



The Berkeley Group Holdings plc

**Gifts, Corporate Hospitality
and Promotional Expenditure Policy**

1 Policy statement

1.1 Background

Bona fide hospitality, promotional and other business expenditure which seeks to improve the image of Berkeley or establish cordial relations are recognised as an established and important part of doing business.

However, all employees of Berkeley should be aware that gifts, hospitality, promotional and other similar business expenditure could also be employed as bribes where they are given or received with an intention to induce or reward a person to carry out their function improperly.

1.2 Purpose

The purpose of this policy is to set out Berkeley's corporate stance on gifts, corporate hospitality and promotional and other business expenditure and thus contribute to the establishment of an anti-bribery and corruption corporate culture under Berkeley's Anti-Corruption and Bribery Policy.

1.3 Scope

This policy applies to all Berkeley's employees and anyone who conducts business on our behalf. Further, Berkeley requires equivalent standards of conduct from its business partners.

Employees are required to adhere to this policy and to retain a proper record of their activities for justification purposes. Failure to adhere to this policy may result in disciplinary action.

1.4 General Policy Details

- a) Subject to paragraph (b) below, you should not accept any gift or favour of whatever kind from any customer, client, sub-contractor or supplier of Berkeley or any prospective customer, sub-contractor or supplier of Berkeley
- b) In certain circumstances and with the prior written consent of a Director, you may be permitted to accept minor gifts (e.g. Christmas gifts) or an appropriate level of hospitality given in the normal course of business, details of which should be entered in your Operating Company's Gift and Corporate Hospitality Register ("the Register")
- c) If there is any doubt about the propriety of a gift or hospitality or if you are in any way uncomfortable with the 'lavishness' or timing of a gift or hospitality (or the motives of the third party) it should be declined, and entered on the Register
- d) Fact-finding or business review visits funded by contractors or suppliers which include for example paid travel, accommodation or general subsistence require the prior written approval of a Director and should only be undertaken where there is a real business reason justifying the visit and where the level of hospitality is modest
- e) You must ensure that offering or accepting a gift or hospitality does not create or appear to create a conflict of interest or appear to influence any decision making or the awarding of any contract



- f) You should not accept any form of gift or hospitality from any third party who at the time is participating in an active tender with your Operating Company
- g) The offer or acceptance of all gifts or hospitality must be recorded in the Register and approved by a Director save for:
 - Normal office based hospitality such as drinks or breakfast/lunch given or received during business meetings
 - Normal hospitality provided whilst attending a work-related conference, lecture, seminar or similar educational event, where attendance is paid for by Berkeley
 - Token gifts of very low value such as pens, diaries, calendars and other small promotional items where the value is unlikely to exceed £5
 - Modest gifts or floral tributes given to employees to offer congratulations or sympathy e.g. on the birth of a baby or death of a relative
- h) The Register should be maintained and controlled by a nominated employee within each Operating Company. Each entry in the Register must be countersigned by a Director to evidence that he or she is aware of the entry
- i) The Register should be presented in the Operating Company's Board Report each month. The contents of the Register will also be presented annually to The Berkeley Group Holdings plc Main Board
- j) For the avoidance of doubt, where a gift or hospitality is declined, this should also be entered into the Register, including the reason for declining the gift or hospitality

1.5 Berkeley Provision of Gifts, Corporate Hospitality and Promotional Expenditure

Gifts to third parties must be approved in writing by a Director and recorded in the Register.

Where appropriate, modest floral tributes (or similar) may be presented to third party business contacts on behalf of Berkeley to show the organisation's appreciation, congratulations or sympathy. Payment for such tributes should be authorised by an appropriate Director and recorded in the Register.

Corporate hospitality and promotional expenditure can be provided as a tool to raise awareness of Berkeley's activities, normally within the following range of objectives:

- to promote Berkeley's work to key partners and stakeholders
- to promote a specific scheme or development opportunity
- to mark project milestones
- to launch a new scheme/phase
- to facilitate community awareness and participation

All corporate hospitality events should have a demonstrable link to the work of Berkeley and be approved in writing by a Director and recorded in the Register. Corporate hospitality must not be provided for events that conflict with our own objectives.

1.6 Sponsorship

Sponsorship of events should be outlined in detail and budgeted as part of the normal annual business expenditure and be approved by the relevant Board. Sponsorship opportunities arising during the course of the year should be also approved by the relevant Board. All items in excess of £5,000 must also be approved by the Group Managing Director.

All sponsorship proposals for high-profile events and materials should be raised with the Group Managing Director. As with corporate hospitality, no sponsorship should be provided for events that conflict with our own objectives.

There must be a proper business case to sponsor an event and the event should represent good value for money, with the appropriate level of recognition relevant to the level of sponsorship provided.

In relation to personal sponsorship, you or your family members should not knowingly seek or accept inappropriate 'personal' direct sponsorship from third parties at a time when they are tendering for services, works or supplies to Berkeley.

All sponsorship undertaken should be recorded in the Register.

1.7 Key principles

The key principles in respect of the receiving or providing of gifts, hospitality or sponsorship are:

- The appropriateness of the level of gift, hospitality or sponsorship received or provided
- The timing of the offer or receipt of gift, hospitality or sponsorship
- The overall purpose of the gift, hospitality or sponsorship
- The recording and authorisation of the gift, hospitality or sponsorship in advance if deemed necessary, and disclosed in the Register

1.8 Charitable/Political Donations

The Group has recently established The Berkeley Foundation, which has been set up to coordinate, capture and drive forward a number of aspects of the Group's Corporate Social Responsibility activities, including charitable giving, the support of worthy causes and Berkeley's work in the local community.

The Berkeley Foundation will announce annually the charities that it will be supporting for the following 12 months.

In terms of other areas of sponsorship and giving, Berkeley Group has long supported medical research into multiple sclerosis and more recently has become a supporter of the work of The Centre for Social Justice in its mission to see effective solutions to the poverty that blights parts of Britain and to help reverse the associated social breakdown.

The activities of The Berkeley Foundation will be supplemented by charitable giving at an Operating Company level. All such charitable giving should be approved by an appropriate Director within the Operating Company concerned and recorded in the Register.

Any proposed political donations should be discussed and approved with the Group Managing Director and recorded in the Register.

1.9 Red Flags

The following matters should be avoided:

- Gifts or hospitality offered or proposed during an active tender process
- Matters that make the individual concerned feel uncomfortable
- Disproportionate gifts or expenditure offered or proposed
- Items that are likely to cause embarrassment in the public domain, or result in adverse publicity to the Group.

If employees are in any doubt, they should either decline the offer or discuss it with the Group Finance Director.

1.10 Responsibilities

The Group Finance Director is the Main Board Director with primary responsibility for implementing this policy and for reporting annually to the Board of Directors.

The Managing Director of each Operating Company will establish appropriate responsibilities and procedures within his operations. If any instances of non-compliance with the stated Group policy are identified, remedial steps will be taken.

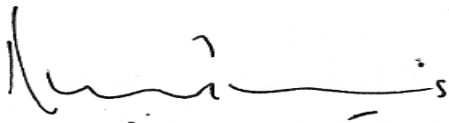
1.11 Training and communication

This policy will be communicated to all employees across the Group, as well as to our suppliers, contractors and business partners and wider stakeholders.

Employees are encouraged to raise concerns about any instance of malpractice at the earliest possible stage through the procedures set out in our "Whistle blowing Policy".

1.12 Monitoring and review

This policy will be reviewed at appropriate intervals in respect of its suitability, adequacy and effectiveness and improvements will be made as appropriate.

A handwritten signature in black ink, appearing to read 'R C Perrins', written over a dotted line.

R C Perrins
Managing Director

June 2011



GIFTS, CORPORATE HOSPITALITY AND PROMOTIONAL EXPENDITURE: REGISTER - RECEIVED

Division:

| Code | Date of hospitality, gift or sponsorship received or declined | Berkeley employee (if more than one please state all names) | Name of organisation and individuals offering or providing hospitality, gift or sponsorship | Description of hospitality, gift or sponsorship and its known or estimated monetary value | Where accepted: reason for acceptance of hospitality, gift or sponsorship? Where declined: reasons for declining? | Director sign off |
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Notes:

- 1) Consider timing of hospitality/gift/sponsorship offered – is it during a tender/bidding process
- 2) Consider monetary value of hospitality/gift/sponsorship offered

Code:

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|---------------------------|--------------------|---------------------------|
| H – Hospitality received | GR – Gift received | SR – Sponsorship received |
| HD – Hospitality declined | GD – Gift declined | SD – Sponsorship decline |



GIFTS, CORPORATE HOSPITALITY AND PROMOTIONAL EXPENDITURE: REGISTER – GIVEN

Division:

| Code | Date of hospitality, gift, sponsorship, charitable or political donation given or proposed | Berkeley employee giving hospitality, gift, sponsorship, charitable or political donation and other Berkeley employees attending where applicable | Name of organisation and individuals being given hospitality, gift, sponsorship, charitable or political donation | Description of hospitality, gift, sponsorship, charitable or political donation and its known or estimated monetary value | Reasons for hospitality, gift, sponsorship, charitable or political donation proposed | Director sign off |
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Notes:

- 1) Consider timing of hospitality/gift/sponsorship proposed – is it during a tender/bidding process
- 2) Consider monetary value of hospitality/gift/sponsorship proposed

Code:

HG – Hospitality given SG – Sponsorship given GG – Gift given CG – Charitable donation PD – Political donation