

VETOQUINOL GROUP

GIFTS AND HOSPITALITY POLICY

This Gifts and Hospitality Policy supplements the Ethics Code observed by the VETOQUINOL Group (“VETOQUINOL” or “the Group”) and the Middlesbrough Anti-Corruption Code of Conduct. It is fully consistent with the Group’s strategy, which aims to tackle all forms of corruption and promote ethical working relationships.

This Gifts and Hospitality Policy is not intended to replace applicable local regulations governing the animal health sector (Veterinary Code of Professional Conduct, Public Health Code, etc.) which take precedence.

The aim of this Policy is to outline clear and specific rules so that all employees may conduct themselves in an appropriate manner with regard to gifts and hospitality.

VETOQUINOL is aware that gifts and hospitality are common practice in corporate life, and even more so in certain countries where they are part and parcel of local customs. However, they may also be perceived negatively in other countries or under different circumstances, hence the Group’s desire to regulate the conditions in which they are offered or accepted in a professional context. VETOQUINOL wishes to define the circumstances in which gifts and hospitality may be offered or received so that they cannot be construed as acts of corruption.

To this effect, readers are reminded that committing any act of corruption would put VETOQUINOL at serious risk, both in terms of financial penalties and the Group’s reputation, and would leave any employees involved in these practices open to disciplinary and/or legal sanctions.

For that reason, all employees are requested to show the greatest of care with regard to gifts and hospitality, so as to protect the Group’s reputation for integrity.

All Group employees are therefore required to comply with this Gifts and Hospitality Policy, regardless of their role, hierarchical position, or the country in which they operate. Non-compliance with these rules, or non-compliance with current legislation may lead to disciplinary sanctions or even prosecution of offenders.

All employees will be provided with a copy of this Gifts and Hospitality Policy upon joining the Group.

It may also be viewed in French and English on the Intranet in the following location: <http://intranet.vetoquinol/fr/menu-haut/groupe/ethique-et-anti-corruption.html>

I. DEFINITIONS

A gift may be defined as a material benefit offered in the context of a social relationship. Its value is heavily dependent on circumstances (standard of living, context, etc.) and the individuals involved.

Hospitality may be defined as an immaterial benefit intended as a way of showing attention to others. The value will depend on the hosts and the circumstances.

The nature of hospitality and gifts may vary greatly, for example:

- items, cash, bonuses, payments, cash equivalents (vouchers, gift certificates, etc.), loans, personal discounts and allowances, free services, etc.
- business meals, invitations to cultural, sporting or social events, entertainment, travel, accommodation expenses, etc.

The nature of hospitality or gifts offered or received in the context of a working relationship will vary depending on the country, customs, people, businesses, and activity sectors.

This policy does not apply to any patronage, sponsorship deals or donations.

II. PRINCIPLE

The principle behind this policy is prohibiting any gift or hospitality that would be unlawful, or which may be construed as an undue advantage and/or perceived as a way of influencing a decision and/or encouraging favouritism towards a company and/or individual.

This applies to all gifts and hospitality, whether requested, offered, received or given, either directly or indirectly (via a third party).

However, **gifts and hospitality may be offered or received when the intention is to foster business relationships, as long as the conditions detailed below are fulfilled.**

It is therefore possible to accept or offer **gifts**:

- out of courtesy or reciprocity;
- that are of modest and reasonable value¹ (for example, gifted advertising materials);
- that do not address a personal need;
- that are not intended to influence a decision, gain any type of advantage, or encourage favouritism towards a company or individual;
- that are proportionate to current business practices in the country concerned;
- that involve no trade-offs.

It is possible to accept an **invitation to an event** or invite a business partner to an event (with or without travel) provided that:

- the event is business-related: for example, a visit to a manufacturing site or commercial farm;
- the invitation is of reasonable value;
- the time spent on entertainment activities should remain minimal compared to time spent on the main work-related focus of the invitation;
- the invitation to the event is permitted under local legislation.

Similarly, it is possible to invite our partners to professional and/or scientific conferences, seminars or conventions provided that:

- the objectives of those conferences, seminars or conventions are exclusively professional and/or scientific;
- the hospitality provided at those conferences, seminars or conventions are (i) limited to the event's professional and/or scientific objectives and (ii) of a reasonable level;
- they are provided only to our business partners (excluding any other individuals);
- local regulations governing hospitality in regulated professions (veterinary, pharmaceutical, etc.) are observed.

Gifting or being gifted a **meal** is possible:

- where it is for the purposes of exchanging business-related information;
- where it is of a reasonable value in light of local circumstances and customs.

¹ See values indicated in Appendix 1.

In any event, gifts and hospitality should not be frequent occurrences. The frequency of gifts and hospitality should reflect local circumstances and customs.

Notwithstanding the exceptions set out above, it remains strictly prohibited to:

- give or receive gifts or hospitality subject to conditions (in exchange for a trade-off and/or a benefit);
- give gifts or hospitality requested by a partner;
- request gifts or hospitality from a partner;
- offer gifts or hospitality to public officials (civil servants and similar);
- offer or receive gifts of cash;
- offer or receive commissions or any other form of personal remuneration;
- offer or receive gifts or hospitality to or from any individual outside the context of a professional relationship

Any exception to these rules will need to be approved in writing by the Vetoquinol Executive Committee.

III. BEHAVIOUR TO ADOPT

- **When you enter into a business relationship with a partner:**
 - Inform them that the VETOQUINOL Group observes strict anti-corruption rules, and provide them with a copy of the Anti-Corruption Code of Conduct.
 - Take note of any anti-corruption and/or gift policies that the partner may have.

Never accept or offer business partners a gift or hospitality that would violate their anti-corruption or gift policies.

- **Before giving or receiving a gift or invitation:**
 - Ask yourself:
 - What is that person's role?
 - Does that person offer or receive gifts or hospitality too often?
 - Is there anything unusual about the circumstances surrounding the offer of a gift or hospitality (e.g. entering a market, call for tenders, contract renegotiation, complaint)?
 - Could accepting the gift or hospitality change my behaviour towards this person?
 - Would I feel uncomfortable talking about the gift or hospitality to my colleagues and/or friends and family?
 - Show common sense and good judgement: the gift or hospitality should not suggest any expectation of a trade-off.
 - Check current legislation and local customs (don't forget you can always contact the PLRD).
 - Inform your supervisor of your plan in writing, and comply with the approval guidelines set out below.

- **If you offer or accept a gift or hospitality:**

- Comply with the prior approval guidelines set out below:

Value of the gift or hospitality²	Prior approval
Reasonable	None
Expensive	Top Manager
Very expensive	Member of the Executive Committee

- Use the form template attached in Appendix 2 when prior approval is required, and either post or email it to the person designated above;
- Attach the completed approval form to your expense report for any payment/reimbursement request for a gift or hospitality;
- Ensure that payments relating to gifts and hospitality are traceable – they should be duly documented and recorded in the company's accounts.

In any case, the cumulative annual value of all gifts and hospitality that a Group employee may (i) receive from any one source cannot exceed €150 or (ii) offer to any one recipient cannot exceed €250.

Never conceal any gifts or hospitality offered or received

This Gifts and Hospitality Policy is effective immediately, and may be revised at any point it is deemed necessary to do so.

² See values set out in Appendix 1

APPENDIX 1
Values³ of gifts or hospitality

	Currency	Reasonable	Expensive	Very expensive	Not permitted
Amount	Euros	<50	50< <150	150< <250	>250

The amounts shown in the table above are per beneficiary and per gift or event. Management reserves the right to change these amounts at any time.

³ Value corresponds to actual market value

APPENDIX 2

Gift or hospitality approval form template

GIFT OR HOSPITALITY APPROVAL FORM

DOCUMENT FOR INTERNAL USE ONLY

Full name and position of applicant:	
Context and nature of the gift or hospitality:	
Beneficiaries of the gift or hospitality:	
Full name(s), position(s)	Vetoquinol partner company/entity
Budget per person in €:	
If the value of the gift or hospitality is classified as higher than “reasonable”*, please explain why:	
Please note any other gifts and/or hospitality received by the beneficiary during the past twelve (12) months below:	

I confirm that I have read and understood the VETOQUINOL Group’s Gifts and Hospitality Policy, and that the above information is correct.

	Full name, position	Date	Signature
Applicant			
Approved by			

Please attach any required proof of identity to your request.