



<b>Gifts, Hospitality and Entertainment</b>	
<b>POLICY ID #: CORP_HR_011</b>	
<b>Original Implementation Date: June 2020</b>	<b>DEPARTMENT: Human Resources</b>
<b>Revision Date: March 2024</b>	<b>Approved by: SVP Human Resources</b>

**1. POLICY:**

This policy covers the receiving and giving of gifts, hospitality, and entertainment in the scope of the company business activities. This policy applies to all interactions among PriceSmart’s employees and Third Parties doing business or processing any procedure for our company.

**2. PURPOSE:**

Appropriate gifts and entertainment can help build and maintain relationships. However, when gifts and entertainment are excessive, they can bring unnecessary risk to our business. This Policy is intended to help us avoid these risks, which include corruption, bribery, influence peddling, conflicts of interest, and kickbacks and reinforces our commitment to maintaining the highest standard of business and personal ethics as set forth in the PriceSmart’s Code of Ethics.

**3. SCOPE:**

This policy is applicable globally to all PriceSmart employees at all levels.

**a. DEFINITIONS:**

**Gifts:** these are items of value accepted from or provided to a Third Party by a PriceSmart’s team member, Gifts do not have commercial value, and are distributed by way of courtesy, advertising, upon the occasion of commemorative dates or events, and may or may not refer to the company logo or its brands and products, some examples of gifts are:

- Merchandise such as gift baskets of grocery/fruit/chocolate, low value wine, clothing, mugs, pens, low value collectibles, and hospitality bags with toothpaste, soap, shampoo, etc.

**Prohibited Gifts:** All those valuable items, goods, personal property or intangible property such as but not limited to:

- Cash or cash equivalents, gift cards, expensive bottles of alcohol, fine jewelry, travel tickets or discounts, sport and / or cultural event tickets, lodging benefits or discounts, restaurant and spa vouchers or similar, electronics (cellphones, tablets, laptops, etc.), home appliances, payments for medical or cosmetic treatment, high end car accessories, furniture and / or construction

materials, credit / debit cards, bank certificates and / or deposits, scholarships and / or tuition fees, donations.

**Entertainment:** It refers to all forms of activities in which the donor is involved and present. Entertainment includes spectator events such as soccer, baseball, cricket, hockey, opera, concerts, theater, and events participatory, such as golf, fishing, and other recreational activities where the donor is present (if the donor is not present at the activity, it is considered a gift).

**Hospitality:** It means the provision of accommodation, transportation, and other amenities including food and beverage during meetings, conferences, and seminars for a business purpose.

**Third Party:** It means any non-PriceSmart person, including customers, prospective customers, suppliers, prospective suppliers, vendors, prospective vendors, service providers, government officials and any person with whom PriceSmart does or may do business or processes for the operation.

**b. GUIDELINES:**

Employees of PriceSmart need to follow these guidelines when dealing with situations that include any Gifts, Hospitality, or Entertainment with third parties:

- Always use good judgment with gifts, Hospitality and Entertainment as while the giving and receiving of gifts and hospitality in some situations is considered customary business practice, they can also create conflicts of interest and give the appearance of favorable treatment.
- Do not circumvent this policy by using personal funds or third parties to give gifts, hospitality or/and entertainment.
- If possible, politely decline offers of gifts, entertainment, and hospitality unless where in the culture it could be perceived as a personal insult.
- Always report offers of gifts, entertainment, and hospitality to your supervisor immediately while turning prohibited gifts over to the Company for distribution if it is inappropriate to refuse.
- All gifts, entertainment and hospitality must have a legitimate business purpose. Always ask yourself if there is a genuine business case. For example:
  - Entertainment that promotes or informs customers, suppliers, or other people about our products is generally legitimate.
  - Hospitality that strengthens or develops cordial business relationships (as with clients, suppliers, vendors, partners of associated companies or brand representatives) is generally legitimate.
  - Token gifts (such as pens, mugs, and items bearing the PriceSmart logo) that are given as a gesture of goodwill to customers are generally legitimate.
  - When accommodation is strictly necessary for business reasons, accommodation can be accepted or offered at a reasonable cost for this purpose is generally legitimate.

**Government Officials:** Gifts, meals, and entertainment for government officials are subject to additional restrictions and prohibitions. Before you offer gifts, meals, or entertainment to a Third Party it is important to know if the Third Party is a Government Official or employee of a state-owned or controlled business. Contact Legal or Ethics and Compliance if in a similar situation.

**Third parties:** Accepting Meals and Entertainment from vendors or Third Parties is subject to any local law or other restrictions set forth in this Policy, team members may accept reasonable and appropriate meals or entertainment from Third Parties only for legitimate business purposes and if it meets the following conditions:

- It is infrequent.
- It is permitted by law.
- It is not offensive.
- It is not solicited or requested.
- It is not given as a bribe, payoff, or kickback.
- It does not create the appearance (or an implied obligation) that the Third Party is entitled to preferential treatment.
- It occurs at a business-appropriate venue.
- Its price is reasonable and appropriate in the context of the business occasion and the parties' respective positions.

Remember that cash or cash equivalents, regardless of the amount, are prohibited and should never being offered or received. If you have questions about cases involving third parties, please contact Legal or Ethics & Compliance.

**c. LIMITS OF VALUE:**

Be aware that always in accordance with the general rules described in this Policy and any local policies, PriceSmart employees are permitted to give or deliver nominal gifts, hospitality, and entertainment only for business purposes / interactions. Employees must adhere to the following listed amounts:

	<b>Giving and receiving</b>
Gifts	USD 25
Hospitality	USD 100
Entertainment	USD 100

*These amounts are maximum values which means that the lowest cost must always be applied for each category. i.e. an employee cannot receive / give more than \$25 in gifts, \$100 in hospitality, or \$100 in entertainment from / to the same third party during the same fiscal year.*

*Before giving or receiving any of these, please ensure appropriate approval by your supervisor and document the case.*

*If any special circumstances require to increase the approved amount of giving or receiving gifts, hospitality and / or entertainment, document the exception with enough information regarding the reason and business need for it and obtain the approval in written or electronic by your supervisor and Ethics & Compliance area.*

*If any doubt arises, do not hesitate to contact your Ethics & Compliance area - [ethicsandcompliance@pricesmart.com](mailto:ethicsandcompliance@pricesmart.com) - for further information.*

**d. RETURN OR DONATION OF PROHIBITED GIFTS:**

If a prohibited gift by this Policy is received, contact your manager, Legal, Human Resources or Ethics & Compliance for guidance on how the gift may be returned, donated, or otherwise handled.

**4. RESPONSIBILITIES:**

**Employee:** Employees must become familiar with this policy and follow it in all business deals. Employees are also expected to report any violations of this policy or any other policy in PriceSmart.

To report issues related to this policy, the employee should do it by notifying their direct supervisor, HR, Legal or Ethics & Compliance. The Right Way Help Line is also available in all the countries where we operate, anytime from any location and in multiple languages.

CALLS FROM THE USA **(844) 742-7310** (EE, UU, y USVI) (toll-free)

ALL OTHER COUNTRIES **+1 (503) 495-2682** (English) / **+1 (503) 495-2683** (Spanish) / (Collect call) The call is free. Ask the operator to reverse the charges.

Remember you can remain anonymous if you choose.

**Managers:** Monitor compliance of this Policy and detect and deter violations of this Policy in accordance with PriceSmart Disciplinary Process.

**Human Resources along with Ethics & Compliance:** Regularly encourage employee compliance with this Policy until it becomes routine and part of PriceSmart' culture by:

- Sending frequent e-mails or communications to different business units to promote the compliance of this Policy.
- Keep records of training and communications of this Policy, preferably through online certification to ensure compliance and understanding.

**5. VIOLATION OF THE POLICY:**

Violation of this Policy is a cause of disciplinary action, up to and including termination of the employment contract.

**6. AUTHORITY:**

The Human Resources department is responsible for the Administration of this Policy.

**7. REVIEW & APPROVAL:**

Reviewed by Terrance Mahon, VP HR Operations and Approved by Diana Pacheco, SVP Human Resources

**8. CONTACT INFORMATION:**

Terrance Mahon, VP HR Operations