Gifts & Hospitality Policy

History:

Version	Date	Action
V1	May, 2022	New Policy
V2	October, 2024	Policy revised to adopt changes applicable in line with Group (SE) G&H Policy.
V3	March, 2025	Changes to Gift & Hospitality thresholds and approval matrix. Approval matrix is removed for Branded marketing material.

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Document Approvers

Version No.	Approver	Document owner
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V3	• Managing Director (Preeti Bajaj); • Chief Financial Officer (Sant Kumar Verma)	• SE-Regional Compliance Officer (Divya Dhody); • Luminous Compliance SPOC (Deepti Nagpal)

Policy name: Gifts & Hospitality Policy

Purpose: This policy sets forth the mandatory compliance rules and processes regarding providing and receiving gifts and hospitality by all Luminous employees. As such, it details the principles set forth in the **Trust Charter**.

The Policy does not apply to:

- gifts and hospitality provided by Luminous internally to its own employees;
- external communication and marketing documents;
- Performance based rewards / incentives to customers (i.e. distributors / dealers) for which business was already generated
- donations and grants
- sponsorship activities

The Policy complements Luminous' existing rules, including those contained in:

- The travel policy
- The Anti-corruption policy.

Audience: The Policy applies to all Luminous employees and in all Luminous' affiliates when providing and receiving gifts and hospitality. Where we cannot access the tools mentioned in this Policy (e.g. Gifts & Hospitality tool), the Policy applies but the related processes may be handled in an alternative digital or manual solution ensuring the same level of controls.

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[1] *This includes contractors with a Luminous ID, assimilated to internal employees.*

1. Definitions

Gift – any item of value that is openly offered or received as a sign of gratitude and without the expectation of obtaining anything in return. It notably includes Luminous' marketing branded products.

Hospitality (also called "invitations") – any courtesy, generally of a social nature, that is offered or received in the context of business relations. Hospitality can take the form of:

- Entertainment – any business meals, beverages, site tours, and sporting or cultural events.
- Hospitality Package – any travel, accommodation, and/or attendance/participation in a trade event (e.g. Innovation Summit) or an Factory Acceptance Test.

NB: Where the provider does not attend, the invitation must be treated as a Gift.

Public Official (also called government official):

- anyone holding a legislative, administrative or judicial position.
- any elected official or employee of a government, ministry, public agency, political party, state - owned enterprise, or other government institution;
  - ⇨ For the purposes of this Policy, a *state-owned enterprise*, is a legal entity created by a government to take part in commercial activities on its behalf or with a specific purpose defined by law. If needed, please rely on local legislation for other definitions applicable.
- any official or agent of a public international organization (e.g. the United Nations Organization, the World Trade Organization).

Thresholds – thresholds fixed by the company which determine approval rules before giving/receiving Gifts and Hospitality (see Appendix 1).

2. Why manage specifically Gifts and Hospitality?

Luminous (the Company) recognizes that providing and receiving Gifts and Hospitality is common practice to develop and maintain positive and constructive business relationships.

In different geographical locations, this practice can vary significantly, depending on local laws and specific customs. Irrespective of that, some Gifts and Hospitality may create improper influence and conflicts of interest and, in some instances, such incentives may be or be perceived by regulatory bodies as corrupt practices to obtain undue advantage (e.g. a deal, inside information, advantageous contractual terms, etc.).

The Company has a zero-tolerance policy against any form of corruption, and has developed principles and rules to follow in order to be able to provide or receive Gifts and Hospitality safely.

3. What Gifts and Hospitality are acceptable?

Before*[2] *providing or receiving a Gift or Hospitality, Luminous employees must assess its acceptability by respecting the principles below:

	ACCEPTABLE	PROHIBITED
1- Who? *Authorized recipient*	✓ Any third party *(see exceptions in the "prohibited" column)* ✓ Allowed by the recipient's internal rules *(i.e. equivalent of the Gifts & Hospitality policy of the recipient's company)*	x Prohibited by the recipient's internal rules x Friends, family and relatives
2. What? *Reasonableness*	✓ **Reasonable in value** - Gift or Hospitality that could be provided/received in return with a similar value. - Hotel & Accommodations should be aligned with Luminous Domestic & International Travel policies in terms of standing and costs (price per room for a hotel in the location where the Hospitality Package is given or received). - Travel class for transportation (airfare, train, taxi) should be aligned with international and local Travel policies. ✓ **Reasonable in nature** - Gift or Hospitality of a similar nature that could be provided/received. - Third-party events' participation fees, and other travel-related expenses (e.g. visa's cost) <u>*Recommendations:*</u> - *Gifts and Entertainment: considered as reasonable when below threshold (see Appendix 1) – may still be considered as reasonable when above threshold, but manager and/or SE-Regional Compliance Officer must assess the context.* *For examples, please refer to Appendix 2.* - *Hospitality Packages: The reasonableness depends on the context and the composition of the package. A review and approval are therefore always necessary by the manager and/or the SE-Regional Compliance Officer.* *For examples, please refer to Appendix 2.*	**x Unreasonable in value** - Gift or Hospitality that could not be provided/received in return because of its value. - Personal expenses. - Per diem payments[3] - Hotel & Accommodations: 5-star hotels are not allowed for Public Officials - Transportation: First-class air travel or private/chartered jets expenses. **x Unreasonable in nature** - Gift or Hospitality that could not be provided/received in return because of its nature. - Cash or cash equivalent (gift vouchers, shares or anything redeemable to cash) regardless of the amount - Use of personal funds. - Adult entertainment, i.e. nightclub-type entertainment with an overtly sexual content. <u>*Tip:*</u> *Use your common sense and always ask yourself whether this is something you would want to see on the front of the newspaper or testify to in court.*

[2] *If not possible, refer to Appendix 2 for further guidance.*
[3] *Per diems or daily allowances are specific amount of money that an organization gives to cover living expenses when travelling on the employer's business.*

3. Why? *Business purpose*	✓ Have a legitimate business reason, i.e. any purpose that is principally designed to promote, demonstrate or explain products or services. ✓ Hospitality Packages with minimum 80% agenda dedicated to business related activities	x No legitimate business purpose x Hospitality Packages with leisure activities exceeding 20% of the agenda's time.
4. When? *Occasional frequency*	✓ Not overly frequent between the giver and the recipient. *Recommendations:* - *Gift: less than 2 offered to/by the same third-party individual in the previous six months* - *Entertainment: less than 3 offered to/by the same third-party individual in the previous six months* - *One Hospitality Package offered to/by the same third-party individual in the previous six months*	x Unreasonable cumulative value of several Gifts and/or Hospitality over several months
5. Where? *Locally permissible*	✓ Compliant with applicable laws	x Prohibited by applicable laws
6. How? *Good faith*	✓ Made openly and given clearly as an act of appreciation. ✓ Not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction or public policy engagement.	x Creation - directly or indirectly - of an obligation or expectation on the recipient. x Offered to influence a decision x Solicited x Performed in secret and be undocumented *Pay attention to appearances. Even the appearance of influencing might create inappropriate judgement.*

Need for more guidance? Please refer to Appendix 2 for some common situations and dilemmas.

Public Officials' Hospitality Packages Protocol

In countries that allow Hospitality Packages to Public Officials, it is required to clearly state the conditions for the Hospitality Package by following requirements:

1) Send an official invitation stating the reason for travel and what exactly the Hospitality Package will contain (i.e. what will be paid and what will be not paid by Luminous);
2) Inform the Public Official that, in the end, the costs will be charged on the project costs;
3) Obtain a confirmation from the Public Official that the Hospitality Package is in line with local legislation and its internal policies;
4) The Public Official should arrive to the location maximum 1 day before the event and leave maximum 1 day after. No extra stay is allowed.

Significant Events Protocol

If deemed necessary and upon request by the employee(s), the SE-Regional Compliance Officer can establish and validate specific guidelines and rules in advance for significant events (such as Innovation Summits) that are considered as Hospitality Packages. These guidelines are intended to ensure compliance with the required standards and principles.

4. When and how to get a pre-approval, if required?

Before** providing or receiving a Gift or Hospitality*, Luminous employees must obtain a pre-approval ***if required. In order to know when a pre-approval is needed, refer to **Appendix 1**.

Data retention

A Gifts & Hospitality approval form is maintained for 6 complete calendar years after the year in which the Gift or Hospitality occurred (or for any longer period that may otherwise be specified from time to time in accordance with any document retention policy and/or local law). The time period can be increased based on the local requirements.

5. How to manage Gifts and Hospitality costs?

5.1 Spending

When providing a Gift or Hospitality, employees have two options for spending:

- **Indirect Procurement**: In most locations, employees may be authorized to create a purchase order.
- **Expense Claims**: Employees can pay for the expense and then request reimbursement through the Expense Claims process. In most locations, this process may be carried out by using Concur.

In both cases, a copy of the pre-approval – must be added as proof to any related spend. Any expense, which is requested and/or claimed and is not justified in the way described will be considered as a red flag.

5.2 Accounting controls

The Gifts and Hospitality provided by Luminous are promptly recorded in the Company's accounting documents. These expenses are accurately and clearly identified in the accounts using unambiguous wording. For example, vague descriptions such as "miscellaneous expenses" or "other" must be avoided. Additionally, expense reports without receipts are not allowed as they do not provide sufficient supporting documentation.

To ensure proper financial control, the Accounting Competency Centre (finance team) monitors related expenses (which can include the use of automated fraud detection capabilities which will help in judgment to detect frauds) associated with policy exceptions or red flags after line manager approval and validate the appropriateness of any exception.
In addition, finance Team monitors expenses claims, by using digital tools. For Indirect Procurement processes, the Indirect Procurement, organization does perform similar specific controls.

The Internal Control (2nd line of Defense) and Global Internal Audit (3rd line of Defense) departments will conduct tests and audits of Gift and Hospitality expense claims to ensure compliance with Luminous policies.

6. In case of doubt

If in doubt about any aspect of this Policy, employees should seek advice from their line manager or contact SE-Regional Compliance Officer / Luminous Compliance SPOC(s). Their contact information is available on Luminous Ethics & Compliance intranet page.

Appendix 1:

Pre-Approval matrix

Type of Gift, Entertainment and Hospitality	Limit for Gift, entertainment and Hospitality per person	Pre-Approval matrix (Giving or Receiving)
Gift & Entertainment	Below Threshold	No approval
	Above Threshold	1. Respective IMT 2. SE-Regional Compliance officer
Hospitality / Hospitality Package	Zero (0) Threshold	1. Respective IMT 2. SE-Regional Compliance officer

Note: SE-Regional Compliance Officer must approve any exception to the policy for specific cultural reasons; they also may take the decision to add the Chief Compliance Officer in the approval process if they consider appropriate.

Appendix 2: Examples of Common Situations & Dilemmas

1. Luminous' most common acceptable situations

Gifts:

- **Tokens of appreciation**: Small, inexpensive gifts given as a gesture of appreciation, such as flowers, a box of chocolates, or a personalized thank-you card.
- **Branded merchandise**: Items displaying the third party's logo or branding, such as apparel, accessories, or promotional items of nominal value including Luminous branded products to offer to third parties safely.
- **Business-related items**: Gifts that have a clear business purpose and are of reasonable value, such as a professional book or industry-specific tools.
- **Event tickets**: Tickets to cultural, sporting, or entertainment events, as long as they are within reasonable limits and align with the company's policies and the recipient's job role.
- **Gifts for seasonal periods (incl. Christmas, Diwali, Ramadan, New Year period, etc.)**: Small holiday- themed gifts, customized holiday cards, or specialty items, often showcasing the third party's branding.

Entertainment:

- **Business-related meals**: Occasional meals provided by a third party in the context of a business meeting, site visit, or professional discussion.
- **Client entertainment meals**: Meals hosted by a third party to entertain clients or business partners for the purpose of fostering relationships and conducting business.
- **Industry conference meals**: Meals included as part of attending an industry conference or seminar organized by a third party.
- **Sporting events**: Invitations to attend sporting events, such as soccer matches, golf tournaments, or exclusive experiences, for the purpose of fostering relationships.
- **Cultural events**: Invitations to attend cultural events, such as art exhibitions, theater shows, or exclusive experiences, for the purpose of fostering relationships.

Hospitality Package:

- **Business conferences or trade shows**: Invitations to attend industry conferences, trade shows, or exhibitions organized by a third party, covering travel expenses such as transportation, accommodation, and registration fees.
- **Site visits or inspections**: Invitations to visit project sites, production facilities, or research centers for business-related purposes, with the third-party covering travel costs.
- **Business meetings or negotiations**: Invitations to attend important business meetings, negotiations, or partnership discussions organized by a third party, with the travel expenses borne by the third party.
- **Trade association meetings**: Invitations to attend meetings or conferences organized by trade associations or industry groups, covering travel expenses, and providing networking opportunities within the industry.
- **Business awards or recognition ceremonies**: Invitations to attend business awards ceremonies or recognition events organized by a third party, covering travel expenses and recognizing the recipient's achievements.

2. Common dilemmas

"I don't know the value."

It may be difficult to estimate the value of a Gift or Hospitality that you have been given. To give a rough idea, you can ask to the giver. You can also include a good faith estimate of the value, based either on your knowledge, experience, or public information. If you would like another opinion or some support, please seek advice from the SE-Regional Compliance Officer.

"But it would be impolite to refuse…"

Employees may encounter situations where they feel social pressure to accept a Gift or Hospitality that goes beyond Luminous' Gifts & Hospitality policy, and do not wish to offend the donor. In such case, employees have to decide on the spur of the moment and must use their judgment. In practice, a polite refusal, by referring to Luminous internal policy, may well be understood.

"But he's a personal friend of mine!"

In some cases, it may turn out that a business partner is a personal friend, or they may become a friend as a result of a long professional relationship. Even so, the same principles apply.

In the event that a personal relationship entails frequent exchanges of Gifts and/or Hospitality, said relationship should be registered in Luminous' records as a potential conflict of interest. Please read the Conflict of Interest Policy if needed.

"I couldn't request a pre-approval before accepting."

In the event that an employee is in an exceptional situation where he/she was unable to request pre-approval before accepting a Gift or Hospitality, he/she must seek approval as soon as possible.

If the Gift or Hospitality is not approved, it means that it does not comply with this policy. In this case, the receiver must choose one of the following alternatives:

- Return it to the offeror with a polite explanation that company policies prohibit the acceptance and retention of the Gift or Hospitality.
- Promptly forward the Gift or Hospitality to Human Resources Department, who shall then forward the Gift or Hospitality to some designated charity for disposition (for example, donation to a charitable or educational organization); or
- Retain the Gift or Hospitality for display on company property with the prior written approval of SE-Regional Compliance Officer. The item will be inventoried as company property in accordance with local procedures.

If additional guidance is needed, the employee and/or his or her line manager should contact the SE-Regional Compliance Officer.