Gifts and Entertainment Policy

This policy establishes guidelines governing allowable employee entertainment and employee gift expenses paid with Company funds.

Employee Gifts

General Guidelines - There may be occasions from time to time where a manager or department head chooses to recognize one or more employees with a gift. These gifts are generally provided in an effort to recognize a particular high level of performance or extraordinary service. This would also include recognizing exemplary past service with a going-away gift such as a memento or memorabilia-type item.

Any gift item to an employee under this policy must be a non-cash gift of minimal value (see Limitations below), such as flowers, a fruit basket, a book or similar item; movie tickets, or a plaque. Gift certificates should confer only the right to receive goods or services—not cash or cash for the difference between the purchase price and the value of the gift certificate. In all cases and situations, reasonableness and sound business judgment is required and expected, as well as proper approvals and auditable documentation.

Employee gift transactions must be approved by the immediate supervisor of the initiating manager or higher, regardless of the payment method used—e.g., Direct Pay/Check Request, Petty Cash Voucher, etc.

Existing Recognition and Reward Programs - The Human Resources Department manages the Company's program for length of service awards, which encompasses milestone anniversaries and retirements. In addition, the Company's Human Resources Department also administers other programs whose specific purposes are employee recognition and rewards.

Please contact Human Resources with any questions on the availability and requirements of these recognition/reward programs.

Sympathy Gifts - Gifts such as flowers may be presented as an expression of sympathy in the event of the death or major illness of an employee or a member of the employee's family or household. The cost of such gifts is limited as described below under Limitations and Exceptions and Reporting.

Limitations - The Company has established a maximum Rand amount for any gift to an employee paid with Company funds. The gift amount to an employee, considering reasonableness, practicality, and SARS guidelines on taxability, has been set at a maximum of R500.

Prohibited are actual cash awards and any gift certificate that may be redeemed for cash. It is not appropriate to spend any Company funds in recognition of employees for non work-related achievements or events. This prohibits gifts such as wedding/shower gifts, new baby or baby shower gifts, house-warming gifts, birthday gifts (not including celebratory departmental gatherings), or holiday/Christmas gifts.

See the Employee Entertainment section below for guidance on celebratory events (as opposed to gifts).

Exceptions and Reporting - The value of any employee gift purchased with Company funds over R500 must be pre-approved by the department Head, and communicated to the Finance Department for income tax calculations. The payroll office in Human Resources then records the grossed-up amount of the gift.

Employee Entertainment

General Guidelines - The Company recognizes there are many occasions to celebrate throughout the year—departmental birthday gatherings, significant work-related accomplishments, holiday festivities, etc. These types of celebrations, paid with Company funds, should be modest in cost and respectful of the funding sources, as well as represent sound business judgment. The business reason for the expenditure should be full and clear, with appropriate approvals and supporting documentation.

Limitations - Company funds should not be used to pay for dinners, retreats, or meetings at “luxury” restaurants or hotels. Retreats or gatherings based at entertainment theme parks or other similarly recognized entertainment/resort venues are generally discouraged and should be pre-approved by the department head.

Celebratory events to honour an individual for personal reasons such as wedding showers, baby showers, housewarming parties, promotions, etc. may not be paid with Company funds.