

ANTI-MONEY LAUNDERING POLICY

Effective date: January 01, 2022

1. Overview

1.1 As a company, Penfold World Trade AG (“Penfold”) is committed to carrying on business in accordance with the highest ethical standards. This includes complying with all applicable laws and regulations aimed at combating money laundering and terrorist financing. This Policy has been developed by Penfold to reduce the risk of money laundering and terrorist financing associated with its business and the sale of its products. This Policy explains our individual responsibility in complying with anti-money laundering and counter- terrorist financing laws (“**AML Laws**”) around the world and ensuring that any third parties that we engage to act on our behalf, do the same.

1.2 The management of Penfold is committed to complying with all laws. Any employee who violates the rules in this Policy or who permits anyone to violate those rules may be subject to appropriate disciplinary action, up to and including dismissal, and may be subject to personal civil or criminal fines.

2. Policy Statement on AML

2.1 It is Penfold's policy to comply with all applicable AML Laws in our operations worldwide. To this end, Penfold will only conduct business with customers who are involved in legitimate business activity and whose funds are derived from legitimate sources.

2.2 This Policy is intended to help employees, contractors, and other third parties acting on the company’s behalf to understand where breaches of AML Laws might arise and to support them in making the right decisions in line with our corporate position as stated in this Policy.

3. Management Endorsement

3.1 Penfold management will not criticise management for any loss of business resulting from adherence to this Policy. No employee or contractor will suffer as a consequence of bringing to the attention of Penfold directors or senior management, in good faith, a known or suspected breach of this Policy nor will any employee or contractors suffer any adverse employment or contract decision for abiding by this Policy.

4. Who is subject to this Policy?

4.1 This Policy applies to Penfold's operations globally, including all legal entities worldwide owned or controlled by PENFOLD (including all group companies), and to all directors, officers, employees, contractors, and other third parties acting on behalf of the foregoing.

5. What's the risk?

5.1 Violations of AML Laws may lead to severe civil and/or criminal penalties against companies and individuals, including significant monetary fines, imprisonment, extradition, blacklisting, revocation of licences, and disqualification of directors.

5.2 In addition, violations of AML Laws can lead to damaging practical consequences, including harm to reputation and commercial relationships, restrictions in the way we can do business, and extensive time and cost in conducting internal investigations and/or defending against government investigations and enforcement actions.

6. What do we mean by Money Laundering and Terrorist Financing?

6.1 Money laundering means exchanging money or assets that were obtained criminally for money or other assets that are ‘clean’. The clean money or assets don’t have an obvious link with any criminal activity. Money laundering also includes money that’s used to fund terrorism, however it’s obtained.

6.2 The following types of activities are considered to be “money laundering” and are prohibited under this Policy:

- a) the conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("criminal property"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;
- b) conducting a financial transaction which involves criminal property;
- c) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, ownership or control of criminal property;
- d) the acquisition, possession or use of criminal property;
- e) promoting the carrying on of unlawful activity; and
- f) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

6.3 The broad definition of money laundering means that anybody (including any PENFOLD employee) could be in violation of the law if he/she becomes aware of, or suspects, the existence of criminal property within the business and becomes involved in or continues to be involved in a matter which relates to that property being linked to the business without reporting his/her concerns.

6.4 Property can be criminal property where it derives from any criminal conduct, whether the underlying criminal conduct has taken place in the country where you are situated or overseas.

6.5 Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes

7. Red Flags

7.1 Where any suspicions arise that criminal conduct may have taken place involving a customer, colleague or third party, you should consider whether there is a risk that money laundering or terrorist financing has occurred or may occur.

7.2 Some examples of red flags to be reported include:

- A customer provides insufficient, false or suspicious information or is reluctant to provide complete information
- Methods or volumes of payment that are not consistent with the payment policy or that are not customarily used in the course of business, e.g., payments with money orders, traveller's checks, and/or multiple instruments, and payments from unrelated third parties
- Receipts of multiple negotiable instruments to pay a single invoice
- Requests by a customer or partner to pay in cash

- Early repayments of a loan, especially if payment is from an unrelated third party or involves another unacceptable form of payment
- Orders or purchases that are inconsistent with the customer's trade or business
- Payments to or from third parties that have no apparent or logical connection with the customer or transaction
- Payment to or from countries considered high risk for money laundering or terrorist financing
- Payments to or from countries considered to be tax havens or offshore jurisdictions
- Payments from countries unrelated to the transaction or not logical for the customer
- A customer's business formation documents are from a tax haven, or a country that poses a high risk for money laundering, terrorism or terrorist financing, or a country that is not logical for the customer
- Overpayments followed by directions to refund a payment, especially if requested to send the payment to a third party
- Any customer for whom you cannot determine the true beneficial owner
- Structuring transactions to avoid government reporting or record keeping requirements
- Unusually complex business structures, payment patterns that reflect no real business purpose
- Wire transfer activity that is not consistent with the business activities of the customer, or which originates or terminates with parties unrelated to the transaction
- Unexpected spikes in a customer's activities

The above is not intended to be an exhaustive list. Deviation from customer and accepted business practice should alert you to further investigate the activity in accordance with this Policy.

8. Compliance controls

8.1 Senior management in each Penfold business are responsible for ensuring that their business has a culture of compliance and effective controls to comply with AML laws and regulations to prevent, detect and respond to money laundering and counter-terrorism financing and to communicate the serious consequences of non-compliance to employees.

9. Employee Responsibility

9.1 You have the obligation to read and follow this Policy, to understand and identify any red flags that may arise in their business activities and to escalate potential compliance concerns related to AML to senior management without notifying anyone involved in the transaction and should not take any actions prior to receiving advice and/or instructions.

10. Due Diligence and Record Keeping

10.1 It is our policy to carry out due diligence ("DD") at the outset of any business relationship and, if necessary, where any red flags arise subsequently on our suppliers, distributors, counterparties, agents and any person with whom Penfold has an established business relationship that will involve the transfer to or receipt of funds ("Customers"), so we can be satisfied that they are who they say they are and so that we can ensure that there are no legal barriers to working with them before contracts are signed or transactions occur. Various factors will determine the appropriate forms and levels of screening.

10.2 You should escalate any instances where you have cause for suspicion as a result of carrying out DD and ongoing monitoring to senior management, who will advise them regarding which tools and processes should be used to facilitate appropriate screening.

10.3 You must, in consultation with senior management, carefully consider screening outcomes before deciding whether to do business with the third party.

10.4 Finance managers must regularly monitor and/or review Customers to identify business activity or governance that could indicate money laundering or terrorist financing is taking place.

10.5 Record-keeping is an essential component of the audit trail required to assist in any investigation. You must maintain records as evidence of the DD and ongoing monitoring undertaken.

11. Non-compliance

11.1 Any Penfold employee or contractor, who violates this Policy may be subject to appropriate disciplinary action, independently from potential other penalties resulting from their behaviour.

11.2 Internal audits shall conduct regular checks on local businesses to ensure compliance with AML Laws.

12. Updates, Review and Ownership

12.1 This Policy may be updated from time, and the updated version of the Policy will be immediately distributed to all employees and company stakeholders.