



POLICY: Gifts and Entertainment Policy	EMPLOYMENT
APPROVED BY: <u>Taylor Made Golf Company, Inc. HQ - Carlsbad</u> CHIEF COMPLIANCE OFFICER, LEGAL DEPARTMENT, AND GLOBAL HUMAN RESOURCES	REVISED: January 2018 PAGE:

1. **Objective.** This Gift and Entertainment Policy (this “Policy”) establishes TaylorMade’s global policy regarding the offering and receiving of gifts and entertainment. This Policy should be read in conjunction with the Anti-Bribery and Corruption Policy. “TaylorMade” means, collectively, Taylor Made Golf Company, Inc., and its subsidiaries and affiliates worldwide.
2. **Scope.** The Policy applies to all TaylorMade Employees and Representatives, all of whom are required to read, understand, abide by and apply this Policy. In addition, TaylorMade managers are required to enforce this Policy and ensure that people and entities for which they are responsible understand, adhere to, and apply this Policy.

“Employees” mean TaylorMade directors, officers, employees, temporary employees, and interns.

“Representatives” mean suppliers, distributors, consultants, contractors, and other persons or entities working with, or on behalf of, TaylorMade.

3. **Offering and Receiving Gifts and Entertainment.** In many countries, gifts and entertainment plays an important role in local customs. However, when given inappropriately, gifts and entertainment could violate anti-bribery laws and corruption laws. Therefore, applicable laws and TaylorMade policies must be followed. Gifts and entertainment, whether offered or received, must:
 - Be legal for both the offeror and the receiver;
 - Be reasonable, appropriate, and not given in return for an obligation, for example a contract;
 - Be given in TaylorMade’s name or the name of the responsible TaylorMade subsidiary;
 - Be occasional;
 - Be transparent; and
 - Be in good taste and occur at a business appropriate venue and which if made public would not cause embarrassment to TaylorMade.

If the TaylorMade employee does not follow the above requirements, then he or she will not be reimbursed for any expense for a gift that has been offered and may face employment consequences, up to and including termination of employment. This Policy does not apply to gifts given or received of a personal nature. As a non-limiting example, if an employee is invited to a wedding or a birthday party by someone with whom the employee has both a personal and business relationship, this Policy does not prohibit a reasonable gift given personally appropriate to the occasion, clearly offered as such, and without any expectation or the appearance of an expectation that it is in return for a favorable business purpose.

The following gifts are never appropriate and must not be offered to third parties or received by a TaylorMade employee:

- Unreasonable or lavish side trips;
- Entertainment that can be viewed as excessive in the context of the business occasion;
- “Adult” entertainment or any sort of event involving nudity or lewd behavior; and
- Per diem cash payments or allowances.

In all situations, whether a gift and entertainment is offered or received, a legitimate and justifiable business reason is mandatory. This applies regardless of whether a third party, such as a partner, vendor, or consultant pays for travel and entertainment on behalf of TaylorMade. Generally, friends or family members may not travel with an employee at TaylorMade’s expense; any exceptions to this rule must be agreed to by HR or a Compliance Manager in writing.

Paying for travel (as opposed to gifts and entertainment) for a third party is not allowed without the express permission of a Compliance Manager.

4. **Gifts and Entertainment for Public Officials.** TaylorMade employees must exercise extreme caution when offering gifts and entertainment to public officials. It is critical that gifts and entertainment to public officials are not construed as bribes and do not create an actual or perceived conflict of interest. Further, public officials are often prohibited by law from accepting gifts or entertainment, so offering a gift may put the public official in an awkward position. Gifts to public officials may not be given to anyone in return for business, an official act or decision, or to obtain an unfair business advantage.

All gifts and entertainment offered to public officials, except those of token value (e.g. less than \$50.00 USD in total/combined value per receiver per year) must be pre-approved by the Chief Compliance Officer, the Deputy Compliance Officer, or the Regional Compliance Officer in writing.

In all cases gifts or entertainment to any recipient who is a public official must be clearly documented including with details of the recipient, their position, and the reason for the gifts or entertainment. This documentation must be made available to the Chief Compliance Officer, the Deputy Compliance Officer, or the Regional Compliance Officer upon request.

A “public official” is any person holding (or candidate therefor) a legislative, executive, public, administrative, or judicial office, whether appointed or elected, whether permanent or temporary, paid or unpaid, irrespective of that person’s seniority; a political party; employees of state-owned or controlled enterprises and any official exercising a public function; and any official or agent of a public international organization.

5. **Charitable Contribution of Gifts Received.** Regardless of value of any gift, and to avoid the perception of a conflict of interest, TaylorMade encourages all employees who receive gifts as employees of TaylorMade to return the gift, donate the gift to an approved charity, accept the gift on behalf of the company (e.g. a vase or artwork could be displayed in a common area of the office) so long as that is made explicit to the giver and recorded appropriately, or to place them in a common pool or redistribute them among colleagues.

TaylorMade employees who receive a gift at an event (e.g. a customer outing or a commemoration of a business transaction) that might not be appropriate or permitted under this Policy, but which would be impractical or offensive to refuse at the time, may (1) consider if it can be refused or returned without offense by stating it is company policy; (2) accepting on behalf of the company if it makes sense to do so; (3) similarly share gifts of food or wine with coworkers (e.g., holiday baskets); or (4) give to charity or use item as a raffle prize at a company function or charitable event and give the proceeds to charity.

6. **Requesting Gifts or Entertainment.** TaylorMade employees must never ask for gifts or entertainment, gratuities, or other items that that benefit them personally, regardless of value. TaylorMade employees are expected to exercise good judgment in accepting gifts from suppliers, customers, or other business associates outside TaylorMade. TaylorMade employees should talk to their manager or their Compliance Manager when in doubt as to whether a gift is appropriate.
7. **Non-Compliant Gifts and Entertainment.** If a TaylorMade employee does not follow the above requirements for a gift or entertainment offering, he or she may not be reimbursed for the expenses and may face employment consequences. He/she may also face employment consequences if he/she accepts gifts or entertainment that is not disclosed in accordance with this Policy.
8. **Policy Contact.** Any TaylorMade Employee who has any questions about this Policy, or who witnesses or suspects a violation of this Policy, should report it to HR or to the Fairway Hotline by calling (800) 461-9330 or by submitting an incident report at www.taylormadegolf.com/fairwayhotline, where a full list of global numbers is also available.