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MASTERCARD INTERNATIONAL

GIFTS AND HOSPITALITY POLICY

THIS POLICY HAS BEEN APPROVED BY THE GENERAL COUNSEL

1. Objective

Giving and receiving gifts and hospitality is a common business practice that can serve a host of legitimate business purposes. At the same time, it is critically important that gifts and hospitality are never given with the intent to improperly influence those who receive them.

This policy sets forth the general parameters for providing gifts and hospitality, such as meals, entertainment, travel and accommodations, and attendance at conferences and sponsored events to MasterCard Business Partners, and includes procedures and approval thresholds. The policy is designed to ensure that when MasterCard or MasterCard employees provide gifts and hospitality to third parties, it is done in compliance with applicable laws, including but not limited to the US Foreign Corrupt Practices Act and UK Bribery Act, as well as the [Code of Conduct](#) and [Anti-Bribery and Corruption Policy](#).

For guidance regarding *the receipt* of gifts or hospitality, please consult the [Code of Conduct](#) and the [Conflict of Interest Guidelines](#).

2. Applicability

This policy applies to MasterCard and its subsidiaries, and all MasterCard employees, temporary workers and contractors worldwide; its principles apply to all third parties acting for and on behalf of MasterCard wherever they are located.

3. Guiding Principles

3.1 What is Permitted

Gifts and Hospitality may be appropriate when they are:

- Offered for a legitimate business purpose
- Reasonable and proportionate in value and nature to the recipient's position, occasion and circumstances, taking into account local custom and practice
- Clearly not intended (and do not appear to be intended) to gain an advantage by causing the recipient to act improperly or to reward the recipient for already having acted improperly
- Are not given (or could not reasonably be perceived to be given) as a quid pro quo to influence business for the Company
- Permissible under local law and in compliance with the recipient's organization's business code and/or policies, to the extent they are known
- Given in an open and transparent manner
- Approved by the appropriate level of sign-off as reflected in this Policy
- Gifts of nominal value bearing a MasterCard logo consistent with the [Anti-Bribery and Corruption Policy](#)

3.2 What is Prohibited

Gifts, hospitality or other benefits are not allowed if:

- They could be perceived as an improper attempt to influence the recipient's decision-making or job performance or to create a "quid pro quo" (offered for something in return)
- They would violate applicable law or the policies of the intended recipient's organization
- MasterCard and the recipient's employer are engaged in a tender or competitive bidding process, unless the benefit is required in support of the bidding process or an opinion is obtained from the Anti-Bribery & Corruption Team that the gift, hospitality or other benefit is permissible.
- They include adult entertainment or gambling
- They are paid for personally to avoid having to report or seek MasterCard approval
- They involve providing a cash gift or cash benefit

4. Pre-Approval Thresholds and Procedure

In order to better protect MasterCard and its employees, MasterCard has established a risk-based approval process to ensure appropriate consideration of corruption and reputation risk in connection with the provision of gifts and hospitality. Events with greater perceived corruption risk, including those with a higher value, will require higher level sign-off. **For purposes of these thresholds, travel expenses should be considered as part of hospitality.**

Anyone authorizing or granting pre-approval under this section is agreeing the proposed expense is reasonable and proportionate and supported by a legitimate business purpose (which is one related to the promotion, demonstration or explanation of MasterCard products and services and is not prohibited under Section 3.2).

Requests for pre-approvals are the responsibility of the giver/inviter. All pre-approvals must be received and documented in writing ***prior*** to extending the invitation to the Business Partner or incurring the expense.

Any exception to the limitations set out below requires the prior written approval of the Anti-Bribery and Corruption Team and, depending on the nature of the exception sought, a member of the Executive Committee. The procedure for obtaining an exception is set out in Section 6 below.

Any benefit for a Government Business Partner that exceeds USD\$5,000 in value (or local currency equivalent), will require that ***a transparency letter*** be sent to the to the manager of the invitee, or, in appropriate circumstances, the General Counsel or Compliance Officer of the invitee's organization, and evidence of the delivery of the letter must be obtained and kept for the record. The employee providing the benefit is responsible for ensuring delivery of the transparency letter. A copy of the transparency letter and evidence of the receipt of the letter must also be sent to the Anti-Bribery and Corruption Team for its files. A proposed form of Transparency Letter is attached at [Exhibit A](#) (this form should be customized as appropriate).

4.1 Gifts and Hospitality for Government Business Partners

| | | Level of pre-approval Required | | | | With copy to | |
|--------------------------|---|--------------------------------|------------|--------------------------------|---------|----------------------------------|--|
| | Per Person Value in USD | L, BL | Group Head | Anti-Bribery & Corruption Team | Ex Comm | Business Unit /Region Controller | Frequency |
| GIFTS ¹ | Any gift valued at \$50 or more must be registered on the gift log and: | | | | | | Gifts should not be given more often than 1x in 6 months, absent express pre-approval, regardless of value |
| | < 150 | X | | | | | |
| | = 150 ≤ 1,000 | | | X | | X | |
| | > 1,000 | | | X | X | X | |
| MEALS | < 150 | X | | | | | Maximum 6 times or a total aggregate value of USD\$500 per person, whichever is reached first, within any 6 month period |
| | = 150 ≤ 300 | X | | X | | | |
| | > 300 | | X | X | | X | |
| HOSPITALITY ² | < 150 | X | | | | | Maximum 3 times in any 6 month period, regardless of the value of each event |
| | = 150 ≤ 5,000 | X | | X | | | |
| | > 5,000 ³ | | X | X | | X | |
| | > 15,000 | | X | X | X | X | |

Guests of Government Business Partners: As a general matter, it is not permitted to extend hospitality, non-local travel, or gifts to any Guest of Government Business Partners. There may be particular MasterCard hospitality events for which an exception is appropriate, such as for low value local events of a sort that typically include a Guest and which an objective person would be unlikely to consider to be an inappropriate attempt to influence the decision-making of the Government Business Partner. All exceptions must be sought as outlined in Section 6 below regardless of the value of the benefit. Any exception will be limited to one Guest only.

¹ Providing tickets or other entertainment for Business Partners to use on their own, without the presence or active engagement of MasterCard employees is considered a gift under this policy and is strongly discouraged.

² **Inclusive of Travel Expenses of Business Partner and any approved Guest(s)**, if approval for exception has been obtained. For further guidance on hospitality for Guest(s) of Business Partner(s) please consult the Gifts and Hospitality Guidelines.

³ Hospitality valued at over USD\$5000 requires a transparency letter.

4.2 Gifts and Hospitality for Commercial Business Partners

| | | Level of pre-approval Required | | | | | With copy to | |
|---------------------------------|---|--------------------------------|------------------------|------------|--------------------------------|---------|----------------------------------|--|
| | Per Person Value in USD | L, BL | SBL or Country Manager | Group Head | Anti-Bribery & Corruption Team | Ex Comm | Business Unit /Region Controller | Frequency |
| GIFTS ⁴ | Any gift valued at \$50 or more must be registered on the gift log and: | | | | | | | |
| | < 300 | X | | | | | | Gifts should not be given more often than 1x in 6 months, absent express pre-approval, regardless of value |
| | = 300 ≤ 500 | | X | | | | X | |
| | > 500 | | | X | X | | X | |
| | > 1,000 | | X | X | X | X | X | |
| MEALS | < 300 | X | | | | | | Maximum 6 times and/or \$1000 in aggregate per person, whichever is reached first, within any 6 month period |
| | = 300 ≤ 500 | | X | | | | X | |
| | > 500 | | | X | X | | X | |
| HOSPITALITY ⁵ | < 1,000 | X | | | | | | Maximum 3 times within any 6 month period, regardless of the value of each event |
| | = 1,000 ≤ 10,000 | | X | | | | X | |
| | > 10,000 | | | X | X | | X | |
| | > 20,000 | | | X | X | X | X | |

Guests of Commercial Business Partners: Attendance of Guests of Commercial Business Partners at MasterCard hospitality events may be permitted in circumstances deemed appropriate by the inviter, limited to one Guest per Commercial Business Partner. A Guest should not be included in hospitality more than two times per year. The total value of such events should not exceed USD \$2,000 in aggregate in the same calendar year except with the written pre-approval of the Anti-Corruption Team. All exceptions must be sought as outlined in Section 6 below.

4.3 Pre-Approval Procedure

The following process should be followed for obtaining and documenting pre-approvals before extending any invitation to a Business Partner. Please note that until an automated system is developed to facilitate the approval process, all requests for approval should be submitted and recorded via email:

1. The requestor makes pre-approval request via email to SBL or Group Head in the reporting line of the requestor copying the Region/Business Unit Controller where applicable.

⁴ Providing tickets or other entertainment for Business Partners to use on their own, without the presence or active engagement of MasterCard employees, is considered a gift under this policy and is strongly discouraged.

⁵ **Inclusive of Travel Expenses of the Business Partner and those of any approved Guest(s)**, if applicable. For further guidance on hospitality for Guest(s) of Business Partner(s) please consult the Gifts and Hospitality Guidelines.

2. SBL or Group Head responds via email, expressly stating they have considered the Anti-Bribery and Corruption policy and believe the proposed activity is reasonable, appropriate and supported by a legitimate business purpose.
3. The requestor retains the email approval.
4. Where pre-approval from the Anti-Bribery & Corruption Team is required, all requests for approval should be submitted via the automated [Anti-Corruption Expense Pre-Approval Form](#) [link to Forms] found on the Forms page of MC Central. Evidence of other required pre-approvals (i.e., SBL or Group Head) should be submitted as attachments to the on-line request.
5. Where required, Executive Committee approval is a final step and will be jointly sought by the requestor and Anti-Bribery & Corruption Team after the Anti-Bribery & Corruption Team has reviewed and commented on the request.
6. Once all pre-approvals are obtained, the requestor may extend the invitation.
7. If a transparency letter is required, the requestor must send the transparency letter at the time the invitation is extended.

5. Recordkeeping

All gifts, travel and hospitality expenses must be properly recorded in MasterCard financial documents, books and records.

In addition, all gifts valued at more than USD\$50 (or local currency equivalent) must be tracked in a gift log maintained for your business unit or country. The form of gift log is attached as [Exhibit B](#). [An automated gift log will be developed.]

6. Policy Exceptions

Any exception to this policy or the limits listed above requires a written request for exception, including the business justification for the exception, which must be pre-approved, in writing, by the Anti-Bribery & Corruption Team before any gift may be offered or hospitality extended⁶. This can be done through email.

In addition to Anti-Bribery & Corruption Team approval, certain exceptions may require further approvals. For example extending tickets to events at MasterCard's expense to more than one Guest of Commercial Business Partners, also requires approval from the Region President if value is below USD \$1,000; if value of the ticket is above USD \$1,000, Executive Committee approval is also required.

7. Policy Violations

Employees who violate this policy shall be subject to MasterCard's progressive disciplinary process up to and including termination. Third parties who act on behalf of MasterCard that violate this policy are subject to termination of their contractual relationship with MasterCard.

⁶ Travel benefits for Guests of Business Partners requires further approvals as per MasterCard T&E and Corporate Card Policy.

8. Questions and Additional Information

If you have any questions concerning whether a particular gift, meal or entertainment is appropriate, please seek guidance from your manager, the [Anti-Corruption Team](#), or any member of the Law Department. You can also consult the Gifts and Hospitality Guidelines available at MC Central.

9. Definitions

“Business Partner” means all third parties with whom MasterCard does business (e.g., customers, partners, merchants, suppliers, and/or vendors) whether public or private, commercial or government owned or controlled.

“Commercial Business Partner” means an existing or prospective Business Partner in the private sector, including any Business Partner that is not a Government Entity or Government Official (as that term is defined in the [Anti-Bribery and Corruption Policy](#)).

“gift” may include any item of value provided to any third party or their representative that does not involve active engagement by MasterCard. For example, providing a scarf, bottle of wine, or two tickets to an event where MasterCard will not be hosting the invitees, sitting with them and engaging with them during the event would each be considered a gift. Gifts of nominal value (below \$50) bearing a MasterCard logo (e.g. branded notebook, pen, hat or umbrella) do not count toward the frequency limit for gifts.

“Government Business Partner” means an existing or prospective Business Partner in the public sector, including customers, partners, merchants, suppliers, and/or vendors owned or controlled 25% or more by a Government Official or Government Entity (as defined in the [Anti-Bribery and Corruption Policy](#)). For the avoidance of doubt, this definition also includes any regulator or member of a central bank, or any representative of any Governmental Entity.

“Guests of Business Partners” includes spouses, partners or children of Commercial and Government Business Partners.

“hospitality” includes any business entertaining including any travel, accommodation, meals and invitations to events hosted by MasterCard personnel to any third party or their representative. Hospitality may include MasterCard hosted or sponsored events such as business meetings, forums, seminars, summits, congresses, conferences and customer training. All travel and accommodations in the context of Hospitality must be in line with [MasterCard Global Travel & Entertainment and Corporate T&E Card Policy](#). Hospitality where the Business Partner is not accompanied by MasterCard and that does not involve the active engagement with MasterCard employees (e.g. hosting an event), such as providing tickets to a partner for them to use on their own, is considered a gift.

“meal” includes breakfast, lunch or dinner paid for by a MasterCard employee that involves discussion of MasterCard business with a Business Partner or is incident to a business meeting. Coffee, tea and similar non-alcoholic beverages, as well as cookies, snacks or light refreshment served during business meetings do not constitute a meal. Meals or snacks costing less than USD\$20 per person do not count toward the frequency limit for meals but they do count toward the total value threshold indicated in section 4 above.

10. Anti-Bribery and Corruption Team Contact Information

Marianne Fogarty

Business Ethics & Anti-Corruption Officer
(914) 249-3986
marianne_fogarty@mastercard.com

Stan Chang

AP Region Compliance Counsel
886-2-8758-7607
stan_chang@mastercard.com

Veronique Collart

Europe Region Compliance Counsel
32-2-352-5651
veronique_collart@mastercard.com

Lisa Kelaart-Courtney

MEA Region Compliance Counsel
971-4-457-7129
lisa_kelaart-courtney@mastercard.com

Rebecca Lesser

Compliance Counsel, Anti-Corruption & Investigations
(914) 249-2061
rebecca_lesser@mastercard.com

Lourdes Maldonado Gutierrez

LAC Region Compliance Counsel
(305) 810-1450
lourdes_maldonado@mastercard.com

Dana Ward

Specialist, Compliance
(914) 249-2764
dana_ward@mastercard.com

Exhibit A. Sample of a Transparency Letter

This is a representative sample of a transparency letter. In drafting a letter it should be tailored to the Government Business Partner and the particular event. Should you have any question on the elements of the letter or how to draft an actual transparency letter please contact any member of the Anticorruption Team.

[Name of Customer or Partner]

[Address]

Attention: [to invitee's manager, the General Counsel, or Chief Compliance Officer]

MasterCard International, as sponsor of the [name of the event], is hosting a three day event on ____, 201__. Our event will convene a select group of high-level business executives from key customers, including from [country/division/region] to share insights into: [include here the business purpose and benefit to the customer/partner, for example:

- the value of the MasterCard brand
- the convergence of the physical and digital worlds/mobile payments
- technology in the payment space drive innovation in different markets, etc.]

Further details of business meetings are presented in the agenda attached hereto. [attach the business agenda to the letter [and indicate in the agenda that invitee is expected to attend to all business meetings/]

MasterCard wishes to extend an invitation to the event to [name of the invitee], who will be hosted alongside other guests from our [region/country/division] by [name of MasterCard employee or representative and his/her business title].

The [Event] will be held in [name of the city]. The invitation MasterCard is extending includes [list in detail all the benefits to be provided by MasterCard and ancillary entertainment, for example: tickets to the event, meals, travel expenses (if airfare, include class of airfare), nights of accommodation, gifts and ground transportation].

This invitation is not intended to violate any applicable law, regulation or policy, and we do not believe it does so. If we are incorrect, please let us know.

We hope to welcome [name of invitee] at this business event that promises to be very interesting, informative and entertaining, and which will contribute to our business relationship.

Should you have any questions concerning the event, please do not hesitate to contact me directly.

Yours Sincerely,

[Name and Position of MasterCard representative]

Exhibit B. Example of Gift Log

| Description of Gift or Entertainment | Date Offered | Value (approximate) | Offered to: (Name of person, position and organization) | Government Official? Y/N | Offered by: (Employee's Name and position) | Approved by: (Manager's Name) | Comments |
|--------------------------------------|--------------|---------------------|---|--------------------------|--|-------------------------------|----------|
| 1) | | | | | | | |
| 2) | | | | | | | |
| 3) | | | | | | | |