

GIFTS
AND ENTERTAINMENT
POLICY



Investments that transform



1. PRESENTATION

The purpose of this policy is to establish rules on offering and accepting gifts and entertainment, as outlined in the Code of Conduct, and it is part of the measures set out in **The Fraud, Bribery and Corruption Risk Management System (SARFC for its acronym in Spanish)**.

The practice of offering and accepting business gifts, hospitality or entertainment is a common way to strengthen business relationships and, with some restrictions, it is a legitimate practice, as long as they adhere to internal rules and ethical standards and applicable laws.



2. OBJECTIVE

The main objective of this policy is **to set standards of conduct** to minimize the occurrence of situations of potential, perceived or actual conflicts of interest, and the risks of fraud and bribery associated with offering and accepting gifts and entertainment.



3. RULES

3.1. GENERAL RULES

- 1 We do not offer, accept or solicit gifts, hospitality or entertainment that could be understood or **give the appearance of an obligation or bribery.**
- 2 **We do not offer, promise, pay or authorize payments, directly or indirectly,** to influence the decisions of any government official, authority or third-party.¹
- 3 **We do not offer, accept or solicit gifts, hospitality or entertainment** in exchange for granting any advantage or ignore any procedure for or against a third party.
- 4 **We do not offer, accept or solicit gifts, hospitality or entertainment** when a decision is pending or when it may influence the judgment of a third party.

¹ Third parties are all those individuals or legal persons who have or may have any business relationship with Grupo Argos, including: **customers, suppliers, middlemen, consultants, authorities,**

- 5 **We do not, under any circumstances,** accept cash or cash equivalents.
- 6 Before accepting gifts, hospitality or entertainment **we verify that they are reasonable** in terms of cost, frequency and quantity.
- 7 **We refuse** all gifts, hospitality or entertainment that do not meet the parameters set forth herein.
- 8 **We do not offer,** accept or solicit gifts, hospitality or entertainment, related to the same third party, more than twice in a calendar year.
- 9 We discourage third parties from **offering gifts, hospitality or entertainment.**

3.2. GIFT, HOSPITALITY AND ENTERTAINMENT RULES

We may offer or accept gifts, hospitality or entertainment in relation to our job with Grupo Argos, **provided the following rules are adhered to:**

3.3. IN THE CASE OF HOSPITALITY AND ENTERTAINMENT:

- We always **attend** accompanied by the third-party.
- **We verify** that all costs involved are reasonable for the type of event.
- In the case of travel, within or outside of the place of residence, **it must be exclusively for Grupo Argos business purposes** and with express written authorization of the immediate superior who, in turn, will report the case to the Compliance Department.
- **We may accept hospitality only if it does not involve activities, products or places** that may be considered distasteful or embarrassing to the recipient, or that may damage the reputation of Grupo Argos or violate its ethical principles.

3.4. IN THE CASE OF GIFTS:

- We only accept institutional gifts, gifts of symbolic value and in any case, gifts whose value, based on a reasonable assessment, **is equal to or less than USD \$ 100.**
- We do not accept gifts that may be considered distasteful or that violate the **ethical principles of Grupo Argos.**

3.5. PROCEDURE

- We only accept institutional gifts, gifts of symbolic value and in any case, gifts whose value, based on a reasonable assessment, **is equal to or less than USD \$ 100.**
- We do not accept gifts that may be considered distasteful or that violate the **ethical principles of Grupo Argos.**
- In general, it is preferred that the hospitality or gift be returned or refused through a cordial communication, as established by the **Compliance Department for this purpose.**
- If the situation arises where returning the gift may adversely affect the relationship with the third-party or a gift cannot reasonably be returned or refused, the gift **will be donated to the Fundación Grupo Argos** and the fact will be informed to the third-party.

3.6. GIFT-GIVING RULES

- **We always respect our level of authority** to issue invitations or other gifts to third parties.
 - **We always respect the gifts, hospitality and entertainment policies** of third parties.
- The gifts and invitations that we offer must have
- a reasonable value, **based on our best judgment.**



4. DOUBTS AND INAPPLICABILITY

In case of doubt as to the propriety of accepting, giving or offering gifts, hospitality or entertainment, or if it is not possible to apply the parameters set here, **the issue must be reported immediately to the Director of Compliance for resolution.**

Depending on the relevance of the situation, and after making the respective assessment, **the Compliance Officer must refer the situation to the Business Conduct Committee.**



5. REPORTING VIOLATIONS:

Any violation of this policy must be reported immediately to the Compliance Department, to the Transparency Hotline or to the email empresarial@grupoargos.com.

Failure to comply with this policy may result in significant penalties as specified in the Code of Conduct.



6. SCOPE:

This policy is applicable to all employees, administrators, shareholders, directors, suppliers and persons associated to the Grupo Empresarial Argos.

Vice presidents are responsible for taking all necessary measures to ensure that this policy is adopted by affiliate, associate and subsidiary companies.



7. STAKEHOLDERS:

The following are the stakeholders that must be involved in setting up the activities necessary to implement the policy:

- Director of Compliance
- Compliance Officer
- Vice presidents
- President
- Internal Audit
- Conduct Committee
- Audit Committee
- Board of Directors

8. RESPONSIBLE FOR CONTROL AND APPROVAL:

This policy may be updated by recommendation of the **Conduct Committee**.

The Conduct Committee will review this policy, as necessary, **and will propose amendments as it deems appropriate**.

8.1 VERSION AND UPDATE

Considering that this policy has a special impact on third parties and shareholders it must be posted on the website. **Any modification made to it must have the same level of disclosure.**

No.	Chapter	Date	Description Version / Changes
V-001	All	November 5, 2014	
V-002	1, 2, 3, 3.5	November 17, 2015	Some parts of the purpose and general rules were modified and a procedure was included.

8.2 REVISIONS AND APPROVALS

Approvals	Approval date
Conduct Committee-Minutes No. 3	November 6, 2014
Conduct Committee-Minutes No. 3	November 17, 2015

ANNEX 1

 **GRUPO ARGOS**
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Gift and Hospitality Recording Form

Date	Area	Name	Position	Name of Contemparty (Beneficiary)	Description of gift entertainment, or hospitality	Approx. value in pesos	Accepted (S/N)	Comments	Appvd Imm. Superior	Appvd Compl Dir.

GENERAL COMMENTS

Large empty text area for general comments.