



Gifts and Entertainment Policy	
POLICY ID #: CORP_PO_011	
Original Implementation Date: June 2020	DEPARTMENT: People Organization
Current Version: May 2025	Approved by: EVP People Organization

1. POLICY:

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

2. PURPOSE:

This policy is intended to help us avoid unnecessary 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 PriceSmart's Code of Ethics.

3. SCOPE:

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

A. DEFINITIONS:

Entertainment: It refers to all forms of activities in which the donor / sponsor party is involved and present, and there are other participants at the event receiving the same benefit. The intention (real or perceived) of the event is not to influence a decision-making process, but to be used as a mark of goodwill and to strengthen working relationships among business partners. Entertainment includes spectator events such as sports events, opera, concerts, theater, and participatory events, such as golf, fishing, and other recreational activities. If the donor is not present at the activity, it is considered a gift.

Gifts: These are items of value accepted from or provided to a Third Party by a PriceSmart team member. Gifts do not have any commercial value, are distributed by way of courtesy, advertising, upon the occasion of commemorative dates or events, and may or may not include the company logo or its brands and products.

Government Officials: They are individuals who hold positions of authority and responsibility within a governmental structure, making decisions that affect public policy and governance, whether elected, appointed, or employed by the government. Some examples may include:

- **Elected Officials:** Mayors, ministers, city council members, state representatives, legislators, and the President.
- **Appointed Official:** Cabinet members, agency heads, and judges.

- **Government Employees:** Civil servants, police officers, firefighters, and other personnel working for government agencies, including but not limited to a position as personal or executive assistant or secretary to any individual already described above.

Nominal Value Gifts: It typically refers to a gift of minimal monetary worth (**under USD\$25**), often given as a token of appreciation or goodwill. It is generally inexpensive and not meant to hold significant value. For example, pens, mugs, with a company logo (i.e. PriceSmart logo) or small holiday treats (i.e. cookies, snacks, etc.) could be considered gifts of nominal value.

Prohibited Gifts: All items with a value over USD\$25, including 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/hotels benefits or discounts, restaurant or 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, among many others.

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:

1. PriceSmart employees need to follow these guidelines when dealing with situations that include any Gifts or Entertainment with Third Parties:
 - If possible, politely decline offers of gifts and entertainment, unless this could be perceived as a personal insult in the particular culture.
 - Report to your supervisor any gifts or entertainment offers made to you, while turning prohibited gifts over to PriceSmart for distribution, if it is inappropriate or not possible to refuse.
 - Do not circumvent this policy by using personal funds or third parties to give gifts or entertainment.
 - All gifts and entertainment must have a legitimate business purpose. For example:
 - ✓ Nominal value gifts (such as pens, mugs, T-shirts, caps and items bearing the PriceSmart or Provider logo) that are given or received as a gesture of goodwill to customers are generally legitimate.
 - ✓ Entertainment where the sponsor is present and promotes or informs customers, suppliers, or other people about our products or providers' products or services is generally legitimate.
2. **Dealing with Government Officials:** Gifts, meals, and entertainment for government officials are subject to additional restrictions and prohibitions. Before you offer or receive 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 & Compliance if in doubt.
3. **Third parties:** Accepting Gifts or Entertainment from vendors or Third Parties (**above nominal value of USD\$25**) may be subject to any local law or other restrictions set forth in this Policy, giving or accepting reasonable and appropriate gifts or entertainment from Third Parties, must only occur for legitimate business purposes and if it meets the following conditions:
 - a. Approved by your supervisor, Legal, People Organization or Ethics & Compliance.
 - b. It is infrequent; it is permitted by law; it is not offensive; it is not solicited or requested; it is not given or received 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 business occasions and the parties' respective positions in compliance with this policy.

- c. Remember that cash or cash equivalents, regardless of the amount, are prohibited and should never be offered or received.

If you have questions about cases involving third parties, please contact Legal or Ethics & Compliance.

C. RETURN OR DONATION OF PROHIBITED GIFTS:

If a gift prohibited by this Policy is received, contact your Manager, Legal, People Organization 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, People Organization, 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). Remember you can remain anonymous if you choose.

Managers: Monitor compliance with this Policy, detect and deter violations accordingly.

People Organization / Ethics & Compliance: Regularly encourage employee compliance with this Policy until it becomes routine and part of PriceSmart' culture through training and communication.

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 People Organization department is responsible for the Administration of this Policy.

7. REVIEW & APPROVAL:

Reviewed by Terrance Mahon, First Vice President, People Organization and approved by Diana Pacheco, Executive Vice President, People Organization

8. REVISIONS AND UPDATES:

Version	Version description	Date Modified
V.0	Creation of the policy	June 2020
V.1	Update of the policy	March 2024
V.2	Review and update of the policy	May 2025

9. CONTACT INFORMATION:

Terrance Mahon, First Vice President, People Organization

Ethics & Compliance email: ethicsandcompliance@pricesmart.com