

Sequa Petroleum N.V.

Group Gifts and Hospitality Policy

1. Executive Summary

The objective of this Policy is to define the mandatory actions that are required to be taken if Employees¹ or Other Personnel² propose to offer or receive any gifts or hospitality.

You should only give or receive gifts, entertainment or travel for appropriate business purposes. We recognize that paying for gifts, entertainment and travel can be a legitimate way of developing business relationships, but they should never be given as a means of influencing another person's decision making. Neither should we allow the gifts, entertainment or travel offered by others to influence our business decisions. This Policy is designed to protect both you and Sequa.

The UK Bribery Act makes it a criminal offence to offer, give, request or receive a financial or other advantage which is intended to improperly influence the recipient (a bribe). Companies can also be liable for failing to prevent bribery. These offences are punishable with unlimited fines and prison sentences of up to 10 years. UK authorities have made it clear that gifts and hospitality can be regarded as bribes. Therefore, if the wrong judgement is exercised, an Employee or Other Personnel may commit an offence. In addition, local laws and policies which apply to third parties may also prohibit gifts and hospitality.

Extreme caution should be exercised when offering a gift or hospitality of any type to any Public Official, which includes a politician, a party political candidate or official, a government employee and an employee of a state owned or state run enterprise.³

The UK Bribery Act contains a separate and specific criminal offence relating to bribery of such persons.

2. Scope and Application

Application of this Policy is mandatory for all Sequa Employees and Other Personnel. For Employees, breach of this Policy may result in disciplinary action, up to and including dismissal. Breach of this Policy by any individual who is not an Employee may result in other appropriate action being taken in relation to the individual and/or the business which

¹ Employees means Directors and Officers of Sequa, and individuals directly employed by Sequa, including successful job applicants, temporary and fixed term employees. Regarding directors, where the provisions of this Policy require a matter to be referred to an individual's line manager, but that director does not have a line manager, they should consult instead with the Sequa Petroleum NV General Counsel.

² Other Personnel are all individuals who work at or with Sequa, or as agent for, on behalf of or in the name of Sequa, but who are not Sequa employees. They include: agency workers, consultants, secondees from other organisations, freelancers, individuals provided to Sequa by outsourced service providers, and individual contractors.

³ "Public Official" means any officer, employee, director, principal, consultant, agent or representative, whether appointed or elected, of any (i) government (whether Central, Federal, State or Provincial) ministry, body, department, agency, instrumentality or part thereof, or (ii) any state-owned or state-controlled enterprises or joint ventures/partnerships (including a partner or shareholder of such an enterprise) or (iii) any person acting in an official capacity for or on behalf of (i) any such government, ministry, body, department, agency, instrumentality or part thereof, (ii) any public international organisation or (iii) any political party or party official, or any candidate for political office

supplies services to Sequa, including termination of the relevant contract(s).

This Policy is not contractual. Sequa reserves the right to amend, suspend or terminate this Policy.

In exceptional circumstances, a dispensation may be granted against this Policy by the Policy owner.

3. What is covered by this Policy?

3.1 Gifts

A **gift** is anything of value offered or given to an individual, a member of their family or business partner. Some gifts, such as merchandise bearing the Sequa logo, can be a legitimate way of developing business relationships; cash or cash equivalent, however, it is unlikely to be an appropriate form of gift.

Some examples of gifts are:

- Cash or cash equivalent (e.g. vouchers and prepaid cards);
- Stocks or securities;
- Participation in stock offerings;
- Tickets and gift certificates;
- Lottery tickets;
- Artwork;
- Jewellery;
- Equipment;
- Electronics (e.g. laptops, cameras);
- Delicatessen products (e.g. food, tea, alcohol, cigarettes);
- Discounts;
- Loans;
- Favourable terms on a product or service;
- Prizes;
- Donations to charity;
- Transportation;
- Use of vehicles;
- Use of vacation facilities or hotels;
- Home improvements.

3.2 Hospitality

This covers is an event to which you accompany a third party, such as (but not limited to) a meal, sports match, event or concert, and includes any travelling, accommodation and refreshments.

3.3 Third-party travel

This includes a payment of accommodation and travel expenses of third parties, such as public officials. This does not include your own accommodation and travel expenses while on Sequa business trips.

4. Gifts and Hospitality that require Registration

All gifts and hospitality and third party travel in excess of US\$100 must be registered in the Group Gifts & Hospitality Register maintained by the General Counsel and Company Secretary. A template for that Register is attached as **Appendix 1**.

5. Gifts and Hospitality that require Pre-approval by the General Counsel and Company Secretary

All gifts and hospitality must be pre-approved in writing by the General Counsel, where any of the following apply:

- it involves a Public Official – see Section 6 below;
- the proposed gift exceeds a value of US\$200;
- the proposed hospitality exceeds a value of US\$500;
- you receive/give **more than 2 gifts** from/to a single company or individual in a calendar year;
- you receive/give **more than 4 hospitality events** from/to a single company or individual in a calendar year;
- a business decision is imminent between Sequa and the giving/receiving third party, or that third party is negotiating or tendering for Sequa business or is intending to do so; or
- any of the “Red Flags” set out in Appendix 2 apply – always check this before seeking pre-approval.

In seeking General Counsel and Company Secretary pre-approval you must:

- describe the gift/hospitality and state an estimated value;
- state the nature of your business dealings with the donor/offeror and their company/organization;
- explain the business purpose of the gift/hospitality;
- state whether there is any concurrent business, negotiation, litigation or arbitration pending with the giving/receiving third party; and, if so state why you regard it as proper to proceed with the gift/hospitality without risking the perception of undue influence;
- confirm that the proposed gift/hospitality complies in all respects with this Sequa

- Gifts and Hospitality Policy;
- secure written pre-approval to the proposed gift/hospitality;
 - the General Counsel and Company Secretary shall complete a corresponding entry in the Gifts and Hospitality Register (see **Appendix 2**).

6. Hosting Public Officials – Additional Controls

There are heightened and significant legal and reputational risks associated with "Hosting"⁴ activity involving Public Officials. It has a higher potential to be perceived as bribery. Therefore, any Hosting proposal involving any Public Official must be reviewed and managed with great caution.

You must not offer, promise, make or transfer any financial or other advantage to any Public Official with the intention:

- of influencing the Public Official in that capacity and obtaining or retaining business, or an advantage in the conduct of business;
- that a function or activity by the Public Official should be performed improperly; or
- for any other improper purpose.

This prohibition applies, irrespective of whether the advantage is offered, promised or given directly or indirectly (e.g. through an agent, intermediary or joint venture partner) to the Public Official.

Any Hosting provided to a Public Official must be for a bona fide business purpose, for example a site visit or meeting. The Hosting must be necessary, must be reasonable in all respects, and must be proportionate.

The intending Sequa host must seek written approval of the General Counsel and Company Secretary following the same steps and answering the same questions listed in Section 4 above. In addition, you must confirm in your pre-approval request that the Hosting complies with all the laws and any code of practice applicable to the relevant Public Official.

7. Review and Compliance

The General Counsel and Company Secretary is responsible for maintaining the Gifts and Hospitality Register.

The Sequa Petroleum NV Management Board shall review all Registers at least every quarter and ensure adequate reporting to the Supervisory Board. The review shall include an assessment of whether the requirements of this Policy are being adhered to, whether inappropriate patterns of registered gifts or hospitality may be emerging, whether there are any missing entries for known gifts or hospitality, and whether any actions (such as escalation of potential concerns to the Supervisory Board) are required.

⁴ "Hosting" of a Public Official means the offering, promising or giving to a Public Official directly or indirectly, by, or on behalf of, Sequa of (without limitation) any gift, accommodation, travel, entertainment, training, meal, event or other hospitality or any expense, allowance, "per diem", "sitting fee", sponsorship or grant, or other payment, payment in kind, thing of value, expenditure, cost, credit or reimbursement of whatever form or kind.

Sequa Employees and Other Personnel must report promptly if they have reason to suspect that there has been a breach, or a potential breach of this Policy by Sequa or its Employee or Other Personnel.

8. Links to other Sequa Controls

The relevance of the following other Codes and Policies should be noted:

Group Code of Conduct
Group Procurement Policy
Group Conflicts of Interest Policy
Group Anti-corruption Policy

On behalf of the Management Board
of Sequa Petroleum N.V.

Jacob Broekhuijsen
Chief Executive Officer

15 January 2015

Appendix 2 – Red Flags

It is important that you can demonstrate a valid business purpose for all gifts and hospitality. The greater the value of the gift or entertainment, the greater the business content and purpose must be. For example, the following may be justifiable:

- offering a moderate meal during the course of a business meeting so that the meeting can carry on undisturbed;
- inviting a business contact to a more expensive meal to celebrate the conclusion of a deal;
- inviting a business contact to a sporting event in order to get to know the business contact and their business better;
- flying a business contact in order to conduct a site visit, but without any other entertainment other than modest meals.

If any of the red flags set-out below exist you must consider whether to proceed and in any event you must seek pre-approval for the gift/hospitality regardless of the value:

- *Are you confident that you could justify the nature, value, duration or frequency of any gift or hospitality that you give or receive to your manager or their manager or the Sequa Management Board? If the answer is “NO”, this is a red flag.*
- *Are you confident that the proposed gift or hospitality which is given can be transparently and properly recorded in Sequa accounting records? If the answer is “NO”, this is a red flag.*
- *Could any item or part of the gift or hospitality be regarded as lavish, for example first-class travel, five-star hotel accommodation, side trips to tourist destinations, the provision of incidental spending money or the extension of travel support to a spouse, partner, relative or friend? If the answer is “YES”, this is a red flag*
- *Would either you or Sequa be embarrassed if details of any gift or hospitality that you gave or received were reported in a newspaper? If the answer is “YES”, this is a red flag.*
- *You have a duty to avoid a situation in which you have, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of Sequa. If you give or receive a gift or hospitality, in particular if there is concurrent business pending (e.g. a tender or bidding process with the parties involved), are you confident that:*
 - *you will not create the perception that you have or can have a direct or indirect conflict of interest; or*
 - *you will not create the perception that you might not exercise your judgment independently and in the best interest of Sequa; or*
 - *you will not create the perception that the hospitality is in fact a bribe as there is a “quid pro quo” for the hospitality?*

If you are not confident of the above, this is a red flag.

- *Are you confident that you would be able to reciprocate the gift or hospitality you received from a third party?*

If you are not confident, this is a red flag.