

SAMPLE POLICY

# Gifts & Entertainment

## DISCLAIMER

*This sample policy is not legal advice or a substitute for consultation with knowledgeable and qualified legal counsel.*

*Baker McKenzie assumes no responsibility or liability for the contents of this generic policy, the only purpose of which is to illustrate some of the issues pertaining to employee gift and entertainment policies in the U.S.*

*Employee gift and entertainment laws may vary based on jurisdiction. Federal, state, and/or local law may apply depending on the location of the company, its operations, and its employees. While these laws are often similar, their differences can be material. The following sample policy does not account for the differences in applicable federal, state, and/or local law. This sample policy also does not account for changes in legislation, judicial and administrative precedent, or other developments and/or interpretations of applicable law.*

*Additionally, what are considered "best practices" for Company A may not be "best practices" for Company B. To be effective, an employee gift and entertainment policy should not be a "cookie cutter" or a "one size fits all" policy. It should be tailored to the organization, and account for the company's specific workforce, operations, and industry.*

**THIS SAMPLE POLICY SHOULD NOT BE RELIED ON OR IMPLEMENTED AS A LEGALLY-COMPLIANT POLICY WITHOUT CONSULTATION FROM LEGAL COUNSEL.**

## SAMPLE TEXT

### Gifts & Entertainment

In the right circumstances, a modest gift may be a thoughtful "thank you," or a meal might help strengthen a business relationship. However, if not handled carefully, the exchange of gifts and entertainment can damage the Company's reputation, especially if it happens frequently or if the value is large enough that someone could think it is influencing a business decision.

To sustain the health of our key business relationships, no employee may solicit, accept, or ask for any gift that might influence—or appear to influence—the ability to make objective business decisions that are in the best interest of the Company.

Employees may accept an occasional unsolicited courtesy gift, so long as the gift has a market value under \$100, is customary in the industry, and does not influence or appear to influence the judgment, conduct, or business decisions of the employee.

Employees may accept an occasional meal and entertainment from a client, vendor or partner as long as they are attending the meal or event, and the costs involved are in line with local customs and industry for business-related meals and entertainment.

Employees may entertain potential or actual customers if such entertainment is reasonable and consistent with accepted business practices, does not violate any applicable law or ethical standards, and the public disclosure of facts will not embarrass the Company.

Employees should be aware that in some situations, provision of gifts or entertainment may violate the law, such as when dealing with government officials. Further, some gifts and entertainment are never acceptable, for example cash or cash equivalents, or any gift or entertainment that would harm the Company's reputation. In addition, employees are expected to be aware of the organizational rules and standards of those to whom the employee intends to provide a gift or entertainment. If there is a conflict between their standards and the Company's standards, an employee must follow the more stringent standard.

If offered a gift, meal or entertainment that would compromise this policy and the Company's commitment to this practice, employees should extend appreciation for the offer, but must decline and notify Human Resources.

Any questions regarding this policy should be addressed to the Human Resources Department.

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