

## **GIFTS AND ENTERTAINMENT POLICY**

### **BP Canada Energy Company**

Our Business Policies, Commitments and Expectations are detailed within “**What we stand for ...**”. They apply to all our activities worldwide and are the foundation on which we build and conduct our business. The following text provides general guidance and specific statements of acceptable and unacceptable practice for the Canadian Region. Canadian employees travelling and conducting business outside of Canada should comply with the local gifts and entertainment policy. The driving force behind this policy is the desire to develop openness in our reporting of gifts and entertainment that we have accepted or turned down and which may, or have, breached our guidelines.

#### **General Guidelines and Tests**

Gifts and Entertainment are an important and perfectly respectable way of building and reinforcing business relationships with all those with whom we come into contact on BP Canada Energy Company business. This includes our colleagues, especially those who may be visiting from other centers. However, any Gift and Entertainment must be given and accepted with care in order to avoid possible misinterpretation.

Misinterpretations can arise whether we are giving or accepting, e.g. they could be seen as an attempt to bias a decision, or to enhance personal lifestyles by a misuse of company funds. We could be accused of double standards if we give more generously than we are allowed to accept. We could be thought to have entered into an obligation to reciprocate, either in kind or with some other benefit. The risk of misinterpretation is enhanced if the recipient is alone when offered the gift or entertainment.

As a result, all employees should feel comfortable that giving or accepting a gift or entertainment would pass all of the following tests:

- There is demonstrable benefit to BP Canada Energy Company’s business.
- The recipient would not put a higher value on the gift or entertainment than value intended.
- It could not be interpreted as creating an obligation on the recipient.
- The employee would not be embarrassed if colleagues knew about the gift or entertainment - nor if it became public knowledge (e.g. in the press).

These tests cover offers of entertainment or gifts to you and members of your immediate family. Gifts would include, for example, promotional items, holiday gifts, free promotional travel, offers of work or a donation to a charity.

## Specific Guidelines

***The following, when meeting the preceding four tests, constitute acceptable practice:***

- Normal business lunches and dinners.
- Giving and accepting gifts of “nominal value”; where “nominal value” is defined to be no more than \$200 Canadian in value from any one source in any one year.
- Giving and accepting entertainment of “reasonable value”; where “reasonable value” is defined to be no more than \$200 Canadian in value per person for any one event and not more than twice in one year from the same source.
- The above limit excludes corporate entertainment events, i.e. typically those sizeable events that involve a large number of outside guests - usually, but not exclusively, from a variety of companies. Examples of such events would include hospitality and seats at sporting events, golf days and adventure events.
- The cost and style of corporate entertainment, whether given or received, should be at a level that would be perceived to be normal in the Canadian business entertainment environment. Attending or inviting others to corporate entertainment events is acceptable when:
  - ⇒ There is demonstrable business value,
  - ⇒ Payment for travel costs is minimal, and
  - ⇒ Attendance does not involve overnight accommodation.
- The actual level of gift or entertainment we offer someone should be judged to be appropriate for the stature of the recipient in the Canadian context. It should not be set so high such that a new precedent is established, nor should it be so low as to cause insult.

In exceptional cases, the status of the third party recipient may justify exceeding the above limits. The reasons should be recorded and the entertainment / gift endorsed in advance by senior management.

- For the purposes of this policy, “senior management” is defined as the senior member of a business unit resident in Canada or the leader of the Canadian business unit resources. Where these individuals are party to the gift or entertainment, they should deal with more senior line management and the Canadian Regional President for clarification.
- Conversely, it may be insulting to turn down a gift that is in excess of the above limits. In these circumstances you should accept the gift on behalf of the company and report it to your senior management who will decide whether:
  - ⇒ You may retain the gift
  - ⇒ It will be retained for the benefit of the company

⇒ Sold (to you or others) and the money donated to a charity.

- All significant gifts and entertainment given, accepted or declined must be recorded, reported to, and pre-approved by E-mail to senior management. Significant does not mean t-shirts, ball caps and pins, it does mean all items which fall above our \$200 Canadian Gift and Entertainment guideline.

## **Specific Guidelines**

### ***The following constitute unacceptable practice:***

- Accepting entertainment or keeping a gift in excess of the above amounts, without having obtained senior management approval.
- Seeking a gift / entertainment from any organization that does business with us or which would like to do business with us.
- Accepting gifts / entertainment by the employee as a private individual, or by family and friends on behalf of the employee, rather than following the approved guidelines.
- Accepting a gift or entertainment, including organized corporate entertainment, in the course of a tender or negotiation for supplies of goods and services. This includes areas such as contract amendments, claims and final contract values.
- Accepting invitations to attend corporate events that involve significant travel and / or overnight accommodation being paid for by the host company.

In the event that you feel that there is business advantage in you attending, then:

⇒ This should be approved by a more senior manager,

⇒ There should be people present from other companies, and

⇒ BP Canada Energy Company should pay for your travel and accommodation.

If there is no such business justification then you should not attend, even as a private individual.

Employee spouses or partners should only attend where there is a sound business reason for doing so, e.g. guests' spouses have been specifically asked to attend.

The above covers the most commonly encountered circumstances. It is not intended to cover internal conferences, special celebrations or other special circumstances.

You should contact the most senior manager of your functional area if you need advice or if you are in any doubt about the acceptability of any entertainment or gift you are offered or wish to offer. Internal Audit will also provide guidance as necessary.