GIFTS & HOSPITALITY

GOVERNANCE INSTRUCTION

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1. DOCUMENT OVERVIEW

1.1 PURPOSE

The purpose of this Instruction is to define the rules and requirements for obtaining approval before giving or accepting a gift or hospitality.

It is part of the Group's Integrity and Compliance Program. Any decision to give or accept gifts or hospitality shall be made with the utmost care in order:

- to ensure compliance with applicable legislation, particularly applicable anti-corruption and influence peddling laws
- to verify the legitimacy of the gift or hospitality (whether given or received)
- never to support, through gifts or hospitality, candidates for elective office, elected officials and their families, or political parties, trade unions or religious organisations
- in general, never to give or accept gifts or hospitality that are not in line with the Group's values and priorities in terms of ethics, integrity and corporate responsibility.

1.2 APPLICABLE DOCUMENTS

The applicable documents are:

- Document [1]: Thales Group – Overall Organisation (87206430-GOV-GRP)
- Document [2]: Thales Group – Operating Principles (87206431-GOV-GRP)
- Document [3]: Thales Group – Business Governance Rules (87206844-GOV-GRP)
- Document [4]: Code of Ethics (87201854)
- Document [5]: Code of Conduct - Prevention of corruption and influence peddling (87213512-GOV-GRP)
- Document [6]: Governance Instruction - Community Investment, Sponsorship and Memberships (87213789-GOV-GRP)
- Document [7] : Governance Instruction - Policy on prevention and detection of the risk of corruption and influence peddling (87214889-GOV-GRP)
- Document [8] : Personal Data Protection Policy (87212828-GOV-GRP)
- Document [9] : Professional expenses processing (87215948-FIN-GRP)
- Document [10] : Memorandum from the SEVP, COO & Chief Performance Officer – Major Countries – Expenses (ref. DGOP/2019-05-27)
- Document [11] : Governance Instruction - Policy on prevention, detection and management of conflict of interests (87215749-GOV-GRP)
- Document [12] : Governance Instruction - Business travel procedures in sensitive countries (87203724-GOV-GRP)
- Document [13] : Governance Instruction – Group travel policy (87218350-GOV-GRP)

1.3 GLOSSARY

Controlled Entity (or Entity): A legal person or entity which Thales has the power and authority to manage, whether directly or indirectly, through the holding of shares with voting rights, via a contract or any other means, including the notion of control in accordance with article L233-3 of the French Commercial Code. In the case of joint ventures, this includes legal persons or entities in which Thales holds, directly or indirectly, 50% or more of voting rights, or more than 40% of voting rights, with no other partner having a larger holding (individually or together with other partners).

Country: Country as defined in the Thales Group – Operating Principles organisation memo (87206431-GOV-GRP).

Country Corporate: Country Corporate as defined in the Thales Group – Operating Principles organisation memo (87206431-GOV-GRP).

Facilitation payments: Small sums paid directly or indirectly to a public official (for example, a customs or immigration official) in return for diligently performing an administrative procedure or easing a bureaucratic process (for example, expediting an approval or a decision that has been accepted in principle).

Gift and Hospitality: Includes any good, service or favour of any kind (for example, meals, gifts, entertainment, training, leisure activities, hotel stays, rentals, transportation, loans, etc.) given free of charge or below market value to its recipient.

Instruction: This Governance Instruction.

Platform : This refers to the digital platform developed by the software editor Optimy, deployed within the Thales group, for i) the declaration of Gifts and Hospitality offered and/or received, and ii) the management of the approval workflows for these Gifts and Hospitality by the line manager and, where applicable, by the Chief Compliance Officer / Compliance Officer of the Thales Entity to which the employee is attached; the declarations made via this platform constitute the register of Gifts and Hospitality of the Thales Entity concerned.

Public official: Any natural person who cumulatively fulfils the following two criteria :

- **on the one hand**, this **person** :
  - i) **holds a legislative mandate or occupies an administrative, military or judicial position** in the customer's / end-customer's country, whether by appointment or by election, on a permanent or temporary basis, with or without remuneration; or
  - ii) **exercises a public function, as a public official or public agent**, at any hierarchical level whatsoever, including within a public company or within a national or international public body; or
  - iii) **provides a public service or acts as a public official**, depending on the meaning that the law in force in the customer / end-customer's country gives to these terms;
- **and on the other hand**, this **person** :
  - i) **is or appears to be, by virtue of his/her function or his/her mission (past or current), in a position to influence** the customer's / end-customer's **final decision award for a contract**, or,

ii) **is able to influence the position** to be adopted by the customer or the end-customer **as part of the contract performance**.

Politically exposed persons (PEP): Any natural person who is either an "Initial PEP" or, by extension, a *"Relative"* to an *Initial PEP* :

1) an ***Initial PEP*** is a person who, **cumulatively** fulfills the following two criteria:
   - **on the one hand**, is a **''*Public Official*''** or a **senior official of a public company** or a **political party**, in the customer's / end-customer's country, **who is currently exercising his / her functions** or **who has ceased to exercise them for less than three (3) years**;
   - **and on the other hand**, this person, **by virtue of his or her function or mission (past or current)**, **can influence** the customer's / end-customer's **final decision award for a contract**, or **may influence the position** to be taken by the customer / end-customer **as part of the contract performance**.
2) A ***Relative*** of an ***Initial PEP*** is any one of the following people:
   - **parents, brothers and sisters, children of the *Initial PEP*** and the **spouse(s), well-known partner(s) and companion(s) of these children** ;
   - **spouse, well-known partner or companion of the *Initial PEP***, as well as **own ascendants and descendants of this spouse, well-known partner or companion of the *Initial PEP*** ;
   - **persons closely associated with the *Initial PEP***, that is to say any person who is widely and publicly known to have **close links**, in particular **business links**, **with the *Initial PEP***, including the beneficial owner of a legal entity, a legal person or a legal device held jointly with the Initial PEP or known to have been established for the benefit of the *Initial PEP.*

Thales Group: Thales and companies which are directly or indirectly controlled by Thales.

2. SCOPE AND SITUATIONS COVERED

2.1 SITUATIONS COVERED

The requirements resulting from Section 3 of this Instruction and laws and regulations in force, applies whenever a Thales group employee, in the course of his/her duties, plans to give or accept a Gift or Hospitality.

By way of exception, the approval rules set out in Section 4 of this Instruction does not apply to the following:

- **To the payment or agreement to pay travel and/or lodging expenses specified in tender terms and conditions or in business contracts**.

- **To promotional, low value Gifts and Hospitality (for example, "goodies")** given by or to Thales group employees by an authorised department (for example, Communications, Human Resources) or a Works Council. However, this Instruction does apply to any high value promotional gifts that are given or received (for example, certain mock-ups).

- **To social assistance measures by the Human Resources Department or a Works Council**, and, more generally, measures under policies adopted by the Human Resources Department (for example, free options, travel expenses for expatriate employees and their families, etc.).

- **To Gifts and Hospitality given to a** Thales group **employee to celebrate a personal or family event or their retirement, or an internal contest whose rules are expressly formalized and disclosed to employees** provided that these are usual presents and that they shall not be of excessive value.

- **To Gifts and Hospitality given to a** Thales group **employee in a private capacity, with no connection to their work within the Group**. However, a Thales group employee is not allowed to use private funds to give Gifts and Hospitality in a private capacity for the sole purpose of evading compliance with this Instruction.

- **To Gifts and Hospitality organized through community investment and sponsorship agreements**, which are covered by a dedicated governance instruction (ref. 87213789-GOV-GRP).

2.2 SCOPE

This Instruction applies to all Entities controlled by Thales, regardless of the country in which they operate.

This Instruction shall be deployed in its current state in all Countries, which shall publish the requirements and approval rules resulting from this Instruction in a local instruction in the language understood by the employees of the relevant country. However, the countries shall have the option of applying stricter requirements and approval rules to their entities.

3. APPLICABLE REQUIREMENTS

3.1 GENERAL REQUIREMENTS

Gifts and Hospitality that do not meet the following cumulative criteria may not be given or received by a Thales group employee:

a. **Gifts and Hospitality must be given or received for a legitimate business purpose**;

   They must never be aimed at obtaining or offering an undue advantage or influencing a decision, or give the appearance of such an aim; and

b. **Gifts and Hospitality**, whether given or received, **must comply with the provisions of this Instruction**, **applicable anti-corruption and influence peddling laws**, and all other applicable laws and regulations; and

c. **Gifts and Hospitality**, whether given or received, **must be socially acceptable**. This means that Gifts and Hospitality, whether given or received, must cumulatively:

   1) **Be occasional**. Gifts and Hospitality, whether given or received, should not be recurring, even if they are of limited value, as recurring Gifts or Hospitality could give the appearance of an attempt at corruption or influence peddling.
   2) **Be of a reasonable nature and value,** in accordance with local standards and the position of both the person giving the Gift or Hospitality and the person receiving it. The internal rules applicable to the recipient's entity must also be considered, if those rules are known.
   3) **Have no impact on the Thales group's reputation** if they are made public.

It is generally recommended not to give or accept a Gift or Hospitality that would raise legitimacy or legality questions if it were given or accepted in a personal capacity.

Therefore, the following are prohibited:

- Any **Gifts and Hospitality that do not meet the three cumulative criteria** above.
- Any **Gifts and Hospitality** given to or received by a recipient **in a position of making a decision (for instance a member of the selection committee assessing the tenders),** or his/her immediate family members or persons known to be his/her close associates, in an **on-going bid or selection process.**
- Any **Gifts and Hospitality** given to or received by a recipient **in a position of making a decision (for instance a member of a committee)**, or his/her immediate family members or persons known to be his/her close associates, regarding an outstanding contract in order to influence or attempt to influence a decision related to the **performance of an on-going contract** (such as a decision aiming to cancel or reduce penalties, a decision in the course of the acceptance procedure, etc.)
- Any **Gifts and Hospitality** that could **create a conflict of interest real or potential**.
- Any **Hospitality from a person not present at an event or for which the sole recipient is not a professional** (such as a family member, friend or guest of the recipient or of the inviting person).
- Any **Gift for which the sole recipient is not a professional** (such as a family member, friend or guest of the recipient or of the offering person).
- Any **Gifts or Hospitality intended to support candidates for elective office, elected officials or their families, political parties, trade unions or religious organisations**.
- **Payment of any subsistence allowances** (in cash, pre-paid card or the equivalent) to any or all members of a delegation, **if such payment is not contractually agreed**.
- **Contractual provisions** aiming to authorize the **payment of any subsistence allowances the amount of which is unreasonable**.

Gifts and Hospitality given to public officials or politically exposed persons

Anti-corruption and influence peddling regulations pay particular attention to relationships with public officials or politically exposed persons.

Employees must be sure not to give Gifts and Hospitality to public officials or politically exposed persons **with the intention of obtaining or maintaining a contract or influencing or attempting to influence an official decision**. Giving a Gift or Hospitality to public officials or politically exposed persons during the bid process may be interpreted as an attempt to influence a decision and is therefore strictly prohibited.

In the course of their work at the Group, Thales employees are also prohibited from receiving:

- cash or cash equivalents
- shares or financial derivatives of shares
- gift certificates or pre-paid cards
- loans
- high value equipment (cars, televisions, computer equipment, etc.) or free use of such equipment
- rebates, discounts or other reductions
- free services (registration fees, pension schemes, etc.)
- facilitation payments.

3.2 SPECIFIC REQUIREMENTS

In addition to the general requirements stated in 3.1, the following specific requirements also apply:

- Gifts and Hospitality:
  - Gifts & Hospitality must be given in the name of the company, not the giver.
  - No Gifts or Hospitality may be given or received if they are of an inappropriate nature or could impact the Thales group's reputation if made public.
  - If an Hospitality is given or received during a business trip, the activity to which the Hospitality is given or received (cultural or leisure activity) must be accessory and proportional to the professional purpose of the business trip.

- Payment of non-contractually agreed travel and/or lodging expenses (public or private customers, suppliers):
  - Such expenses should only be paid in circumstances related to an important business meeting, product or service demonstration, etc. and in accordance with this Instruction and with the Group's "Travel Policy" procedure.
  - It is prohibited to offer to pay any travel or lodging expenses during a bid process, except when expressly stated in the bid and only for the purpose of demonstrating products or services.
  - In any event, payment of such expenses (which must in all cases be reasonable) must be made directly to the appropriate providers (hotels, car rental companies, airlines) and properly reported with the corresponding documentation. If that is not possible, third parties may be reimbursed for such expenses upon presentation of the corresponding documentation.

- Any contractually agreed incidental expenses provided under subsistence allowances must in all cases be reasonable and shall be paid upon signature of a receipt providing the justification, traceability and transparency of the expense.

- Extra scrutiny shall apply to Gifts or Hospitality offered to, as well as for the payment of travel and/or accommodation expenses in favour of a person in position to influence on the editorial content of a press article related to Thales.

- Gifts and Hospitality to public officials[1] must comply with any laws and regulations governing representational activities and any applicable rules of professional conduct[2]. Gifts and Hospitality

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[1] This includes :
- in France, public decision-makers namely within the meaning of Article 18-2 of Act° 2013-907 of 11 October 2013 on transparency in public life ; et
- public officers (namely within the meaning of Article 1.4 of the OECD Convention on combating bribery of foreign public officials in international business transactions).

[2] For example, in France, representatives of interests may not offer or give persons with whom they come in contact in the Senate any presents, gifts or benefits worth over €150.

to public officials must therefore be documented and traceable in accordance with applicable laws and regulations.[3]

4. APPROVAL RULES

The following rules apply to all Thales group employees, whether they give or receive a Gift or Hospitality.

The threshold and approval process applicable to members of the Group Executive Committee are specified in a dedicated governance note.

The thresholds indicated in this section refers to threshold applicable to the business address of the Thales employee declaring a Gift or Hospitality, whether in position of giving or receiving the Gift or Hospitality.

These thresholds refer to an **estimate amount per beneficiary in euros or in the equivalent in local currency**.

<u>In France, the threshold is of 100 euros per beneficiary inclusive of all taxes</u>.

In each country in which the Group operates, a “Country” threshold is proposed by the relevant Compliance Officer and communicated to the Ethics and Integrity Department (DEI) for the establishment of the consolidated list. This list is validated by the Integrity and Compliance Committee (ICC)**. This “Country” threshold inclusive of all taxes shall be below or equal to the threshold applicable in France. This Country” threshold is published in the local Gifts and Hospitality instruction and registered in the Platform by the software editor.**

The thresholds are reviewed once a year if necessary. Any request for an increase in the country thresholds must, before being presented to the Integrity and Compliance Committee, be subject to prior verification by DEI of the consistency of this request with changes in the cost of living in the country concerned.

In the table below, the term "**Special Case**" refers to the **following circumstances**, which require **special attention**:

- **Gifts and Hospitality given to (or by) Public Officials or Politically Exposed Persons ;**
- **Visits of delegations (public or private customers, suppliers)** with payment of non-contractually agreed travel and/or lodging expenses ;
- **Gifts and Hospitality offered** as well as the **payment of travel and/or accommodation expenses in favour of a person** in a position to **influence the editorial content of a press article concerning Thales**;
- **Any circumstance preventing the strict application of the rules laid out in this Instruction**.

[3] For example, in France, any benefit (gift or hospitality) with an individual value of over €50, including taxes, given by representatives of interests to public officials must be included in their annual statement of representation expenditures.

Threshold (threshold applicable in the Country of the declaring person)	Approval of Gifts or Hospitality, given or received, that meet the three conditions laid out in Article 3.1 Any decision-making on Gifts or Hospitality shall be based upon an **assessment of present and past circumstances combining nature, frequency and value of a Gift or of an Hospitality.**
Value ≤ €100 inclusive of all taxes in France **Or** **≤ Country threshold (if other than France)**	The commitment and responsibility lie with the **employee** who gives or receives the Gift or Hospitality.
Value > €100 inclusive of all taxes in France **Or** **> Country threshold (if other than France)** **And** **excluding Special Cases**	**Prior approval** in principle by the employee's **n+1** required before offering or accepting the Gift or Hospitality. An employee who receives a Gift or Hospitality of a value above this threshold must provide a detailed report to his or her n+1. The n+1 must decide on the appropriate response (refuse, send back, donate to charity, etc.), depending on the nature or value of the Gift.
Value > €100 inclusive of all taxes in France **Or** **> Country threshold (if other than France)** **And in** **in the presence of a Special Cases**	**Prior approval** in principle required before offering or accepting the Gift or Hospitality, by: ➢ the employee's **n+1**, and ➢ the relevant **Chief Compliance Officer** / **Compliance Officer of:** - the GBU (in France), or of the French legal entity (outside GBU), or - the Country (outside France), or - in charge of the relevant area within DGDI if there is no Compliance Officer in the Country. Considering the headquarters: - the Chief Compliance Officer for the Human Resources Function, or - the head of Legal & Contracts Department in other cases.

If the person giving or receiving the Gift or Hospitality is a:

- **Director of a Major Country**: **prior approval** must be obtained from the **Chief Financial Officer and the Chief Compliance Officer of the relevant Major Country**, then from the Non-Executive Chairman (within the meaning of the Thales Group Instruction – Overall Organisation (87206430-GOV-GRP). The Non -Executive chairman shall require the prior advice of the head of the Legal and Contracts Department;
- **Member of the Group Executive Committee**: **prior approval** must be obtained from the **person or persons designated in the dedicated governance note in force** applicable to the **members of the Group Executive Committee**.

In both cases, the **prior advice from the Chief Compliance Officer of the GBU (in France) or of the Major Country is required only if the estimate value is above the applicable threshold and in the presence of a Special Case**.

The applicant must formulate his request via the Platform.

This request is sent to the line manager via an email with a hyperlink to the Platform.

The line manager can either approve or reject the request, or approve it and forward it to the Chief Compliance Officer / Compliance Officer for validation. In the latter case, the Chief Compliance Officer / Compliance Officer receives an email with a hyperlink to the Platform and can either approve or reject the request.

The line manager and the Chief Compliance Officer / Compliance Officer will take into account the requirements of section 3 of this Instruction.

5. MONITORING AND CONTROL OF THE APPROVAL PROCESS OF GIFTS AND HOSPITALITY

5.1 OBLIGATION TO ENTER THE REQUEST FOR APPROVAL OF GIFTS AND HOSPITALITY IN A DEDICATED PLATFORM

To ensure their traceability, the Gifts and Hospitality subject to this Instruction and which estimate value is above the applicable approval threshold shall be compulsorily registered in the Platform, to ensure their traceability.

For this purpose, the Platform is available from the Group's intranet, "My applications" section.

The Platform can also be used to register Gifts and Hospitality whose value is below or equal to the approval threshold.

Countries which intend to impose to their staff the registration in the Platform of any Gifts and Hospitality whether given or received, whatever their estimate value, shall mention this obligation in the local instruction.

The Group's employees are invited to ensure the protection of personal data and to enter only information relevant to the processing of declarations in the Platform.

Chief Compliance Officers / Compliance Managers can at any time extract from the Platform a file listing all requests for validation of Gifts and Hospitality given or received for a given period. This file constitutes the register of Gifts and Hospitality for the legal entity to which the employee belongs.

5.2 RECORDING OF EXPENSES RELATED TO GIFTS AND HOSPITALITY

To ensure transparency, expenses related to Gifts and Hospitality must be recorded in the corresponding Thales entity's books and be properly documented (type, amount, recipient's name and title, name and title of the person giving the Gift or Hospitality, purpose of the event, date).

If these expenditures are subject reimbursement as professional expenses, requests for reimbursement are tracked via in the travel and expense reporting and approval tool (Concur or other tools for Thales entities that have not yet implemented Concur).

If a prior approval is required, the employee shall provide the documentary proof of the preliminary approvals obtained before any request for reimbursement of professional expenses or payment of expenses related to Gifts and Hospitality.

When prior approval is required in accordance with this Instruction, the employee must attach the proof of approval issued through the Platform to his or her request for validation of the expense report and request for reimbursement or payment.

5.3 MEASURES OF CONTROL ON REQUESTS FOR APPROVAL

Level 1 control:

The local Human Resources Manager shall ensure that at the arrival in an Entity of any newly-hired employee that he/she has read and electronically adhered to the Group’s Code of Ethics and Code of Conduct – Prevention of corruption and influence peddling.

Compliance verification on Gifts and Hospitality whether given or received, specifically their registration into the Entity’s Gifts and Hospitality register, is conducted through the approval rules set out above.

Regarding travel and accommodation provided for a person external to the Group, control is conducted at the time the mission order is approved.

Finally, expenses related to Gifts and Hospitality which are reimbursed through presentation of professional expense reports are subject to validation by the line manager and by the accounting department, pursuant to usual validations of expense reports.

Level 2 control:

The Human Resources Director in charge of the Entity shall conduct sampling exercises of verification to ensure that newly-hired employees have read and electronically adhered to the Group's Code of Ethics and Code of Conduct – Prevention of corruption and influence peddling.

The Chief Compliance Officer of the Entity shall regularly check the existence and the good use of a register of Gifts and Hospitality.

An additional Level 2 control shall be conducted through regular and sampling reviews of professional expenses reports by higher hierarchical levels and/or by the accounting manager of the Entity.

Level 3 control:

Audits performed by DARCI aim at ensuring a 3rd level of control regarding Gifts and Hospitality: anticorruption audits of the Entities, Major Countries, Regional Companies, YAL's audits and ICQ's audits. Ad-hoc audits relating to the implementation of this Instruction may also be performed according to the DARCI audits plan.

One an audit is performed by DARCI, the resulting action(s) plan, which shall be determined with the Entity, shall be included in DARCI final report, and this action(s) plan shall then be implemented by the Entity (with the support of the Chief Compliance Officer and of the management team).

DARCI is in charge of overseeing the implementation by the relevant Entity of the action(s) plan, until its full completion, with the exception of compliance actions defined in audits of YALs and ICQs which shall be monitored by the Compliance Officer in charge of the Entity.

5.4 PERSONAL DATA PROTECTION

Each Group's entity is responsible of the processing of personal data provided by its employees using the form provided via the platform made available to them as part of the implementation of the Integrity and Compliance Program, with the objective of ensuring the risk of corruption and influence peddling.

Each Group's entity must ensure that personal data are processed in compliance with Thales Data Protection policy available in CHORUS under the reference (87212828- GOV-GRP).

Furthermore, the employees of the Group's entities have access to an information notice related to the processing of their personal data in the frame of the Gifts & Hospitality management, via their tool for human capital and recruitment management (Workday) in the "Personal data" section.

6. PENALTIES

Failure by an employee to adhere to applicable legislation and this Instruction is liable to result in a disciplinary sanction, up to and including dismissal for serious or gross professional misconduct, irrespective of any civil and criminal proceedings that may arise from the offence.

7. CONTACTS

If in doubt, seek the advice of your line manager or of the Chief Compliance Officer / Compliance Officer of your entity.

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Building a future we can all trust

LOG OF CHANGES			
Version	Date	Author	Change
001	2/1/2019	Sylvie Blanchard	Creation
002	April 2021	Sylvie Blanchard	1. Details on approval rules 2. Obligation to register any Gift and Hospitality above the approval threshold in the dedicated Group platform 3. Inclusion of the Corruption risk mapping of November 2020 4. Integration of Levels 1, 2 and 3 controls 5. Various clarifications
003	October 2021	Sylvie Blanchard	Clarifications to specify - The procedures for prior approval by the line manager and, if applicable, the Compliance Officer; - The procedures for establishing and maintaining Hift and Hospitality registers; - The procedures for validating the thresholds defined locally by the Compliance Officers and applicable to countries other than France.
004	January 2025	Arnaud Raffestin	Changes to the list of applicable documents, in the Glossary ; Extension of the number of Special Cases referred to in section 4 (ie coverage of travel and/or accommodation expenses for a person able to influence the editorial content of a press article concerning Thales), for which prior approval requires a decision by the N+1 and the Chief Compliance Officer.

APPROVAL				
	Name	Title	Date	Signature
Owner	Arnaud RAFFESTIN	VP, Group Ethics and Integrity	10/02/2025	
Validation	Florence GOURGEON	VP, Quality and Customer Satisfaction	10/02/2025	
Approval	Isabelle SIMON	Group Secretary & General Counsel	12/02/25	

CAUTION: If this document is printed, check its validity by consulting the latest version in force in Chorus 2.0.

All comments and proposals for changing the content of this document should be addressed to Thales Quality and Customer Satisfaction Department