

# **Penguin Solutions, Inc. Anti-Corruption Policy**

## **I. Purpose**

Penguin Solutions, Inc. (together with its subsidiaries and affiliates, “Penguin Solutions”), maintains a culture of ethical compliance. It is Penguin Solutions’ policy to promote high standards of integrity by conducting our affairs in an honest and ethical manner. Our integrity and reputation depend on the honesty, fairness and ethics brought to the job by each of us.

We are expected to comply with anti-corruption laws to which Penguin Solutions is or may be subject, including the United States Foreign Corrupt Practices Act (the “FCPA”), the UK Bribery Act, and any other applicable anti-corruption laws (collectively, the “Anti-Corruption Laws”). Depending on business circumstances, these Anti-Corruption Laws can apply to our activities across the globe, despite the fact that a law is enacted by one particular country and the activities occurred in another country.

## **II. Scope**

This Policy applies to Penguin Solutions and its officers, directors, employees, joint venture partners and any Business Partner (as defined below) that acts on Penguin Solutions’ behalf, including, as applicable, any joint ventures, all of whom are required to become familiar with, and abide by, this Policy, and to recognize and report potential or actual violations.

## **III. Anti-bribery and corruption laws**

Bribery is illegal under U.S. and international law and may lead to substantial criminal sanctions as well as reputational harm to Penguin Solutions and any individual involved. Penguin Solutions complies with all Anti-Corruption Laws applicable to the jurisdictions in which it does business, including, but not limited to, the FCPA and the UK Bribery Act. The FCPA applies to all elements of a U.S. business and makes it unlawful to provide anything of value to a foreign government official in order to obtain or retain business. The UK Bribery Act criminalizes both providing and receiving a bribe, and applies to both bribery of foreign government officials as well as commercial bribery. Under these anti-corruption laws, Penguin Solutions is responsible for payments made by Penguin Solutions itself and may be held responsible for payments made by a Business Partner on Penguin Solutions’ behalf.

Not all bribery takes the form of cash payments or commissions. Bribery can involve anything of value. For example, gifts, hospitality, favors, meals, travel and related expenses, honoraria, entertainment, tickets to entertainment or sporting events, and even some charitable donations, may qualify as bribes or improper payments.

In addition, not all Government Officials work for a government. A “Government Official” under certain laws and for purposes of this Policy means any official or employee of any national, state, provincial or local government, or public body, or any department, agency, body or instrumentality thereof or of a public international organization, or any person acting for or on behalf of any of the foregoing, or any political party or party official, any political candidate, or any person working for a political party or for a candidate for a political office. Employees of commercial enterprises controlled or partially owned by a government are Government Officials under the FCPA and other Anti-Corruption Laws.

The term “Business Partner” includes agents, contractors, partners, joint ventures or similar entities, distributors, manufacturer or sales representatives, consultants, intermediaries, and any other third party acting for or on behalf of Penguin Solutions anywhere in the world. In certain circumstances, a supplier may be a Business Partner.

Should you have a question concerning whether a person is a Government Official or a Business Partner, contact Penguin Solutions’ Legal and Compliance Department. Communications to Penguin Solutions’ Chief Compliance Officer can be sent to [legalnotices@smartm.com](mailto:legalnotices@smartm.com).

Certain Anti-Corruption Laws, including but not limited to the FCPA, also require companies to maintain complete books, records, and accounts that accurately and transparently reflect the transactions and dispositions of the company, as well as internal controls sufficient to, among other things, provide reasonable assurances that transactions are executed and assets are accessed and accounted for in accordance with management’s authorization. Failure to follow these books and records provisions can create liability even if there is no proof of a corrupt payment.

## **IV. Policy**

Penguin Solutions officers, directors, employees, joint venture partners, and Business Partners that operate on Penguin Solutions’ behalf shall not offer, pay, promise to pay, or authorize the payment of any money nor provide any form of entertainment, or offer, gift, promise to give, or authorize the giving of anything of value in any form directly or indirectly, to or for anyone for the purpose of obtaining or retaining business or obtaining any other business advantage.

Many countries also have criminal laws prohibiting commercial bribery. Therefore, attempting to obtain an unfair advantage or special favor by making payments or giving items of significant value to anyone, not just Government Officials, is not permitted under this Policy.

Indirect bribes are also prohibited, meaning that no director, officer, or employee of Penguin Solutions may give or promise money or anything of value to any Business Partner if the circumstances indicate that all or part of it may possibly be directly or indirectly passed on to a foreign Government Official to influence an act or decision of such foreign Government Official in his or her official capacity or obtain an improper business advantage; or may be passed on to a private commercial counterparty in consideration for an unfair advantage in a business transaction.

Penguin Solutions officers, directors and employees, and Penguin Solutions Business Partners that violate this Policy or are otherwise involved in improper conduct may be subject to disciplinary action, up to and including termination, as well as potential civil or criminal liability.

## **V. Rules**

### **A. Interacting with Government Officials and making political or charitable contributions**

In all situations, before (i) offering any gift, entertainment or anything of value to a Government Official (see the section titled “Business Courtesies” below), or (ii) making a political or charitable contribution on Penguin Solutions’ behalf (see the sections titled “Charitable Contributions” and “Political Donations” below), or (iii) meeting with a foreign Government Official on Penguin Solutions’ behalf, which includes all visits to an Penguin Solutions site by a foreign Government Official (see the section titled “In-Person Meetings with Foreign Government Officials” below), Penguin Solutions employees must:

- 1 Complete the appropriate form (i.e., Compliance Form A for business courtesies, Compliance Form B for charitable contributions and/or political donations, and Compliance Form C for in-person meetings with foreign Government Officials, as described below),
- 2 Have the form approved and signed by a senior local management person,
- 3 Submit the form to Penguin Solutions’ Legal and Compliance Department at [legalnotices@smartm.com](mailto:legalnotices@smartm.com) and to your site Legal and Compliance Department, and
- 4 Obtain prior written approval from the Chief Compliance Officer.

In lieu of using Form A, Form B, or Form C described below, a Penguin Solutions employee may make the respective request by sending an email to Penguin Solutions’ Chief Compliance Officer with the material information requested in the respective form, being certain to have on copy a senior local

management person. Prior written acknowledgment by email from one of the CEO, CFO, Chief Compliance Officer or their designee shall suffice to confirm compliance.

If a situation arises where the entertainment, meeting and/or visit involving one or more foreign Government Officials occurs when prior written approval was not feasible, employees must fill out and submit to the Chief Compliance Officer and the site Legal and Compliance Department, the appropriate Compliance Form as soon as reasonably practical after the fact and include an explanation as to why prior written approval was not obtained.

*Business courtesies.* Penguin Solutions' business decisions must be made objectively, without influence by gifts or favors. While certain business courtesies may be considered a routine part of business, they can present risk to Penguin Solutions. Under this Policy, Penguin Solutions may extend modest gifts, meals, entertainment, travel, or anything of value to a Government Official or private individual as long as the business courtesy is lawful and directly related to promotion or demonstration of Penguin Solutions' products or services, or in performance of a particular Penguin Solutions contract. Business courtesies must never be lavish or given too frequently. Meals and entertainment may only be given if a Penguin Solutions officer, director, employee, joint venture partner or Business Partner is also in attendance. All business courtesies must be given openly and without any expected action in return, appropriate for the occasion, permitted under applicable laws and by the recipient's organization, accurately recorded in Penguin Solutions' books and records, and in accordance with Penguin Solutions' Code of Conduct. Gifts of cash or cash equivalents are never permitted. If you intend to provide business courtesies to a Government Official or private individual, you must complete Compliance Form A and seek advanced approval from Penguin Solutions' Chief Compliance Officer.

*Charitable contributions.* A charitable contribution is any payment or other support given to a charitable organization or to a formal entity organized to provide a public benefit. Charitable contributions may help Penguin Solutions generate goodwill and give back to the communities in which it operates. Charitable contributions must never be given with the intention of obtaining or retaining business or gaining an improper advantage for Penguin Solutions. Penguin Solutions only works with charities that have been vetted to ensure that they are legitimate, reputable and will not be used as a conduit for an improper payment. Charitable contributions must be accurately recorded in Penguin Solutions' books and records, and require prior approval by Penguin Solutions' Chief Compliance Officer. If you intend to make a charitable contribution using Penguin Solutions funds or resources (including allowing Penguin Solutions facilities to be used by Government Officials), or on behalf of Penguin Solutions, fill out Compliance Form B. Charitable contributions made in lieu of tax payments and in compliance with government regulations will not require Compliance Form B provided that appropriate documentation is provided

from the governmental authorities and the required approval pursuant to the Penguin Solutions internal spending authority is received.

*Political donations.* Business contributions to political campaigns are strictly regulated by federal, state, local and foreign law in the United States and other jurisdictions. This Policy prohibits Penguin Solutions from making any political contributions, including any such contribution to a political party or candidate for political office, for or on Penguin Solutions' behalf, without written authorization of the Chief Compliance Officer, in accordance with Penguin Solutions' Code of Conduct and all applicable laws and regulations. This restriction includes campaign appearances on Penguin Solutions premises by candidates for political office. Any approved political contribution for or on Penguin Solutions' behalf must be accurately recorded in Penguin Solutions' books and records. If you intend to make political contributions using Penguin Solutions funds or resources (including allowing Penguin Solutions facilities to be used by Government Officials), or on behalf of Penguin Solutions, fill out Compliance Form B.

*In-person meetings with foreign Government Officials.* More than one Penguin Solutions representative is required to be present at each in-person meeting with foreign Government Officials unless a prior written exception has been received. After all in-person meetings with foreign Government Officials, employees attending such meeting must prepare minutes explaining in reasonable detail what transpired in the meeting and submit a copy of the minutes to Penguin Solutions' Chief Compliance Officer. In certain situations of recurring, routine interactions with foreign Government Officials, employees can request a written exception from Penguin Solutions' Chief Compliance Officer to the requirement to have more than one Penguin Solutions representative present and/or the requirement to obtain pre-approval from Penguin Solutions' Chief Compliance Officer for each recurring meeting and/or to prepare minutes, provided that approval for each meeting is received from the site's Legal and Compliance Department. For in-person meetings with foreign Government Officials on Penguin Solutions' behalf or visits from foreign Government Officials to a Penguin Solutions site, fill out Compliance Form C.

Business Partners in connection with their work for or on behalf of Penguin Solutions are prohibited from giving any form of gift or entertainment or any other thing of value to a Government Official, regardless of the value, and may not make political or charitable contributions of any nature on behalf of Penguin Solutions.

## **B. Interacting with non-government officials**

Occasional business gifts to, and entertainment of, people who are not Government Officials in connection with business discussions or the development of business relationships are generally

deemed appropriate in the conduct of Penguin Solutions' business. However, these gifts and/or entertainment should be infrequent, their value should be modest, and they should not be given if the recipient is not permitted to accept them under applicable laws, policies, rules, or standards. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

### **C. Business Partners - choosing others to act for or on behalf of Penguin Solutions**

Penguin Solutions may retain Business Partners to conduct business or perform services on its behalf. The retention of Business Partners can pose corruption risks, especially when the Business Partner is likely to interact with Government Officials on Penguin Solutions' behalf. Prior to engaging a Business Partner, and again periodically throughout the life cycle of the relationship between Penguin Solutions and that Business Partner, Penguin Solutions must undertake appropriate, risk-based anti-corruption due diligence. Due diligence may include consideration of factors such as the Business Partner's reputation and qualifications for the specific services for which they are retained, the manner and reasonableness of compensation, and the relationship, if any, between the Business Partner's owners and employees and any Government Officials.

Employees responsible for engaging Business Partners must (i) evaluate the qualifications and reputation of Business Partners, including their government ties, (ii) take steps to ensure that the Business Partners understand and agree to abide by this Policy, and (iii) include appropriate provisions in agreements with Business Partners designed to protect Penguin Solutions from violations of this Policy. No Business Partner may be retained or partnered with unless adequate due diligence has been completed and the prior written approval of the Chief Compliance Officer has been obtained. The Chief Compliance Officer or the Legal Department will provide appropriate contractual provisions and may provide training and monitoring procedures where deemed appropriate.

Before engaging with any Business Partner, Penguin Solutions employees must comply with Penguin Solutions' diligence program for Business Partner engagement. The Chief Compliance Officer or his or her designee may grant a deviation from the required diligence program when circumstances warrant a deviation.

Examples of warning signs, or "Red Flags" that indicate that a Business Partner may be more likely to make improper payments or otherwise violate this Policy include:

- The Business Partner will work in a country known for corruption.
- The Business Partner is or has a close relative who is a Government Official in a position to influence decisions or business in favor of Penguin Solutions.

- The Business Partner does not have in-country support services.
- The Business Partner was recommended by a Government Official.
- The Business Partner refuses to provide sufficient documentation or explanation of its activities and expenses.
- The Business Partner requests cash or payments to offshore accounts or to third parties.
- The Business Partner makes suspicious assurances such as “things will be taken care of.”
- The Business Partner refuses to adhere to Penguin Solutions’ diligence program or provide other documents requested by Penguin Solutions.

#### **D. Accounting controls**

No payment shall be made, or other transaction entered into, for or on behalf of Penguin Solutions, without proper approval consistent with Penguin Solutions’ policies and procedures. Likewise, Penguin Solutions funds, assets, or services may not be used for any purpose that is unlawful under the laws of any applicable jurisdiction. Complete and accurate records (including expense reports) must be maintained of all transactions, including transactions that directly or indirectly relate to Government Officials and Business Partners. Additionally, no undisclosed or unrecorded funds or assets of Penguin Solutions shall be established, and no false or artificial entries shall be made in Penguin Solutions’ books or records.

#### **E. Reporting obligations**

All Penguin Solutions employees and Business Partners have a responsibility to report suspected or actual violations of this Policy and any applicable law, including but not limited to the FCPA, no matter how seemingly insignificant the violation may seem. Additionally, any request for a bribe must be reported. If a Penguin Solutions employee or Business Partner becomes aware of a possible or actual violation, he or she must immediately raise the concerns to a supervisor, Penguin Solutions’ Chief Compliance Officer, the Legal Department, or the Corporate HR Department. Employees and Business Partners do not need to prove or be sure that a violation occurred to report it.

Penguin Solutions has also established an anonymous hotline, which is available to those who wish to report possible violations of this Policy and/or any applicable law. Penguin Solutions Employees and Business Partners may submit inquiries and reports anonymously, although in that case, the Chief Compliance Officer may be unable to obtain follow-up details that may be necessary to investigate the matter. Whether a concern is reported anonymously or not, the contact with the reporting service will be kept confidential to the extent reasonably possible and subject to any applicable law, regulation, or legal proceeding.



No retaliatory action will be taken against any person who, in good faith, reports any suspected violation of this Policy and/or any applicable law or who participates in any investigation of the matter. If an employee believes that he or she has been subject to any such retaliation, such employee should immediately make a report to Penguin Solutions' Chief Compliance Officer, the Legal Department, or the Corporate HR Department. Reports of violations or retaliation will be immediately investigated, and appropriate remedial action will be taken.

## **VI. Examples of conduct prohibited by this Policy**

Examples of conduct prohibited by this Policy include:

- 1 Offering money or anything of value to a Government Official or a private individual, whether or not accepted by that person, in order to "get the business" or to get favorable treatment.
- 2 Inducing a Government Official or a private individual to use his or her influence to obtain or retain special tax treatment for Penguin Solutions.
- 3 Engaging a Business Partner when you have reason to believe that the Business Partner might attempt to provide something of value to a Government Official or private individual in order to obtain or retain business for Penguin Solutions or to obtain favorable treatment for Penguin Solutions.
- 4 Making a donation to a charity at the request of a Government Official or private individual who is in a position to decide to award business or a tax incentive in Penguin Solutions' favor.
- 5 Paying expenses of the spouse, other family member, or friend of a Government Official or private individual in order to obtain or retain business for Penguin Solutions or to obtain favorable treatment for Penguin Solutions.
- 6 Giving a \$30 festival or holiday gift to a Government Official without pre-approval.
- 7 Offering at no charge, the services of a Penguin Solutions employee to a Government Official, a family member of a Government Official, or another private individual in order to obtain or retain business for Penguin Solutions or to obtain favorable treatment for Penguin Solutions.
- 8 Paying higher than normal commissions or fees to a Business Partner, knowing that a portion of the money will be used for expensive dinners for a Government Official or another private individual in a position to decide to award business to Penguin Solutions.
- 9 Arranging an internship for the daughter of a Government Official who regulates Penguin Solutions' activities.
- 10 Falsifying books and/or records in any way, such as recording the payment of a political contribution as a charitable contribution or other expense.
- 11 Failing to keep accurate records by lumping payments together on an expense report which may lead to a misrepresentation of the payments.
- 12 Paying local agents in cash. Such a payment might also facilitate evasion of home country taxes or other reporting regulations.



- 13 Taking Government Officials to dinner and then recording the expense as a meal for yourself and business associates.
- 14 Providing a gift of a meal or entertainment to a Government Official or business contact without attending the meal or entertainment with the recipient (e.g., giving a business contact tickets to a sporting event and not attending yourself).
- 15 Holding a business meeting with a Government Official or private individual at a resort and paying expenses for persons not participating in the meeting, such as family members.
- 16 Making a contribution to a charity at the request of a Government Official or private individual when you have reason to believe that the money may be used for political instead of charitable purposes.

## **VII. Additional information**

Questions about and further guidance with respect to this Policy should be directed to Penguin Solutions' Chief Compliance Officer or your site Legal and Compliance Department. Communications to Penguin Solutions' Chief Compliance Officer can be sent to [legalnotices@smartm.com](mailto:legalnotices@smartm.com).