

Gifts and entertainment
POLICY

Why do we need this gifts and entertainment policy?

The Kersia **CODE OF ETHICS** adopted in June 2019 set out the basic principles and minimum rules to be observed so that we can act with integrity and therefore build lasting and trusting relationships with all our stakeholders.

However, we need to go into more detail on some of the subjects in these guidelines that require greater attention on a day-to-day basis.

The gifts and entertainment policy is derived from the Kersia Code of Ethics, which states that, in general, gifts and entertainment are strictly forbidden if they are of more than token value or may appear likely to influence a business relationship or decision-making process.

This policy is also part of the Group's anti-corruption programme, especially as the need for a gifts and entertainment policy was clearly highlighted in the initial mapping of the Group's corruption risks.

The line between acts of courtesy and corruption can sometimes be tricky to identify. The aim of this gifts and entertainment policy is therefore to help Group employees make the right decision when they are thinking about offering, or are themselves offered, a gift or entertainment, so that they can avoid rule violations and meet the Group's transparency and ethical requirements.

TO WHOM DOES THIS POLICY APPLY?

The Group's gifts and entertainment policy applies to ***all employees and managers of Group's businesses throughout the world***, whatever their status,

whether they are permanent or casual employees, as well as, indirectly, to their family members and friends.



The challenges

The trust of our stakeholders is built and maintained on a daily basis. To keep and develop this trust, it is essential to prevent any kind of abuse.

PROTECTING EMPLOYEES AND MANAGERS

The first people exposed to the risks of corruption are employees in their day-to-day work. While the degree of risk may vary depending on the position held, all employees are likely to be exposed to it, often unknowingly, whether through the acceptance of gifts or entertainment themselves or in offering them to others.

Group managers are also exposed to these risks, not only in the course of their work but also in their role as managers, meaning that they are obliged to implement measures to limit the risks of corruption within the company they manage. Furthermore, they may be held responsible for the behaviour of employees under their leadership.

*Risks in terms of sanctions:
An employee is liable for civil,
administrative or criminal
sanctions, as is the manager
of the company in question.*

PROTECTING THE COMPANY AND THE GROUP MORE GENERALLY

Behind the subject of gifts and entertainment lies the issue of protecting the Group's reputation. Through their actions, employees convey the Group's image on a daily basis; what is more, unethical behaviour will have a direct impact on it as a whole.

The image of a group represents a financial asset that secures its reputation with its employees, partners, clients, suppliers and shareholders, and, as a result, has an effect on its performance and development.

*Risks in terms of sanctions:
Legal entities can also be prosecuted for acts of
corruption and may incur very heavy penalties of up
to several million euros.*

DEFINITIONS

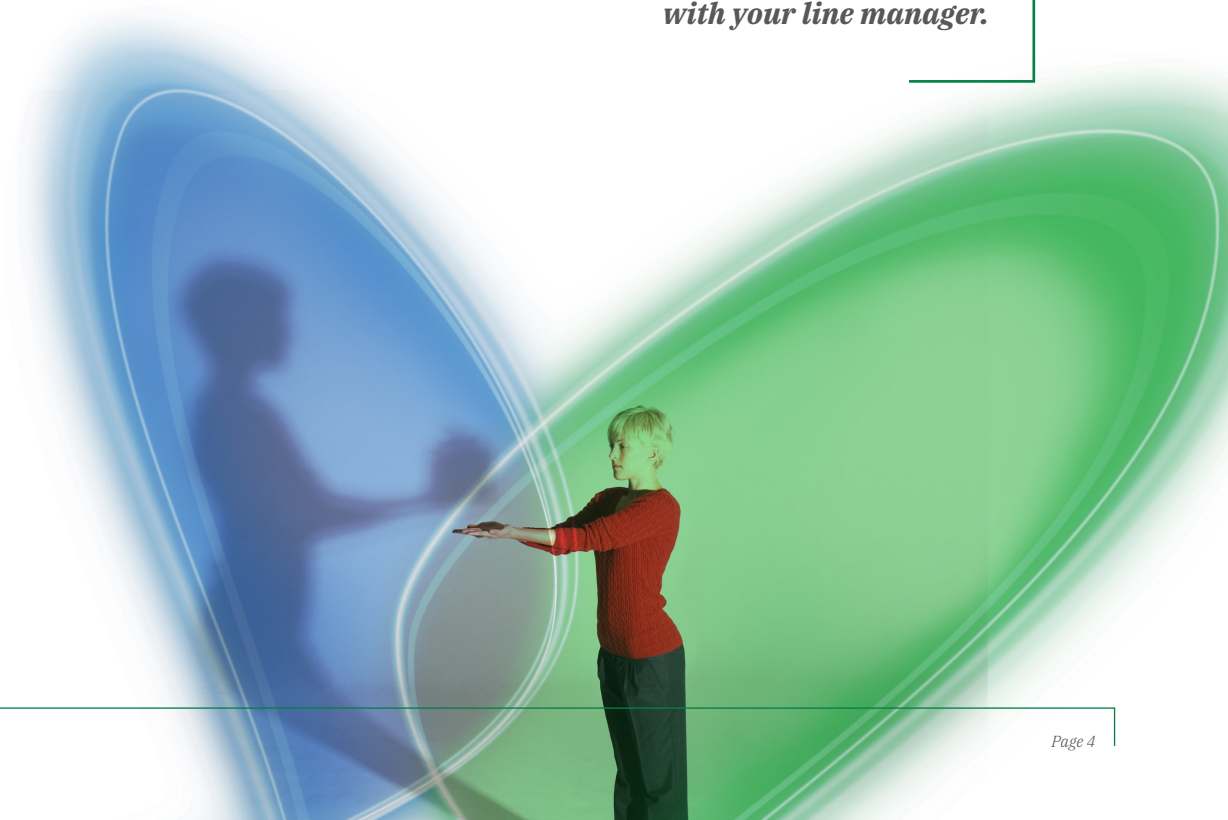
Not all gifts and entertainment invitations constitute acts of corruption.

However, they can become such if their aim is to obtain undue favour from the beneficiary in return for the advantage provided.

- **Active corruption:** Refers to a situation where any kind of gift or advantage is offered for carrying out, or refraining from carrying out, something within one's remit.
FOR EXAMPLE: Offering a sum of money to a public official in order to obtain marketing authorisations or to win a tender.
- **Passive corruption:** Refers to a situation where any kind of gift or advantage is accepted for carrying out, or refraining from carrying out, something within one's remit.
FOR EXAMPLE: Receiving a gift from a supplier to ensure the success of its bid in an ongoing tender process.
- **Gift:** A tangible asset offered within the context of a relationship, the value of which may depend heavily on circumstances (standard of living, background, etc.) and individuals.
FOR EXAMPLE: A bottle of wine, a box of chocolates, a watch, etc.
- **Entertainment:** An intangible asset intended to demonstrate the attention that you are paying to others, the value of which depends on the hosts and the circumstances.
FOR EXAMPLE: An invitation to a sporting event or concert, or to take part in a trip.

WHILE ACCEPTING OR OFFERING GIFTS OR ENTERTAINMENT IS NOT FORBIDDEN IN PRINCIPLE, it must be done in compliance with certain rules to avoid being considered an act of corruption and perceived as intended to obtain or grant an inappropriate advantage, or likely to influence a decision.

*It is advisable to assess the **REASONABLE NATURE** of the gift/entertainment, check the **PROFESSIONAL CONTEXT** and demonstrate **TRANSPARENCY** with your line manager.*



Guidelines

Gifts or entertainment offered or received must always comply with current legislation in the country where they take place and, where known, with the gifts and entertainment policy of the partner in question.

In any event, gifts or entertainment are strictly forbidden when they have more than a token or reasonable value or may seem likely to influence a business relationship or decision-making process.

THE REASONABLE VALUE
of a gift or entertainment
invitation must be assessed
according to the LOCAL
STANDARD OF LIVING.

YES

WE MUST:

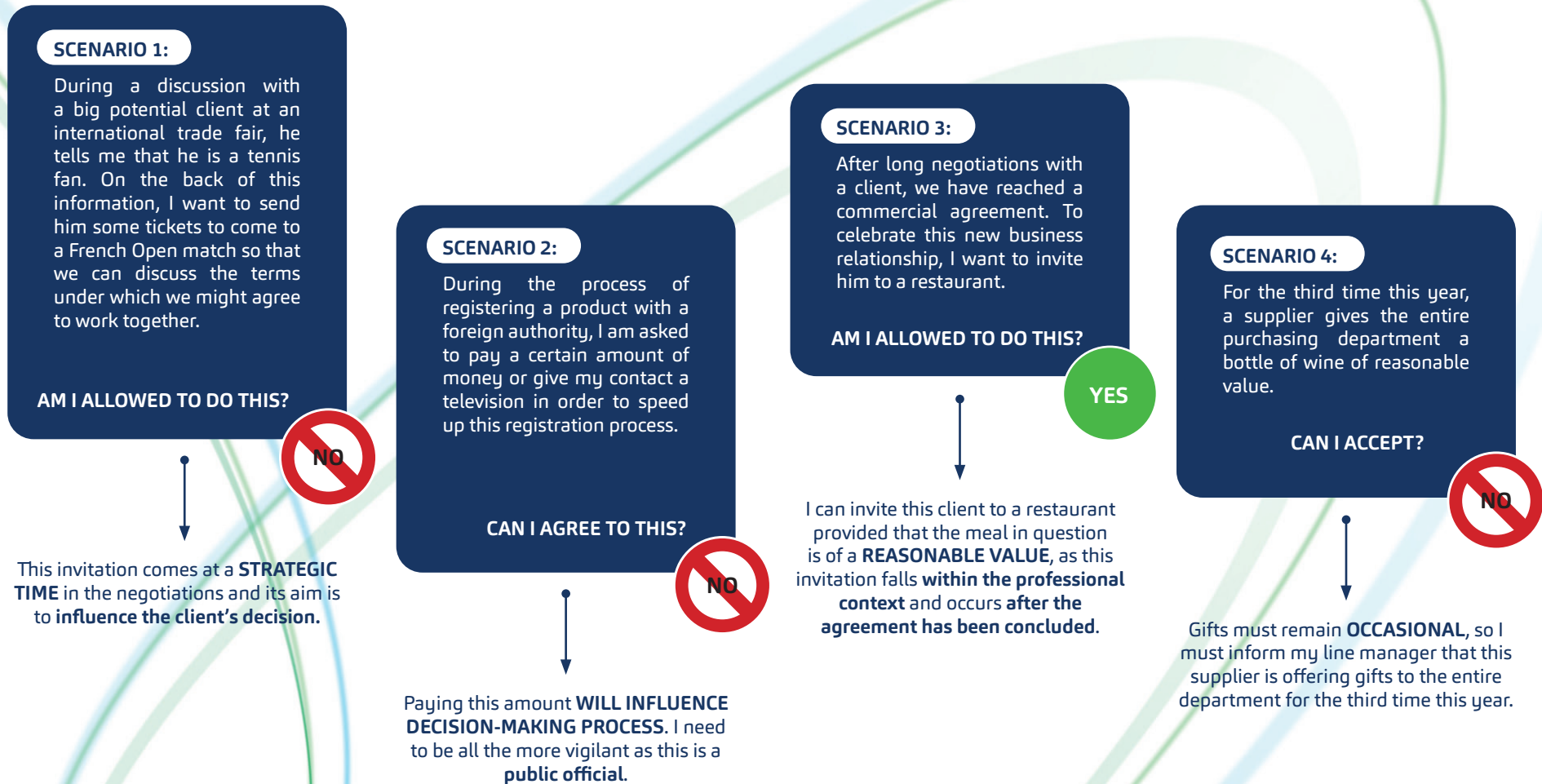
- Ensure that gifts and entertainment that we offer or receive are of a reasonable value and are offered or received in a professional context.
- Seek the agreement of our line manager before offering or receiving any gift from a public official.
- Record gifts and entertainment offered in the accounts.
- Declare all gifts and entertainment received, with the exception of business meals, if these gifts and entertainment invitations exceed the threshold set out below.
- Ensure that gifts and entertainment invitations are only occasional and report any situation to the contrary to our line manager.

NO

WE MUST NOT:

- Be influenced by our partners.
- Offer a gift or entertainment to a public official.
- Ask our partners for gifts or entertainment.
- Accept gifts or entertainment invitations of unreasonable or extravagant value.
- Receive or give monetary gifts in any form whatsoever (cash, cheque, bank transfer, etc.).
- Accept a gift or entertainment invitation, of any value, during a call for tenders or during business negotiations.

In practice



SCENARIO 5:

To thank me for excellent performance throughout the year, a client is inviting me and my partner to go and watch a football match in a box.

CAN I ACCEPT?

YES

The inclusion of my partner in this event and the estimated value of the invitation suggests we should refuse. However, this invitation is of an **EXCEPTIONAL NATURE** and is therefore reasonable. In this case, we recommend that you seek advice and approval from your line manager, who will decide how to proceed **based on the estimated value, the frequency of other gifts and entertainment invitations received from this third party and the relationship with the latter.**

SCENARIO 6:

Case no. 1: One of our biggest suppliers is inviting me to a seminar in the Canary Islands and tells me that I could then extend my stay with my family.

CAN I ACCEPT?

This invitation does **NOT** fall within the **CONTEXT OF PROFESSIONAL RELATIONS** and is **disproportionate.**

Case no. 2: One of our suppliers is inviting me to a training course in the Canary Islands.

CAN I ACCEPT?

This invitation seems to fall within the context of professional relations; however, it is advisable to **ASK YOUR LINE MANAGER FOR APPROVAL** and to check that this training course was **part of the training plan for the person involved.**

If you still have any doubts,
ASK FOR ADVICE from your line manager or from the Group's Legal department.

SCENARIO 7:

At Christmas time, a regular supplier sends me a box of chocolates.

CAN I ACCEPT?

YES

This gift is **NOT OF GREAT VALUE, IS A ONE-OFF** and will not **influence the relationship** with this supplier.

Helping you decide



If a gift or entertainment does not comply with the rules set out in this policy, you are advised to politely refuse it and, if applicable, to return it.

YOU SHOULD BE COMPLETELY TRANSPARENT WHEN TALKING ABOUT THIS POLICY WITH YOUR POINT OF CONTACT.

Nowadays, the vast majority of companies apply rules relating to gifts and entertainment, so your contact will understand that if their gift or entertainment invitation does not comply with the company's internal

regulations on the matter, you are not in a position to accept it. You should also be able to discuss the question of the value of the gift or entertainment in a frank manner.

If you find yourself in a situation where it is not possible for you to refuse or to refuse to offer a gift or entertainment that breaches this policy, you should inform your line manager and the Legal department.

Traceability

GIFTS AND ENTERTAINMENT OFFERED

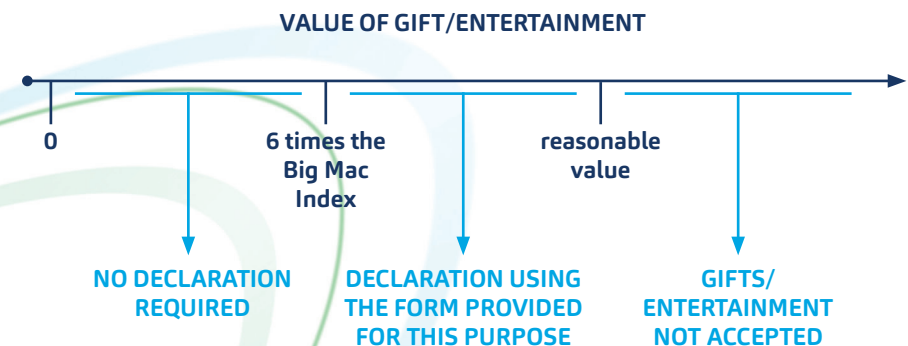
When employees wish to offer a gift or entertainment of reasonable value within the context of their professional duties and without the intention of influencing a decision, this gift or entertainment must be recorded in the accounts as such.

Reimbursement of the associated costs should be entered in the appropriate account and be duly declared as a gift or entertainment invitation, along with the name of the beneficiary and their company.

GIFTS AND ENTERTAINMENT RECEIVED

When employees receive a gift or entertainment invitation, with the exception of business meals that comply with the principles of this policy, they should declare it using the form* available at the following link: [Gifts and entertainment declaration form](#).

This declaration is only mandatory when the gift or entertainment exceeds a value of six times the [Big Mac Index](#)** rounded up to the upper value (see table below).



* The gifts and entertainment declaration form is only accessible to Group employees via their Intranet.


** Link to the Big Mac Index: https://planificateur.a-contresens.net/classement_par_pays/indice_big_mac.html



Country	Big Mac Index in local currency*	Value over which a gift should be declared	Value over which a gift should be refused
Germany	EUR 3.78	EUR 23	
France	EUR 4.02	EUR 25	
Turkey	TRY 23.56	TRY 142	
Canada	CAD 6.02	CAD 37	
China	CNY 17.16	CNY 103	
Argentina	ARS 194.12	ARS 1165	VALUE TO BE
Brazil	BRL 20.94	BRL 126	DETERMINED BY
Switzerland	CHF 7.28	CHF 44	EACH EMPLOYEE
Ireland	EUR 3.59	EUR 22	IN ACCORDANCE
UK	GBP 3.30	GBP 20	WITH THE RULES
Austria	EUR 3.49	EUR 21	AND PRINCIPLES
Belgium	EUR 3.81	EUR 23	SET OUT IN THIS
Czech Republic	CZK 66.04	CZK 397	POLICY.
Hungary	HUF 932.68	HUF 5597	
Spain	EUR 3.76	EUR 23	
Italy	EUR 3.97	EUR 24	
Mexico	MXN 63.27	MXN 380	
The Netherlands	EUR 3.56	EUR 22	
Poland	PLN 9.39	PNL 57	
Denmark	DKK 35.78	DKK 215	
Uruguay	UYU 172.37	UYU 1035	
USA	USD 4.79	USD 29	

* Source of exchange rate used: ECB fixings as of 31/12/2019

FAILING TO COMPLY with or finding a way round this gifts and entertainment policy is **STRICTLY PROHIBITED** and may be subject to penalties in accordance with the scale of sanctions set out in the internal regulations of the entity in question.



*Furthermore, the giving or receiving of gifts/entertainment by a Group employee involving undue compensation could constitute an **ACT OF CORRUPTION** and thereby expose the employee and Group company in question to criminal sanctions, as well as directly damaging the Group's reputation.*



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