not be present, these will be regarded as a gift
- The giving of gifts to Public Officials is **prohibited**, irrespective of the value
- A user guide is available [here](#).

GIFT APPROVAL THRESHOLDS:

**All gifts offered or received with a value of £25 per head or more in value
must be recorded in StarCompliance**

£25 - £49 (or local equivalent) per head	Record only
£50 - £99 per head	Review by Line Manager
£100 - £199 per head	Additional review by Director
£200 + per head	Additional review by Aviva Leadership Team member

For Aviva Leadership Team members, gifts with a value of £25 - £199 per head must be recorded only. Gifts valued at more than £200 per head must be reviewed by the Group CEO. Group CEO activity above this threshold must be reviewed by the Group Chairman.

Note: If an entry is denied by an approver, the approval process stops, and no further approvals are sought.

5. BUSINESS ENTERTAINMENT

Employees may accept or provide reasonable hospitality and business meals which provide a meaningful opportunity to conduct business and can be demonstrated to enhance the value of the service provided to our customers. However, business entertainment must not be used as a bribe or inducement or to secure future business or as a reward for prior business. It must also not be disproportionate or lavish.






Business entertainment involving a Public Official creates heightened risk and particular restrictions apply.

For the purpose of these Procedures, the events which will be considered business entertainment include meals, drinks, sporting events, concerts, conferences, award dinners, golf days, corporate activity days. However, the above is not exhaustive and if you require clarification as to whether an event you have been invited to would fall within the scope of these Procedures, please contact your local Financial Crime Risk team.

Employees must record all entertainment exceeding £50 per head in StarCompliance and must receive approval prior to acceptance. Where it is not practical to request approval prior to offer or receipt, employees must ensure that the request is submitted as soon as possible after the event and no later than 5 working days.

Declined events which do not require recording include generic mass invitations, spam invitations from unknown parties which are not responded to and emails diverted to junk folders.

There could be circumstances when entertainment or promotional expenditure could be used, or interpreted, as a bribe and the following points must be considered:

	Provision or acceptance of entertainment may constitute an offence under The Act, particularly where it is lavish or disproportionate. The nature, circumstances and manner of the Entertainment must be taken into account; the more lavish or higher the expenditure, the greater the chance it could be perceived as an intention to influence.
	What may be perceived as lavish or disproportionate is open to wide interpretation. Take into account the full circumstances of an event before offering or accepting entertainment and if in any doubt please contact your local Financial Crime Risk team.
	Entertainment provided in line with industry norms is less likely to be evidence of bribery, but all markets and employees <u>must</u> exercise good judgement and be aware that common market practice is not a defence to an allegation that the entertainment was offered in order to achieve an improper advantage or to influence for example, a Public Official in their official capacity (see section 5.4 for further information on Public Officials).
	The Act has an in-built test of 'what would a reasonable person expect?' Consider how it could be perceived by our customers or regulators and whether you would be comfortable with it appearing in the media.
	Entertainment must never be offered or accepted when it is known or believed to be in breach of Group or local policy, legislation or rules.

BUSINESS ENTERTAINMENT APPROVAL THRESHOLDS:

All entertainment offered or received with a value of £50 per head or more in value must be recorded in StarCompliance

£50 - £99 (or local equivalent) per head	Record only
£100 - £199 per head	Review by Line Manager
£200 - £499 per head	Additional review by Director (for Directors and market CEOs, their requests will go to their line managers)
£500 + per head	Additional review by Aviva Leadership Team member

For Aviva Leadership Team members, entertainment with a value of £50 - £499 per head must be recorded only. Entertainment valued at more than £500 per head must be reviewed by the Group CEO. Group CEO activity above this threshold must be reviewed by the Group Chairman.

5.1 Entertainment offered to Aviva Employees

There is a risk that accepting entertainment, gifts or other benefits from existing or prospective third parties could be perceived as an inducement for Aviva to act improperly in favour of that third party. It is therefore vital that no entertainment is accepted by an employee if the acceptance could give the perception of impropriety or could adversely affect their professional judgement. A third party host must be present, otherwise the entertainment will be treated as a gift.

5.1.1 Recording

- Generally, the value of the entertainment must be determined using the face value. However, for prestigious or high-profile events (e.g. major sporting events) employees must use reasonable steps to ascertain the 'headline' price, i.e. the actual value of an event which may not always be the face value.
- A full and detailed justification for acceptance or rejection must be recorded. For example, employees must explain the business benefit in attending the event if accepted. For rejections, if there is no clear business benefit then this must be stated, not just 'not available' or 'not interested'. If there would have been a clear business benefit but the employee was unavailable, then this must also be recorded.

5.1.2 Timing

- If the third party host of the proposed entertainment and the proposed Aviva recipient are currently, or likely to be involved in a tender for business, or actively involved in business negotiations of any kind, the entertainment cannot be accepted and the invitation must be politely declined and the offer recorded in StarCompliance.
- Where the third-party host is involved in a tender or business negotiations with Aviva but the proposed Aviva recipient is not in a position to influence the award of business or make key business decisions, this must be articulated in the justification for acceptance.

5.1.3 Approval of events attended by more than one employee

- Whether the employees attending have the same or different approving managers, each employee must make their own entry in StarCompliance and seek approval from their line manager.

5.1.4 Travel and accommodation

- There will be instances where Aviva employees are offered entertainment that includes some or all of the travel and accommodation expense being paid for by the host rather than Aviva. If you are attending a seminar or conference or a business meeting that has a clear business benefit for your role within Aviva, Aviva must pay the travel and / or accommodation expenses.
- Incidental travel costs such as collection from an airport or train station are acceptable.
- Requests for any exceptions with an appropriate justification must be made to your line manager via StarCompliance. The line manager must also document reasons for an approval, where applicable.

5.1.5 Attendance by family and / or friends

- Entertainment that is offered to the spouse, family or friends of an Aviva employee by a third party must generally be declined.
- Requests for any exceptions with an appropriate justification must be made to your line manager via StarCompliance.

5.2 Entertainment offered by Aviva

All business entertainment offered by Aviva must have a legitimate business purpose and be reasonable and proportionate. It must not be lavish taking into account the purpose of the event and the nature of the guests attending. An Aviva host must be present, otherwise the entertainment will be treated as a gift.

If business entertainment is being offered to a Public Official, then particular care must be taken (please refer to section 5.4 on Public Officials)

5.2.1 Timing

- If an event or entertainment is offered at a time when Aviva is in business negotiations with a third party or before / after the retention or award of business then there could be the perception that it is being offered as a bribe to secure business, or compromises the integrity of the intended guests. It must therefore not be offered during the course of such business activity.

5.2.2 Approval of events attended by more than one employee

- When more than one employee attends an event, a single entry can be made in StarCompliance with all attendees listed. However, if an employee and their approving manager both attend an event, the approving manager must ensure that they make their own entry in StarCompliance and seek approval from their line manager.

5.2.3 Travel and accommodation

- The cost of travel must generally be borne by the guests. Accommodation must only be offered when pre-approved via StarCompliance.
- Requests for any exceptions with an appropriate justification must be made to your line manager via StarCompliance.

5.2.4 Attendance of family and friends

- Generally, entertainment is not permitted for spouses, family or friends.
- Requests for any exceptions with an appropriate justification must be made to your line manager via StarCompliance.

5.3 Aggregated Entertainment

Whilst there are no limits on the volume or value of entertainment offered or received in connection with the same party over a defined period, this must be considered by line managers when determining the appropriateness of any request. It will also be taken into account as part of any monitoring taking place and instances of individuals accepting or receiving multiple offers from the same third party within a short time period will be highlighted to relevant senior management.

5.4 Public Officials

The provision of entertainment to Public Officials creates additional risks for Aviva. Within the Act, a specific bribery offence can be committed where a person offers, promises or gives a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of their official functions.

5.4.1 What is a Public Official

A Public Official is defined as an individual, whether elected or appointed, who holds a legislative, administrative or judicial position of any kind. It includes any person who performs a public function in national, local or municipal government, a public agency or enterprise (including state owned enterprises).

The term can be interpreted widely and includes:

✓	An employee, officer or representative of, or any person otherwise acting in an official capacity for or on behalf of, a country or territory, or a subdivision of a country or territory
✓	A person holding a legislative, administrative or judicial position of any kind, regardless of whether elected or appointed, for a country or territory, or a subdivision of a country or territory; an officer of, or individual who holds a position in, a political party
✓	A candidate for political office
✓	An individual who holds any other official, ceremonial or other appointed or inherited position with a government or any of its agencies
✓	An individual who exercises a public function for or on behalf of a country or territory or for any public agency or public enterprise of a country or territory; or an official or agent of a public international organisation (<i>such as the World Health Organisation</i>)

If you are not sure whether someone is a public official or not, please contact your local Financial Crime Risk team

You must only interact with such individuals if it is a requirement of your role. Business entertainment received from or provided to Public Officials of **any value** (with the exception of incidental value entertainment such as tea, coffee, biscuits or sandwiches provided as a normal business courtesy) requires **prior approval**. It must be recorded in StarCompliance and will route to the appropriate Manager for review.

Gifts to Public Officials are prohibited.

5.5 Large scale events / conferences

The following rules apply to large scale events and conferences that are organised by Aviva:

- There must be a minimum of 60% business content
- Any overseas event cannot be more than three nights and must be notified to the Group Communications Director at least 2 weeks in advance of the event taking place to ensure effective plans are in place for any external / internal communications messages. Any exception must be submitted to the Financial Crime Risk team and relevant Aviva Leadership Team member for approval;
- Events must not include private appearances by high profile entertainment acts. Business guest speakers are permitted;
- Host / guest ratio must be a minimum of 1 Aviva host to 4 guests;
- Events where invitations are to be extended to non-business 'plus ones' and / or where the value is £500 per head or more must be submitted via the Corporate Events Team or local equivalent to Financial Crime Risk and the relevant Aviva Leadership Team member for approval;
- Travel for Aviva employees must be booked in accordance with Aviva's Global Travel Policy;
- Appropriate records of the event, justification, cost, attendees and approvals must be kept either in StarCompliance or an alternative register.

6. PRIZES AND COMPETITION WINS

There will be instances where an Aviva employee wins a prize through a draw, competition or through completing a survey hosted or sponsored by one of our third parties. The prize must be treated as a gift and is likely to be above the reporting threshold of £25. Any such prize can be submitted for approval provided it meets the following criteria:

✓	There is an element of chance (i.e. an individual other than an Aviva employee could win).
✓	The prize is not cash, a gift voucher or equivalent with a monetary value for redemption
✓	The acceptance of the prize does not give the appearance of impropriety e.g. if it looks like a quid pro quo, the prize must be turned down
✓	The prize is not lavish
✓	If the prospective or current supplier/business partner is or will be involved in a bid/tender for a contract or renewal of business and you are in a role that means you have influence over the award of business, the prize must be turned down

Even if your role at Aviva means you have no influence over the selection or award of business, and the prize giver is involved in a bid/tender, please discuss the appropriateness of accepting the prize with your line manager or local Financial Crime Risk team. Please consider things such as the expense involved, on-going business benefits and the role/position of the individual who is offering the prize/gift. Please also consider whether winning and accepting the prize may present the appearance of impropriety in which case the competition must not be entered.

Prizes offered to third parties as part of an event that Aviva is either arranging or sponsoring must also be appropriate and declared as a gift in StarCompliance.

7. MONITORING

Markets are required to identify unusual transactions or activity that may indicate bribery and corruption has taken place. ABC#C20-1 provides a non-exhaustive list of scenarios that may assist markets in determining which transactions or activity could be monitored to that end. These include:

- gifts and entertainment received, offered or declined not being entered in StarCompliance
- the cost or value of the gift or entertainment is being understated
- excessive acceptance or offering of gifts or entertainment either in relation to the number and frequency received or offered to the same party
- unusually lavish and / or exclusive gifts or entertainment

8. QUERIES

Please direct any queries on the content of these Procedures to your local Financial Crime Risk team.

APPENDIX 1

StarCompliance automated workflow – roles and responsibilities:

Your role as...	Gifts	Entertainment
An employee	Record on StarCompliance any gift with a value of £25 or more per head: <ul style="list-style-type: none"> Received, whether you intend to accept or decline you intend to give 	Record on StarCompliance any invitation with a value of £50 or more per head: <ul style="list-style-type: none"> received, whether you intend to accept or decline you intend to give
A line manager	Approve or deny any record submitted that is valued at £50 or more from a team member	Approve or deny any record submitted that is valued at £100 or more from a team member
A Director	If already approved by line manager in your team: <ul style="list-style-type: none"> Approve or deny any record submitted that is valued at £100 or more If you are both the employee's Director and line manager: Approve or deny any record submitted that is valued at £50 or more 	If already approved by line manager in your team: <ul style="list-style-type: none"> Approve or deny any record submitted that is valued at £200 or more If you are both the employee's Director and line manager: Approve or deny any record submitted that is valued at £100 or more
An ALT member	If already approved by a director: <ul style="list-style-type: none"> Approve or deny any record submitted that is valued at £200 or more If you are both an ALT member and the employee's line manager: Approve or deny any record submitted that is valued at £50 or more 	If already approved by director: <ul style="list-style-type: none"> Approve or deny any record submitted that is valued at £500 or more If you are both an ALT member and the employee's line manager: Approve or deny any record submitted that is valued at £100 or more