

US FOODS
GIFTS & ENTERTAINMENT POLICY
Effective Date: December 19, 2019

I. Purpose and Scope

Creating and maintaining productive and successful relationships with our customers, suppliers and business partners is critical for US Foods. These relationships must be based on fair and objective business decisions, free from corruption or commercial bribery.

This policy applies to all US Foods associates and sets forth the rules that apply when exchanging gifts or entertainment, including charitable donations, with our current or potential customers, suppliers and business partners. Because there are very restrictive limits on what we can exchange with healthcare and government customers or business partners, we address that separately. This policy does not apply to gifts given to associates by US Foods, or exchanged by associates at US Foods, which are addressed in the Associate Handbook. This policy is administered by the Law Department, Ethics and Compliance team.

II. Gifts and Entertainment for Commercial Customers, Suppliers and Business Partners

We offer and accept gifts and entertainment with third parties only when such exchanges are legal, reasonable and appropriate, transparent, and have a legitimate business purpose. Gifts and entertainment include anything of value, such as meals, tickets to events, rounds of golf, travel or hotel expenses, charitable contributions or donations.

Modest, sensible gifts and entertainment are part of the normal course of business. Occasional meals, ordinary sports or cultural events, occasional rounds of golf or gifts of nominal value to any one customer or partner during a calendar year are acceptable without further approval **if valued at \$250 or less**. Some gifts and entertainment are never acceptable, including cash or cash equivalents, items provided in exchange for reciprocal action (quid pro quo or pay to play) or any item that is illegal or sexually explicit.

Advance approval from your manager (email is acceptable) is required for gifts over \$250 annually, and for group functions with business partners involving more than 10 attendees.

All offered gifts and entertainment for commercial customers, suppliers or business partners must be paid for with the corporate American Express card and accurately recorded in the CONCUR system.

III. Special Considerations

A. For Suppliers

When exchanging gifts and entertainment with suppliers, associates should ensure that supplier agreements and sponsorships are:

- Not be conditioned, and do not appear to be conditioned, on contribution to US Foods' charitable requests or causes.
- Based on a legitimate business purpose related to the supplier, not solely a desire to transfer expense. Associates without a US Foods email address who become aware of a conflict of interest or potential conflict must disclose the conflict by notifying their immediate supervisor and local HR representative. The HR representative shall assist the associate in reporting the disclosure through the disclosure system.

B. For Government Customers and Healthcare Customers

With very limited exceptions, we cannot offer anything of value to government customers, healthcare customers or the GPOs and sponsors who work with us in the healthcare segment. **Government customers** include: any federal, state or local government entity, public schools, public universities and federal, state, county, city and other local institutions or entities receiving federal funds. **Healthcare customers** and business partners include: entities receiving benefits from any federal healthcare program, such as hospitals, skilled nursing facilities and other long-term care facilities, as well as group purchasing organizations and individuals and entities closely affiliated with such customers and business partners, such as sponsors and marketing partners.

The purpose of these rules is to facilitate US Foods and its customers' compliance with the federal anti-kickback and other fraud and abuse laws related to federal healthcare programs, and to comply with federal, state and local restrictions that apply to government officials and entities. Violations of these rules can result in criminal and civil penalties, as well as exclusion from having or bidding on future government contracts.

For these customers, US Foods may:

- Offer coffee, water and light refreshments.
- Offer and accept working lunches with healthcare customers and business partners.
- Share a meal or other outing with healthcare and government customers and partners, but we must pay our own way and ask them to pay theirs.
- Invite customers to attend US Foods' Food Fanatic events. However, US Foods may not pay for travel or hotel expenses, and these customers are not eligible for prizes or contests beyond modest logoed merchandise.

- Invite these customers, once per year, to functions held contemporaneously with trade show events, if the function includes a presentation regarding our products, does not include any entertainment, and the per-person value does not exceed \$50 dollars per person. (In certain high-cost markets, an increase of the per-person value may be permitted with the prior approval of the VP, Ethics & Compliance.

Other than the exceptions described above, **associates may never offer or provide gifts, gratuities or entertainment, or give or authorize the giving of any cash payment or payments in goods or services, to any government or healthcare customer or business partner** without prior written approval by the General Counsel and Chief Compliance Officer or the Vice President Ethics and Compliance.

C. For Charitable Donations

Charitable Donations are a form of gift. US Foods is committed to making charitable donations in a manner that does not improperly influence, or create the perception of improperly influencing, business decisions. **All requests for donations by or for entities associated with healthcare or government customers and business partners will be reviewed and decided upon exclusively by the General Counsel and Chief Compliance Officer or Vice President, Ethics and Compliance in consultation with the Associate General Counsel, Commercial, and Corporate Communications.** All other donations may be made locally if required information is collected as described below and Region President, Area President or functional leadership approval is received:

- The recipient of a charitable donation must be a charitable organization under section 501(c)(3) of the Internal Revenue Code and must provide a copy of the letter from the Internal Revenue Service determining the requesting organization to be tax-exempt under Section 501(c)(3) of the Internal Revenue Code.
- Donation payments must be made by wire transfer or company check.
- No tickets purchased to any charitable event may be provided to any healthcare or government customers. Tickets may be provided to US Foods employees or given to the charitable organization to distribute.
- In kind donations must be for the purpose of the charitable mission of the organization, not for employee events, and must be accompanied by an indemnification agreement.