

AIR PARTNER PLC

Corporate Hospitality Policy

This policy is designed to give guidance on the types of entertainment which may be given and accepted by Air Partner staff, so that no member of staff can be alleged to have acted unfairly in business dealings or been party to any form of bribery.

Air Partner seeks to protect staff and business contacts from allegations of impropriety by ensuring that the offer and acceptance of substantial corporate hospitality is transparent, approved and recorded. Any queries on interpretation of the policy should be addressed to the Company Secretary.

This policy is designed to give guidance about how entertainment may be interpreted. It is not intended in any way to prevent informal contacts between Air Partner staff, clients and business associates. Lunch is often a good way to discuss business. Good working relationships are crucial to our business and are encouraged. However, employees should use a “common sense” approach in accepting or offering gifts or invitations.

For example:

- 1) if you would feel embarrassed about accepting a gift or invitation which has been offered to you, or you would want to try to hide it, it may be inappropriate. You should speak to your line manager.
- 2) when issuing an invitation to a hospitality day at the expense of the company, do you know the potential guests well enough to sustain a business conversation?
- 3) has a gift been sent to you as a thank you for particularly good service? If so, tell the Client Care team so that others can learn from the experience.

Air Partner staff should **never** accept benefits of any kind from an operator, supplier or client which might be seen to compromise their judgment or business behaviour.

Hospitality offered on behalf of Air Partner

Corporate hospitality, the sponsorship of events and exhibitions and the distribution of promotional items are useful ways of networking and raising awareness of Air Partner’s services. In particular, Air Partner hosts a number of social events each year, including the Chairman’s Lunch and Operator Days, invitations to lunches, dinners and sporting events and occasional “taster” opportunities for clients and potential clients to put Air Partner’s customer service to the test.

Invitations will not be made conditional upon agreement of a business transaction or subject to contracts of a particular value being awarded to Air Partner. No invitations may be issued to corporate, government or public sector clients during a competitive tender process.

Line managers will approve the proposed guest list and a record will be kept by the Client Care Team of invitations issued and acceptances received for any event where expenditure is likely to exceed £500 per head. Guest lists will be prepared carefully so that invitations do not become automatic. Clients and business contacts should not feel that they are entitled to attend Air Partner events by virtue of a long standing relationship or a history of high value business between the parties.

A specific section of The Bribery Act 2010 covers bribery, or attempted bribery, of a foreign public official. In this case, it is not necessary to prove that the person intended to influence the official to act improperly, so particular care must be taken. For example, a “foreign public official” can be interpreted as meaning any decision-maker employed by a State enterprise.

If a meeting is arranged overseas with a new business contact, Air Partner staff should confirm clearly in advance who is attending the meeting and if there is any social element to the meeting, such as drinks or a dinner. The meeting arrangements should be approved by a line manager and records maintained of all details relating to the meeting.

Air Partner staff may not authorise their own business entertainment expenditure. Expenses claims must be signed off by a line manager whose authorisation limit covers the total cost of the entertainment provided. Where more than one member of Air Partner staff is present when business entertainment costs are incurred, the bill must be settled by the most senior individual, who should then submit an expenses claim to their own manager, for approval in the normal way.

Corporate Gifts

Christmas gifts and larger corporate gifts sent on behalf of the Group will be ordered and dispatched through the Marketing department and will be recorded.

Smaller gifts may be sent by individual members of staff on behalf of the Company to personal business contacts on significant occasions such as Christmas, a family celebration or on retirement. Such gifts must always be approved by a line manager, should carry the Air Partner logo and include an explanation of why the gift has been sent and should not exceed £100 in value without clearance by a member of the Operating Board.

Corporate Sponsorship

Air Partner will not sponsor individual causes or charitable events in lieu of amounts due or owing for flights. Charity payments may only be made directly to registered charities and will be recorded in Group accounts. Sponsorship opportunities must be cleared at Operating Board level and will not be counted as charitable donations unless the funds are paid directly to a registered charity’s bank account.

Requests for charitable support by the Group must be addressed to the Charity Committee within Air Partner’s UK Registered Office. Within the UK, staff will choose Air Partner’s charity of the year and the Charity Committee will discuss and approve fundraising ventures for other local charities. Donations to non-UK charities must be approved by the Operating Board member responsible for the relevant local office.

Charitable donations of more than £1,000 must be pre-approved by the Operating Board. All charitable payments or sponsorships of more than £500 must be signed off a director.

Air Partner will not pay any political donations or make contributions to political party funds in any country of operation.

Gifts Received by Air Partner staff

Air Partner staff may accept smaller gifts (such as stationery and small leather goods, food items and flowers) received from third parties, up to a value of £100 per head.

If in doubt, the value of goods received should be determined by the list price of similar goods obtained from three retailers in the country of receipt. Larger gifts received or a succession of smaller gifts which exceeds the value of £200 in any 3 month period should be brought to the attention of a line manager. A gift will need to be declined politely if it is excessively generous, or if acceptance is judged by a line manager to be inappropriate. No member of Air Partner staff should feel indebted to any operator, supplier or other business contact.

All gifts must be acknowledged in writing, using Air Partner stationery. Larger gifts, over £100, including offers of hospitality such as tickets to events or meals, must be recorded in the Gifts Register on RADAR, within 5 days of receipt of the invitation. This is to protect employees by providing an open record of which organisations or individuals are offering gifts, whether the gift has been accepted or declined and the estimated value of gifts received. Prizes donated by third parties for Air Partner's own charitable fund-raising activities should also be recorded on the Gifts Register. The Gifts Register will be reviewed regularly by the Operating Board.

Where appropriate, a large gift may be accepted for distribution within a team. If this would not be appropriate, the donor's consent might be obtained for the item to be used for fund raising for a charity nominated by the Charity Committee. In rare circumstances where a large value gift is received and declining would be likely to cause major offence, the gift must be acknowledged by a senior member of management who should explain the Group's policy on acceptance of gifts. Gifts of substantial size and/or value must not be taken to an employee's home or used for the benefit of a single employee but should be used in a way which will benefit the Group as a whole. Gifts and offers of corporate hospitality received must not be passed on for use by a family member or third party not employed by Air Partner and must **never** be sold to a third party.

Corporate Hospitality offered to Air Partner staff

It is accepted practice in the travel industry for invitations to be offered which may include transport, free accommodation, meals and entertainment. Invitations which are known to be offered to a number of representatives of different companies may be accepted but the details and approximate value must be recorded in the Gifts Register on RADAR. An exclusive invitation issued to an employee of Air Partner from a contact who has not previously done business with the Company should be treated with caution.

Air Partner staff must not accept hospitality from any supplier involved in a government or corporate client competitive tendering process while that process is underway. This is to protect individuals against any accusations of unfair selection of contractors during a tender process.

Air Partner trusts its employees to use their judgement when accepting business hospitality from third parties (i.e. an invitation to a meal or event and its location should be appropriate and the frequency of such hospitality should be capable of being justified). If an employee is in any way uncomfortable about the lavishness of the hospitality or is unsure about the motives of the person or organisation offering the invitation, he or she should raise the matter with their line manager immediately. An employee will not be reimbursed by the Company for additional expenses relating to an offer of hospitality (eg ground transport or overnight accommodation) unless this is absolutely required in order to accept the invitation and has been cleared in advance by a line manager.

Where additional hospitality is offered unexpectedly (eg a post-meal visit to a club or entertainment venue), all the received hospitality, including an estimate of the value of additional meals or drinks, must be recorded in the Gifts Register within 5 days of the event.

Fact-finding or Business Review Visits Involving Contractors or Suppliers

Air Partner prefers to pay its own subsistence costs for employees undertaking reviews of suppliers or contractors. Working lunches or sample flights may be part of this process but employees should take care not to accept any cash payments or other inducements offered by a third party. Any attempt on the part of an operator or other supplier to undermine the impartiality of Air Partner employees by the offer of substantial gifts or other inducements should be reported immediately to a senior manager.

Disciplinary Procedures and Whistle-Blowing

This policy is for the protection of staff and business contacts. It is important that Air Partner's dealings are fair and transparent and the Group does all it can to prevent allegations of corrupt practices.

Employees who do not comply with the corporate hospitality policy, for example by failing to register the receipt of gifts or who are found to have accepted hospitality without the approval of their line manager, or who have offered gifts or hospitality inappropriately, will be subject to disciplinary action, the consequences of which may be dismissal either with or without notice.

If a member of staff is concerned about the acceptance of inappropriate gifts or hospitality by others, the matter should be brought to the attention of a line manager or the HR department. In extreme cases where there is a severe potential for damage to the reputation of the Company or its financial position, any member of staff may raise their concern with an independent director or through the Company Secretary under the terms of the Group's whistle-blowing policy. No employee who discloses information in good faith about perceived deception or malpractice will suffer reprisals or victimisation, nor will their career be affected in any way.

7 June 2011