

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

Effective date: January 01, 2025

### **1. Overview**

Penfold World AG (“Penfold”) is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UKBA) and similar laws in other countries that prohibit improper payments to obtain a business advantage. This document describes Penfold’s policy prohibiting bribery and other improper payments in the conduct of Penfold’s business operations and employee responsibilities for ensuring implementation of the Policy. Questions about the Policy or its applicability to particular circumstances should be directed to the Rita Bosshard ([rita.bosshard@penfold-trade.com](mailto:rita.bosshard@penfold-trade.com)).

Penfold strictly prohibits bribery or other improper payments in any of its business operations. This prohibition applies to all business activities, anywhere in the world, whether involving government officials or other commercial enterprises. A bribe or other improper payment to secure a business advantage is never acceptable and can expose individuals and Penfold to possible criminal prosecution, reputational harm or other serious consequences.

This Policy applies to everyone at Penfold, including all officers, employees and agents or other intermediaries acting on Penfold’s behalf. Each officer, employee, and agent of Penfold has a personal responsibility and obligation to conduct Penfold’s business activities ethically and in compliance with all applicable laws based on the countries wherein Penfold does business. Failure to do so may result in disciplinary action, up to and including dismissal.

Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. These payments should not be confused with reasonable and limited expenditures for gifts with a value less than USD50 (Fifty dollars), business entertainment and other legitimate activities directly related to the conduct of Penfold’s business.

Penfold has developed a comprehensive program for implementing this Policy, through appropriate guidance, training, investigation and oversight.

The prohibition on bribery and other improper payments applies to all business activities, but is particularly important when dealing with government officials. The U.S. Foreign Corrupt Practices Act and similar laws in other countries strictly prohibit improper payments to gain a business advantage and impose severe penalties for violations. The following summary is intended to provide personnel engaged in international activities a basic familiarity with applicable rules so that inadvertent violations can be avoided and potential issues recognized in time to be properly addressed.

## COMMON QUESTIONS ABOUT ANTI-BRIBERY LAWS

### **What do anti-bribery laws prohibit?**

The FCPA, UKBA and other anti-bribery laws make it unlawful to bribe a foreign official to gain an “improper business advantage.” An improper business advantage may involve efforts to obtain or retain business, as in the awarding of a government contract, but also can involve regulatory actions such as licensing or approvals. Examples of prohibited regulatory bribery include paying a foreign official to ignore an applicable customs requirement. A violation can occur even if an improper payment is only offered or promised and not actually made, it is made but fails to achieve the desired result, or the result benefits someone other than the giver (for example, directing business to a third party). Also, it does not matter that the foreign official may have suggested or demanded the bribe, or that a company feels that it is already entitled to the government action.

### **Who is a “foreign official”?**

A “foreign official” can be essentially anyone who exercises governmental authority. This includes any officer or employee of a foreign government department or agency, whether in the executive, legislative or judicial branch of government, and whether at the national, state or local level. Officials and employees of government-owned or controlled enterprises also are covered, as are private citizens who act in an official governmental capacity. Foreign official status often will be apparent, but not always. In some instances, individuals may not consider themselves officials or be treated as such by their own governments but nevertheless exercise authority that would make them a “foreign official” for purposes of anti-bribery laws. Personnel engaged in international activities are responsible under this Policy for inquiring whether a proposed activity could involve a foreign official or an entity owned or controlled by a foreign government, and should consult with Penfold executive management when questions about status arise.

### **What types of payments are prohibited?**

The FCPA prohibits offering, promising or giving “anything of value” to a foreign official to gain an improper business advantage. In addition to cash payments, “anything of value” may include the following:

- Gifts, entertainment or other business promotional activities;
- Covering or reimbursing an official’s expenses;
- Offers of employment or other benefits to a family member or friend of a foreign official;
- Political party and candidate contributions;
- Charitable contributions and sponsorships.

Other less obvious items provided to a foreign official can also violate anti-bribery laws. Examples include in-kind contributions, investment opportunities, stock options or positions in joint ventures, and favorable or steered subcontracts. The prohibition applies whether an item would benefit the official directly or another person, such as a family member, friend or business associate.

Under the law, Penfold and individual officials or employees may be held liable for improper payments by an agent or other intermediary if there is actual knowledge or reason to know that a bribe will be paid. Willful ignorance – which includes not making reasonable inquiry when there are suspicious circumstances – is not a defense, and it also does not matter whether the intermediary is itself subject to anti-bribery laws. All employees therefore must be alert to potential “red flags” in transactions with third parties.

Penfold, its affiliates, and agents must keep accurate books and records that reflect transactions and asset dispositions in reasonable detail, supported by a proper system of internal accounting controls. These requirements are implemented through Penfold's standard accounting rules and procedures, which all personnel are required to follow without exception. Special care must be exercised when transactions may involve payments to foreign officials. Off-the-books accounts should never be used. Facilitation or other payments to foreign officials should be promptly reported and properly recorded, with respect to purpose, amount and other relevant factors. Requests for false invoices or payment of expenses that are unusual, excessive or inadequately described must be rejected and promptly reported. Misleading, incomplete or false entries in Penfold's books and records are never acceptable.

Penfold has established detailed standards and procedures for the selection, appointment and monitoring of agents, consultants and other third parties. These standards and procedures must be followed in all cases, with particular attention to "red flags" that may indicate possible legal or ethical violations. Due diligence ordinarily will include appropriate reference and background checks, written contract provisions that confirm a business partner's responsibilities, and appropriate monitoring controls. Personnel working with agents and other third parties should pay particular attention to unusual or suspicious circumstances that may indicate possible legal or ethics concerns, commonly referred to as "red flags." The presence of red flags in a relationship or transaction requires greater scrutiny and implementation of safeguards to prevent and detect improper conduct. Appointment of an agent or other third party ordinarily requires prior approval by an appropriate senior manager, description of the nature and scope of services provided in a written contract, and appropriate contractual safeguards against potential violations of law or Penfold policy.

This Policy imposes on all personnel specific responsibilities and obligations that will be enforced through standard disciplinary measures and properly reflected in personnel evaluations. All officers, employees and agents are responsible for understanding and complying with the Policy, as it relates to their jobs. Every employee has an obligation to:

- Be familiar with applicable aspects of the Policy and communicate them to subordinates;
- Ask questions if the Policy or action required to take in a particular situation is unclear;
- Properly manage and monitor business activities conducted through third-parties;
- Be alert to indications or evidence of possible wrongdoing; and
- Promptly report violations or suspected violations through appropriate channels.

Any employee who has reason to believe that a violation of this Policy has occurred, or may occur, must promptly report this information to his or her supervisor, the next level of supervision, or Penfold executive management. Retaliation in any form against an employee who has, in good faith, reported a violation or possible violation of this Policy is strictly prohibited. Employees who violate this Policy will be subject to disciplinary action, up to and including dismissal. Violations can also result in prosecution by law enforcement authorities and serious criminal and civil penalties.

Schedule 1: Summary of Key Points: U.S. Foreign Corrupt Practices Act (FCPA)

Schedule 2: Summary of Key Points: United Kingdom Bribery Act (UKBA)

Schedule 3: Summary of Key Points: Singapore Prevention Of Corruption Act

## SCHEDULE 1

### Summary of Key Points: U.S. FOREIGN CORRUPT PRACTICES ACT (FCPA)

The “**Foreign Corrupt Practices Act of 1977**”, as amended, 15 U.S.C. §§ 78dd-1, et seq. (“**FCPA**”) is a U.S. federal law that is applicable globally, and makes it unlawful for any US or foreign entity or individual, who because of their commercial or other activities (either in the US or in any other country) become subject to the jurisdiction of the United States, to corruptly pay, promise, authorize, or offer to pay or give **Anything of Value**, directly or indirectly, to any non-U.S. government official, to any non-U.S. political party or party official, or to any candidate for public office in order to obtain or retain business, to direct business, or to gain an improper business advantage.

“**Anything of Value**” means any type of benefit and includes but is not limited to:

- Money (including discounts or credit)
- Services: healthcare, home improvement, education, spa treatments
- Gifts: jewelry, clothes, art, cars, equipment
- Donations: political contributions, payment of mortgages, car leases
- Charitable contributions to an organization in which a Government Official is involved
- Travel: vacations for the official, his/her family or friends or per diems
- Investment opportunities (e.g., “joint ventures”), offer of employment

“**Family Members**” means one of the following relationships: mother, father, spouse, civil union partner, sister, brother, son, daughter, grandchild, grandparent, aunt, uncle, nephew, niece, any of the preceding who where applicable who are “step” relatives, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, and daughter-in-law.

“**Government Official**” means: (1) any officer or any employee of a government entity, government department, or government agency; (2) any officer or any employee of a commercial enterprise that is fully or partly government owned or controlled; (3) any officer or employee of a public international organization such as the International Monetary Fund, the World Health Organization, and the World Bank, or others alike; (4) any political party official or political party; (5) any candidate for a political office; (6) any individual who acts on behalf of any of the above listed organizations or individuals, or (7) anyone that may be considered a government instrumentality (a person or entity controlled by a government and that performs a function the controlling government treats at its own).

#### What are the penalties for violating the FCPA?

The penalty for violating the FCPA can include civil or criminal fines of up to \$2 million (or two times the gross gain to the organization), forfeiture of assets, and imprisonment and fines for individuals. Collateral penalties may include disbarment from government contracting or loss of export privileges.

## SCHEDULE 2

### Summary of Key Points: UK Bribery Act 2010

#### Who does the UK Bribery Act apply to?

The UK Bribery Act applies to:

- any entity formed under the laws of the UK and persons acting on its behalf;
- any entity carrying on business in the UK and persons acting on its behalf;
- any British citizen, national or individual resident in the UK.

#### What is prohibited?

The UK Bribery Act prohibits giving or promising to give financial or other advantage, for the purpose of obtaining or retaining business or a competitive advantage, intending to induce a person to improperly perform a “relevant function” or to reward them for having done so. It covers both payments to or at the direction of a “foreign public official”, as well to commercial parties.

#### Who is a “foreign public official”?

A “foreign public official” is someone that holds a legislative, administrative position, exercises a public function or is an official or agent of a public international organization (e.g. the United Nations).

#### What is a “relevant function or activity”?

A “relevant function or activity” is:

- any function of a public nature;
- any activity connected with a business;
- any activity performed in the course of a person’s employment; and
- any activity performed by or on behalf of a body of persons.

Provided that the person performing the function was expected to perform it in good faith or impartially, or was in a position of trust by virtue of performing it.

#### What corporate liabilities and defences exist?

A corporate entity will be liable for the acts of its employees, agents and subsidiaries acting on its behalf. It is a defence to corporate liability that the entity had in place “adequate procedures” designed to prevent persons associated with it from violating the law.

“Adequate procedures” include risk assessment, managerial top level commitment, due diligence, policies and procedures, effective implementation and monitoring.

#### How are “facilitation” or “grease” payments treated?

“Facilitation” or “grease” payments are generally viewed as payments made to speed up official actions that involve no discretion on the part of the official. Examples include obtaining permits, licenses or visas, providing police protection, mail, phone or power service, or scheduling of inspections associated with contract performance. “Facilitation” or “grease” payments are not permitted under the UK Bribery Act.

#### What are the penalties?

An individual found guilty of a breach of the UK Bribery Act can be imprisoned for up to 10 years and fined an unlimited amount. A company in breach can be fined an unlimited amount.

## SCHEDULE 3

### Summary of Key Points: SINGAPORE PREVENTION OF CORRUPTION ACT

#### Who does the Singapore Prevention of Corruption Act (the “Act”) apply to?

The Act applies to any person that is a citizen of Singapore, whether acting outside or within Singapore.

#### What is prohibited?

The Act prohibits the giving, promising or offering of “gratification” as an inducement or reward for any person doing or forbearing to do anything in connection with a transaction, or to a public official in respect of an action of the public body.

#### What is “gratification”?

“Gratification” includes money or property, an office or employment, discharge of any loan or other obligation, any service or favour, or any offer or promise of the above.

#### How are agents treated?

Both principal and agent will be liable for corrupt payments and for the creation of false records with respect to payments.

#### How are “facilitation” or “grease” payments treated?

“Facilitation” or “grease” payments are generally viewed as payments made to speed up official actions that involve no discretion on the part of the official. Examples include obtaining permits, licenses or visas, providing police protection, mail, phone or power service, or the scheduling of inspections associated with contract performance.

“Facilitation” or “grease” payments are permitted under the Act.

#### What are the penalties?

An individual found guilty of a breach of the Act can be imprisoned for up to 5 years and/or fined up to SING\$ 100,000. The jail term increases to 7 years when involving dealings with a public official.