

BUSINESS GIFTS FROM SUPPLIERS

Introduction

Carrier Enterprise, LLC (Carrier Enterprise) purchases supplies and services on the basis of merit, seeking both the best value and stable business relationships with suppliers. Giving business gifts is commonplace and can represent merely a desire to build goodwill. Carrier Enterprise, however, has very restrictive policies governing receipt of business gifts by its employees who have direct purchasing responsibilities. Purchasing decisions must not be influenced by a conflict of interest and must not be tainted even by the appearance of a conflict of interest.

Violations of Carrier Enterprise's policies on business gifts are taken seriously - a business gift which was intended to build goodwill can instead result in the firing of the Carrier Enterprise employee and result in the removal of the supplier from Carrier Enterprise's lists of approved sources. These pages are intended to guide you as a supplier or prospective supplier to Carrier Enterprise (including subsidiaries and affiliates; for ease of reference, these pages use "Carrier Enterprise" as all-inclusive).

Carrier Enterprise's General Rules on Business Gifts

Carrier Enterprise employees may not solicit any gift, entertainment, or other gratuity.

Carrier Enterprise employees may not accept gifts, entertainment, or other gratuities from anyone seeking a contract with or purchase by Carrier Enterprise (in whatever form including purchase orders or credit card purchases), other than customary business courtesies that are reasonable in frequency and value.

Carrier Enterprise employees who have direct purchasing responsibilities, including employees in the purchasing department and employees designated otherwise as performing a purchasing function, may accept only (a) beverages, light snacks and business meals served during business meetings held at the facilities of suppliers, (b) business meals when in travel status, (c) promotional or advertising items having a truly nominal value, such as ball caps or pads of paper, and (d) any other business gift or thing of value if reported to and approved in writing by Carrier Enterprise CEO or the CEO's designee.

These rules are intended to be restrictive. In addition to these "black letter" rules, suppliers must avoid offering or giving business gifts to any Carrier Enterprise employee which could create an appearance of impropriety.

What is Carrier Enterprise's Definition of a "Business Gift?"

A "business gift" is anything of value given as a result of a business relationship, where the recipient does not pay a fair market value. A business gift can be in any form - for

example, dinner in a restaurant or club, tickets to the theater, a discount not available to the general public, or an art object.

Who is a "Supplier?"

The word "supplier" is intended broadly to include anyone having a contract, purchase order, service contract, or other agreement or arrangement for purchase by Carrier Enterprise (including credit card purchases). A "prospective supplier" is, of course, anyone seeking business from Carrier Enterprise.

Gifts to Family Members of Carrier Enterprise Employees

Carrier Enterprise considers a gift to a spouse or other family member to be a business gift if motivated by or related to a business relationship. Such gifts are subject to Carrier Enterprise policy in the same manner as other business gifts.

Personal Friendships or Family Relationships

Carrier Enterprise recognizes that gifts can be motivated by personal friendships or family relationships, rather than by business. Some gifts are clearly business gifts - any gift which is deducted for tax purposes or which is paid or reimbursed by a business entity is clearly a business gift. Some gifts are clearly motivated by family relationships - a wedding gift of appropriate value to a sister or other close family member is certainly appropriate. Assessing motivation and the nature of "friendship" in other situations, however, is problematic and discomfiting for all involved. Because "appearances" are important and because the propriety of a gift will be judged with the benefit of hindsight, Carrier Enterprise urges restraint in giving all gifts and strongly discourages all gifts based on personal friendship.

Gifts During the Holiday Season

Although the holiday season is a traditional time for exchange of gifts, there is no exception in Carrier Enterprise policy which would permit acceptance Carrier Enterprise encourages the exchange of holiday cards but is opposed to holiday gifts of any kind to any employee from suppliers. If a holiday gift is received from a supplier, Carrier Enterprise routinely returns it or donates it to charity.

Government Contracts Implications

Aside from Carrier Enterprise's policies, a payment, gift, or other thing of value from a subcontractor, vendor, or supplier to a government contractor at a higher tier, when given for the purpose of improperly obtaining or rewarding favorable treatment (a "kickback") is a criminal violation. Kickbacks will not be tolerated and you are encouraged you to notify Carrier Enterprise if a Carrier Enterprise employee is seeking a kickback.

A Suppliers Recourse if a Carrier Enterprise Employee Solicits Money or a Gift

Carrier Enterprise prohibits its employees from soliciting a gift from any supplier or prospective supplier. If a Carrier Enterprise employee solicits money or any other gift, call, please notify Carrier Enterprise.

You will be held accountable, and the consequences can be severe.