Supplier Gifts and Gratuities Policy

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Supplier Gifts and Gratuities Policy

1.0 Purpose / Scope / Timing
This document describes the policy of GE Energy Connections ("GEEC") on receiving Gratuities from and giving Gratuities to Suppliers.

1.1 Responsible Roles
All Employees are responsible for:
- avoiding even the appearance of impropriety while conducting business;
- refraining from soliciting any Gratuity; and
- ensuring disposition (and documentation thereof) in accordance with this policy in the event a Gratuity that is not specifically permitted by this policy is received.

1.2 Compliance Date
The following timeline is expected from all organizations within scope:
- Full compliance at the time of issuance of this document. This document replaces and simplifies the former Sourcing Policy [SPS-PSSMQM-0450 – Gifts and Gratuities].

2.0 Procedure / Quality Record Requirements

2.1 Policy
Acceptance of Gratuities by Employees is discouraged, and even the appearance of impropriety must be avoided. Employees should not accept any Gratuity directly or indirectly from a Supplier unless specifically permitted under the section “Guidelines for Gifts and Gratuities from Suppliers”. In addition, prior to accepting a Gratuity from a Supplier that is permitted under this policy, Employees should confirm that the acceptance of such Gratuity does not violate any of the Supplier’s rules or policies.

Failure to comply with the provisions of this policy may result in disciplinary action up to and including discharge.

2.2 Guidelines on Receiving Gratuities from and Giving Gratuities to Suppliers
Receiving Gratuities from Suppliers
Promotional Items - Advertising or promotional items of nominal value, less than $25 USD, (such as coffee cups or calendars) may be accepted from Suppliers provided that such items are widely distributed to others under essentially the same business relationship with the Supplier. Additionally, frequent flyer programs, discounts available to the general public, discounts approved by GEEC and similar promotions may be accepted.
Meals paid for by Suppliers - In general, all meals with Suppliers, whether paid for by Supplier or GEEC, shall be held to the minimum required for the effective conduct of business. While on a Supplier’s premises, Employees may accept business meals included in the agenda of (or which immediately precede or follow) a scheduled business meeting. However, Employees should ensure that the meals are reasonable, in accordance with normally accepted business practices, directly related to the conduct of business and do not violate any of the Supplier’s rules or policies.

Social Functions or Entertainment - Employees may participate in business-related social functions or entertainment provided by Suppliers only if the activity is reasonable under the circumstances (e.g., a brief tour of the local area) or if refusal to do so would cause embarrassment (e.g., if customary in a foreign country). Any Employee participating in such social functions or entertainment must report such participation to his/her manager.

Transportation – Local transportation provided by the Supplier in conjunction with a business meeting at the Supplier’s premises may be accepted.

Accommodations – Employees’ use of Suppliers’ accommodations is generally prohibited except in cases where such accommodations are the only reasonable accommodations available. Any Employee using a Supplier’s accommodations under such circumstances must report such use to his/her manager.

Other Prohibited Items – By way of example only, gifts of electronic equipment, liquor, food, golf outings and tickets to shows or athletic events are strictly prohibited.

Giving Gratuities to Suppliers

Other than providing meals to Suppliers as set forth below, Employees shall not give Gratuities to Suppliers without the prior written approval of the VP GEEC Supply Chain and Sourcing or his/her delegate.

Meals paid for by Employees – When GEEC is the buyer and a Supplier meeting is held on GEEC’s premises, Employees may pay for the cost of business meals included in the agenda of (or which immediately precede or follow) a scheduled business meeting. However, Employees should ensure that the meals are reasonable, in accordance with normally accepted business practices, directly related to the conduct of business and do not violate any rules or policies of GEEC or the Supplier. General Electric Company’s Business Gift and Entertainment Implementing Procedures, which apply to GEEC, require pre-approval for certain Gratuities or business courtesies to Suppliers and other third parties. Please see the attached guidance on when meals provided to Suppliers require pre-approval.

2.3 Disposition of Gratuities From Supplier

Unless an exception to this policy is granted in writing by an Employee’s manager, the VP GEEC Supply Chain and Sourcing, his/her delegate or legal counsel, if an Employee receives a Gratuity from a Supplier that is not specifically permitted above, the Employee should: (i) either return the Gratuity to the Supplier; or (ii) donate it to a local charity if the item is perishable, cannot be readily returned or if return would cause embarrassment to the giver. In such event, the Employee shall send the Supplier the “Return of/Decline Gifts and Gratuities Model Letter to Suppliers” with a copy to his/her manager. This document can be found in the forms section of the Sourcing QMS manual.

Any written exception to this policy provided by an Employee’s manager, the VP GEEC Supply Chain and Sourcing, or legal counsel and any “Return of/Decline Gifts and Gratuities Model Letter to Suppliers” sent by an Employee must be retained for one (1) year.

Link to Return of Decline Gifts Gratuities:
http://libraries.ge.com/download?fileid=757235059101&entity_id=57736970101&sid=101

3.0 Definitions, Acronyms and References

To improve the clarity of the requirements stated in this document, selected words, phrases and acronyms are defined as following:

**Gratuities**: Any form of a courtesy that has a monetary value, including by way of example only: money or gift certificates of any kind, loans, free services or discounts, computer or electronic equipment or games, liquor, golf or other athletic equipment or clothing, entertainment, meals, transportation, gifts, favors, benefits or services.

**Supplier**: Any company or individual that is an actual or potential supplier of goods, software, services or other items to GEEC or an employee, agent or other representative of a supplier.

**Employees**: All GEEC employees, contract personnel, consultants and representatives.
4.0 Document Revisions and Approvals

The following chart lists the revisions made to this document tracked by version. Use this to describe the changes and additions each time this document is re-published. The description should include as many details of the changes as possible.

Records of Reviewers and Approvers may be found within the DMS (Document Management System).

<table>
<thead>
<tr>
<th>Version</th>
<th>Section Modified and Revision Description</th>
<th>Date</th>
<th>Author</th>
</tr>
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<tbody>
<tr>
<td>1.0</td>
<td>New Issue. Replaces SPS-PSSQM-0450.</td>
<td>03/20/2013</td>
<td>Mary Schoeffler</td>
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<tr>
<td>2.0</td>
<td>Scope extended for all EM Employees, and policy now include both receiving and giving gift &amp; gratuities from/to supplier.</td>
<td>11/02/2015</td>
<td>Mary Schoeffler</td>
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<tr>
<td>2.1</td>
<td>Add Referenced to Return Of Decline Gifts Gratuities Letter</td>
<td>11/07/2015</td>
<td>Arianto Lawardi</td>
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<tr>
<td>2.2</td>
<td>Clarified Scope, Title, and updated Return of Decline Gifts and Gratuities</td>
<td>12/04/2015</td>
<td>Mary Schoeffler</td>
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<td>2.3</td>
<td>Energy Management to Energy Connections</td>
<td>08/05/2016</td>
<td>Arianto Lawardi</td>
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