

## **GIFTS AND HOSPITALITY POLICY**

BMS3940  
Issue 5

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*« Ethics, Compliance  
and Corporate  
Responsibility »*

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# GIFTS AND HOSPITALITY POLICY

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**The aim of this policy is to ensure that gifts or hospitality, whether offered or received, are not and cannot be perceived as unduly influencing the beneficiary in the exercise of his or her functions.** MBDA employees may have, in connection with our business activities, to offer gifts or hospitality to customers, business partners<sup>1</sup> or visitors or to receive gifts or hospitality from them. However, there is a risk that gifts or hospitality can be or be perceived by a third party to be for the purpose of unduly influencing the beneficiary in the exercise of his or her functions.

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## PREAMBLE

MBDA employees may have, in connection with our business activities, to offer gifts or hospitality to customers, business partners<sup>1</sup> or visitors or to receive gifts or hospitality from them. This is recognised as part of doing business when seeking to improve our image, better present our products and services or establish or maintaining cordial business relationship.

However, there is a risk that gifts or hospitality can be or be perceived by a third party to be for the purpose of unduly influencing the beneficiary in the exercise of his or her functions. This might have critical consequences for MBDA in terms of reputation and legal consequences in case of violation of applicable international and national laws and regulations.

In order to manage this risk and in line with its Anti-Corruption Policy, MBDA has defined a Gifts and Hospitality Policy and corresponding Procedure as follows.

## SCOPE

The aim of this document is to describe the MBDA Gifts & Hospitality Policy and Procedure which shall be implemented in any MBDA Group Companies.

For the purpose of this document, gifts and hospitality are defined as follows:

- Gifts: any payment, gratuity, gratification, present or advantage, pecuniary or not, offered, promised, given or received, without any direct or indirect material or immaterial compensation.
- Hospitality: all forms of social amenity, entertainment, travel or lodging, or an invitation to a business, sporting or cultural event. This includes, but is not limited to: meals accommodation, transportation, entertainment, business events (e.g. seminar, conferences...) and other advantages. This should also include hospitality offered or received beyond agreed terms in commercial contracts.

Are excluded from the scope of this Procedure:

- Gifts or hospitality provided by MBDA to its own employees;
- Gifts or hospitality offered or received by any MBDA employee in his/her private capacity and unrelated to MBDA.
- Hospitality in commercial contracts approved by Compliance Officer



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## GIFTS AND HOSPITALITY POLICY

MBDA has defined key principles that all its employees must respect when wishing to offer or being in a position to receive G&H as follows.

### Key Requirements for offering or receiving G&H

Any gifts or hospitality, whether offered or received, shall comply with all following principles.

Compliance with laws, regulations and national customs. Any gift or hospitality, whether offered or received, must be:

- Permitted by local applicable laws and regulations;
- Permitted by beneficiary's organization specific codes, standards or policies if any;
- Appropriate (not unusual or lavish) considering the culture, local custom, standard of living or industry standards in the country where the G&H is offered or received.

Business purposes. Any gift or hospitality, whether offered or received, must relate to business purposes (promotion, demonstration, negotiation, execution of contractual obligations, building of business relationships...) Business purpose must, as far as possible, be easily demonstrated (written detailed agenda of visits and activities; attendance of at least one MBDA representative in case of meal or entertainment...).

Proportionate. Nature, value and frequency of the gift or hospitality must be appropriate to the occasion on which it is offered and to the respective position of the giver and the beneficiary.

Socially acceptable. Any gift or hospitality, whether offered or received, must be socially acceptable, i.e.:

- Reasonable in value, not lavish or extravagant;
- Not embarrassing for the beneficiary;
- Inducing no risk for MBDA's reputation if it were made public;
- Be occasional or not present any frequency patterns which might give rise to suspicions if made to a single beneficiary or received from a single giver.

Traceable. Any gift or hospitality, whether offered or received, must be properly managed and recorded.

Subject to prior approval. Any gifts or hospitality is subject to prior approval. Employees are not allowed to approve their own G&H.



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## Prohibited Gifts & Hospitality

G&H are prohibited in the following cases:

- Not permitted by local laws, regulations and policies;
- Not permitted by recipient's organization rules;
- In order to improperly obtain or retain any business, or to obtain any improper advantage, for MBDA;
- With the intention to unduly influence the beneficiary;
- Giving rise to an actual or perceived conflict of interest;
- In cash or cash equivalents (e.g. credit notes, shopping cards etc.);
- Paying of holiday;
- Entertainment which is or could be perceived as lavish, indecent or offending with respect to local custom or not related to business;
- Personal favours or services (e.g. relinquishment of debts, subsidized housing or home improvement etc.);
- Confidential or valuable information

## Offered Gifts & Hospitality

Offered gifts should preferably be supplied through Communication Directorate channel (corporate gifts). Promotional gifts (e.g. with company logo) should preferably be offered.

- Before deciding to bear travel, transportation, accommodation or other hospitality costs for visitors, the MBDA responsible person shall:  
Ensure that the travel, transportation and/or accommodation is necessary for the proper undertaking of their duties (e.g. to attend firing trials, presentations of MBDA's products at its factory etc.);
- Ensure if possible that the beneficiary's hierarchy is notified of the travel, transportation and/or accommodation to be provided;
- Restrict payments to the necessary travel, transportation, accommodation and meal expenses directly associated with a reasonable travel itinerary in relation to MBDA business;
- Limit associated entertainment to a reasonable level;
- Ensure attendance of at least one MBDA representative (of appropriate level) for meals and entertainment, unless exceptional circumstances duly justified;
- Get appropriate prior approvals as per Group Procedure.



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## Received Gifts & Hospitality

If in doubt whether a gift of hospitality can be received in compliance with this Policy and Procedure (whatever the amount), the Applicant shall preferably decline it. This includes, but is not limited to, significant gifts, acceptance of travel or accommodation expenses (whatever the amount), hospitality extended to family members, etc.

As a basis, acceptance of travel or accommodation expenses whatever the amount shall be avoided.

## Hospitality offered or received during implementation of a commercial contract and foreseen in said commercial contract

In case of hospitality offered or received during implementation of a commercial contract and foreseen in said commercial contract, such hospitality, whether offered or received, shall be compliant with the contractual terms and conditions.

In case of a need for hospitality offered or received during implementation of a commercial contract extending beyond the contractual terms and conditions, a G&H request shall be issued.

## Inability to comply with the Policy

In case it is not possible to decline a gift or hospitality (e.g. due to the circumstances or if it may offend the giver), Applicant shall inform the Compliance Officer to decide on appropriate action. In case of gift, action may for example consist in returning the gift to the giver or accepting it on behalf of MBDA with appropriate accompanying letter.

## Training & Awareness


Compliance Officers should undertake general awareness and communication actions to ensure any employee who could end up as an Applicant or Applicant Hierarchical Manager has general knowledge and understanding around the purpose and principles of the G&H policy and procedure.

Such training shall be repeated on a regular basis, as often as necessary. Attendance shall be regarded as mandatory.

At least one annual Group level general awareness communication on gifts and hospitality should be provided. Similarly, Compliance Officers should perform at least one annual general awareness communication on gifts and hospitality within their perimeter.

## **GIFTS AND HOSPITALITY PROCEDURE SUMMARY**

The procedure covers all stages of offering or receiving any gift or hospitality, from the initial request to the execution and reporting. Any offering or receiving of gift or hospitality by an MBDA employee shall follow the Procedure.



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It is the spirit, and not only the letter, of the Procedure that must be complied with. Deliberately trying to avoid falling into the Procedure by any means will be considered as a breach. Any such attempt or any failure to comply with the Procedure will lead to appropriate disciplinary actions in accordance with applicable laws and regulations and MBDA Human Resources policies.

If uncertain whether falling into the Procedure or not or in case of doubt about any step of the process, advice should be sought from the Compliance Officer.

The Procedure details:

- The Initiation of offering or receiving of G&H
- The Approval of G&H including general applicable rules, functional roles, required approvals, controls & checks, remediation of non-compliances
- The Execution and monitoring of the operation including execution, record-keeping and reporting
- The Implementation within MBDA companies