



RHI MAGNESITA

Global Standard Management

Gifts and Invitations Guideline

Responsible: Internal Audit, Risk & Compliance

Scope: Global

Confidentiality: Public

1 Background and goals

This Gifts and Invitations Guideline (“G&I Guideline”) complements the relevant provisions of the RHI Magnesita Code of Conduct and the Anti-Corruption Policy (the “Policy”). It provides more detailed explanations to guide you in typical situations you may encounter in daily business to prevent yourself and the company from incurring unnecessary risks in relation to gifts and invitations.

Furthermore, this Guideline contains a quick reference table to help you with everyday decisions in Appendix 1.

2 General rules

Gifts and invitations are always unacceptable if they are:

- in violation of the law, the RHI Magnesita Code of Conduct or other policies,
- given/received with the purpose of influencing any decision making,
- given in response to a specific request,
- given in cash,
- in conflict with common ethical standards and business practices.

A gift or invitation is always in conflict with common ethical standards and business practices if it might be considered discriminating, offensive or disrespectful by other people, for instance visits to night clubs and sexist items, or if they would embarrass the company or employee if publicly disclosed.

All expenses deemed to be acceptable by this Guideline and incurred by RHI Magnesita must be in line with our budgets and meet all applicable accounting and taxation requirements.

2.1 Unrestricted items

The following items can be offered to and accepted from business partners without restriction:

- Branded items with a purely symbolic value such as diaries, calendars, pens, caps, T-shirts, pens and similar items;
- Small refreshments typically provided at business meetings.

Offering or accepting such items does not require a registration in the Compliance Portal.

If not explicitly prohibited by local law or regulation in your country you may also offer such items to Public Officials, but before you do so, you should always ask them if they are allowed to accept. In case of doubt consult with your regional Internal Audit, Risk & Compliance Department before you offer anything.

2.2 Gifts and invitations offered to Public Officials

Most countries have strict rules for gifts and invitations to Public Officials. If you want to offer anything of value to a Public Official beyond the unrestricted items defined in section 2.1, you must register a request in the Compliance Portal (see section 5).

Public Officials are defined as:

- An employee, official or contractor of a government body or state-owned enterprise
- A person performing the duties of an officer or position created under a law of a foreign country or by the custom or convention of a country;
- A person in the service of a government body including a member of the military or the police force
- A politician, judge or member of the legislature of a country
- An employee, contractor or person otherwise in the service of a public international organization (such as the European Union)
- An individual who is or who holds himself or herself out to be an authorized intermediary of a public official (as defined against the points above)
- Employees of state-owned or government-controlled enterprises (e.g., public entities with characteristics of private companies)

Undue benefits to Public Officials can have severe consequences even if offered indirectly via third parties. Therefore, special attention has to be paid if dealing with any intermediaries handling governmental actions on our behalf, for example customs agents, public procurement brokers, lobbyists or business development consultants. In case you want to provide a gift or invitation to such persons, registration and approval via the Compliance Portal are mandatory.

If you are not sure whether the person you deal with is a Public Official, please seek advice from your regional Internal Audit, Risk & Compliance Department before you offer anything.

2.3 Gifts and invitations offered to business partners in the private sector

2.3.1 Acceptable gifts

In addition to unrestricted items as defined in section 2.1 gifts up to a maximum value of 50 Euros per person, or the equivalent in local currency, commonly accepted by the business community as an expression of appreciation and respect towards business partners, can be offered or accepted without further approval or registration in the Compliance Portal.

However, if you receive or want to offer a gift to the same person or someone closely related to this person (e.g. a family member) more than twice per year, you need to seek prior approval by registering in the Compliance Portal as outlined in section 5.

2.3.2 Gifts requiring approval

Whenever you want to offer a gift of a value above the threshold of 50 Euros or the equivalent in local currency, you require prior approval from your manager based on transparent documentation. The same goes for any gift a business partner offers to you.

To get clearance follow the procedure described in section 5 and register a request in the Compliance Portal.

Should you receive a gift not in line with this guideline, you must:

- If possible (considering cultural aspects), politely inform the counterparty the gift cannot be accepted, and
- report it to your manager at the earliest opportunity.

2.3.3 Hospitality

Inviting business partners from the private sector for lunch or dinner during or after a work meeting is customary all around the world.

Provided that the invitation is not lavish or abused for undue influence, you can invite your business partners or accept an invitation from their side.

You are not required to register in the Compliance Portal, but you have to make sure that you act in compliance with the company's expense policy and provide for proper record keeping as defined therein.

2.3.4 Invitations for trade fairs, plant visits and other business events

Trade fairs and conferences, training workshops, plant visits and similar events are an essential part of regular business conduct with both our customers and suppliers.

Inviting business partners to these events – i.e. paying an attendance fee and offering meals and refreshments – or accepting invitation from your business partners is an acceptable practice but if it involves payment of expensive conference tickets for the other party, a registration in the Compliance Portal is required.

On the other hand, travel expenses such as air tickets, hotel accommodation, etc. should not be paid for or reimbursed to our customers' representatives. Likewise, you should not accept assumption of such expenses by a supplier or service provider.

Exemptions from this rule are possible if based on a comprehensible business rationale and require preapproval via the Compliance Portal (see section 5). Under no circumstances RHI Magnesita shall pay any travel expenses for partners or family members of its customers and you shall never accept any such arrangements from a supplier.

2.4 Entertainment

An activity or event whose main purpose is to entertain its participants, such as parties, concerts, sporting events or leisure trips are in most cases not acceptable as business expenses and should generally be avoided or undertaken on private expenses only.

If under some exceptional circumstances such an event or activity may be relevant for business, it requires preapproval via the Compliance Portal (see section 5) based on a transparently documented and comprehensible business rationale.

3 Contributions not covered by this Guideline

3.1 Gifts and invitations to other employees

Benefits given to other employees of RHI Magnesita, such as a team dinner or a jubilee present, are not subject to this Guideline but must always be in line with the company's budgets and expense regulations and meet the applicable accounting and taxation requirements.

3.2 Guest speakers and other services

If you engage an external person to provide professional services, e.g., as a guest speaker at a company event or as a subject matter expert, this has to be done on the basis of an employment or service contract for an adequate compensation such as a reasonable service

fee and reimbursement of necessary travel expenses. Even Public Officials (e.g. a university professor) may be hired to provide such services but always clarify upfront, that they are not restricted by any internal policies of their own organization.

3.3 Donations and sponsoring

Donations, charities, sponsoring, and similar contributions are subject to the RHI Magnesita Community Investment Guideline. Please refer to this document for further guidance.

3.4 Private activities

Gifts and invitations in a private context which are not influencing a business decision are of course your private matter and not subject to company regulations. However, make sure that you clearly separate any private activity from business and take into consideration that even private actions may be contributed to your business role and can have an impact to your own and the company's reputation.

4 Helpful questions and further support

Whilst this Guideline is intended to provide clear direction, it is not possible to offer a specific rule for each and every situation. Whenever you have to decide if a concrete gift or invitation is acceptable, you need to base your decision on the specific context and your professional judgement. The following questions may help you with this assessment. You can use them as a checklist in any day-to-day situation:

- What is the real intention of this gift or invitation?
- Is it offered as a normal courtesy in a business relationship?
- Is the value of it in line with the position of the recipient?
- Is it a one-off or repeated benefit?
- Could it impair the objectivity of the recipient and influence a business decision?
- Is anything expected in exchange for the offered gift or invitation?
- Would you be embarrassed if any other person knew about this?

Whenever you are not sure about a specific decision, whether your own or somebody else's, ask your manager, or the Internal Audit, Risk & Compliance Department. We are happy to support you and to provide further guidance.

In case you find yourself in a situation where you suspect a violation of our policies and guidelines, or any other form of misconduct or unethical behavior and you feel uncomfortable to clarify that in person, you should report to the RHI Magnesita Compliance Helpline. You can find detailed instructions on the Internet and myApp.

5 Registering gifts or invitations in the Compliance Portal

All gifts and invitations meeting the criteria defined above need to be registered in the Compliance Portal and approved before you are allowed to actually offer or accept it.

After submission the request will be either:

- automatically rejected, which means that you are not allowed to offer or receive the gift or invitation,
- automatically approved, which means that you can proceed and are allowed to offer or receive the gift or invitation, or
- sent to your manager for review and approval.

In any case, you will receive a notification e-mail about the decision. In addition, you can directly check on the Compliance Portal the current status of your request. If your manager is required to review your request, he or she will also be notified.

6 Escalation to Internal Audit, Risk & Compliance

In exceptional cases, an escalation can be triggered by the reviewing manager. Internal Audit, Risk & Compliance should be involved in high risk or unclear situations, e.g. invitation of Public Officials, engaging a lobbyist, assumption of travel expenses, or entertainment events.

Appendix 1 – Quick Reference Table

Who is making the offer?	Third party		You			
Where does the third party belong to?	Private sector				Public sector	
How often is something offered?	One-off	Repeatedly	One-off	Repeatedly	One-off	Repeatedly
Branded items with a purely symbolic value, e.g. diaries, calendars, pens, caps, T-shirts, pens	✓	✓	✓	✓	✓	⚠
Small refreshments typically provided at business meetings	✓	✓	✓	✓	✓	⚠
Any benefit violating the law, the RHI Magnesita Code of Conduct or other policies	✗	✗	✗	✗	✗	✗
Anything given with the purpose of influencing a decision or in response to a specific request	✗	✗	✗	✗	✗	✗
Cash or cash equivalents (e.g. pay cards, vouchers)	✗	✗	✗	✗	✗	✗
Unethical gifts or invitations (e.g. nightclub visit)	✗	✗	✗	✗	✗	✗
Gifts with a value of up to 50 Euros or local equivalent	✓	⚠	✓	⚠	⚠	✗
Gifts with a value of more than 50 Euros	⚠	⚠	⚠	⚠	⚠	✗
Invitation for lunch or dinner	✓	✓	✓	✓	⚠	✗
Plant visits and technical trainings	✓	✓	✓	✓	✓	⚠
Invitation to trade fairs	✓	✓	✓	✓	⚠	⚠
Assumption of attendance fees for external conferences	⚠	⚠	⚠	⚠	⚠	✗
Assumption of travel expenses	⚠	⚠	⚠	⚠	⚠	✗
Invitation to cultural or sportive events	⚠	⚠	⚠	⚠	⚠	✗
Leisure trips and similar entertainment	✗	✗	✗	✗	✗	✗

✓ Acceptable, no registration in the Compliance Portal necessary

⚠ Prior evaluation and approval required – register in the Compliance Portal

✗ Not allowed