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# Code of Business Conduct and Corporate Governance

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CAFE VALLEY, Inc.  
December 2021

## **PURPOSE AND SCOPE**

Since our founding in 1987, CAFE VALLEY has insisted that all our employees maintain the highest level of integrity in their dealings with and on behalf of CAFE VALLEY, including dealings with its customers, partners, employees, and investors.

Our Code of Business Conduct and Corporate Governance embodies the rules regarding individual and peer responsibilities, as well as responsibilities to our employees, customers, shareholders, the public and other stakeholders, and includes:

- Promote honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships,
- Promote compliance with applicable governmental rules and regulations,
- Provide guidance to directors, officers, and employees to help them recognize and deal with ethical issues,
- Provide mechanisms to report unethical conduct, and
- Help foster a culture of honesty and accountability.

We will expect all our directors, officers, management, and employees to always comply with the principles of this Code. A violation of this Code by an employee is grounds for disciplinary action up to and including discharge and possible legal prosecution.

## **STANDARDS OF BUSINESS CONDUCT**

These standards relate to those day-to-day behaviors that are particularly important to our business and to the preservation of CAFE VALLEY's good name and reputation. Adherence to the standards is critical to our success and inspires trust and confidence on the part of our employees, customers, shareholders, the public and other stakeholders.

Integrity is, and must continue to be, the basis of all our corporate relationships. Each employee and director is expected to practice the highest standards of honesty, accuracy, and integrity always.

Everyone is part of the company team and each of us deserves to be treated with dignity and respect. In addition, every employee is responsible for his or her own conduct. No one has the authority to make another employee violate our Code of Business Conduct, as it applies personally to the employee or manager and to those under his or her supervision, and any attempt to direct or otherwise influence someone else to commit a violation is unacceptable.

Managers set the example for other employees and are often responsible for directing the actions of others. We require all employees, including managers, to know and understand the Code of Business Conduct, as it applies personally to the employee or manager and to those under his or her supervision.

We believe that the fundamental principle that underlies the way we do business at CAFE VALLEY is good judgment. An understanding of our legal and ethical parameters enhances that judgment. We have a responsibility to pay constant attention to all legal boundaries and to comply with all applicable laws and regulations in all our operations worldwide. We have the same obligations to the communities in which we do business and to the customers with whom we do business. For everyone at CAFE VALLEY, this means following the spirit of the law and doing the right, ethical thing even when the law is not specific.

This code outlines the broad principles of legal and ethical business conduct, which we have embraced. It is not a complete list of legal or ethical questions an employee might face during business, and there, this code must be applied using common sense and good judgment. Additionally, under certain circumstances local country law may establish requirements that differ from this code. Employees worldwide are expected to comply with all local country laws and our business conduct policies in the areas in which they are conducting CAFE VALLEY business.

From time to time, we may waive certain provisions of these standards. Any waiver of these standards for executive officers or directors may be made only by the board or committee of the board to which such responsibility has been delegated and must be promptly disclosed in accordance with applicable law.

## **ETHICAL BUSINESS PRACTICES**

We do not seek competitive advantages through illegal or unethical business practices. Each employee and director should endeavor to deal fairly with our clients, service providers, suppliers, competitors, customers, and other employees and directors. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

## **CONFLICTS OF INTEREST**

Employees are expected to make or participate in business decisions and action in the course of their employment with CAFE VALLEY based on the best interests of the company, and not based on personal relationships or benefits. Conflicts of interest can compromise employees' business ethics. Employees are expected to apply sound judgment to avoid conflicts of interest that could

negatively affect CAFE VALLEY or its business.

Employees and directors should avoid situations where their personal interests, investments or associations would conflict with their ability to exercise good judgment on our behalf or are inconsistent with or opposed to our best interests. Conflicts of interest may arise directly with employees, directors, or through family connections. Conflicts of interest also arise when an employee or director, or a member of his or her family, receives improper personal benefits because of his or her position with us. Employees and directors are expected to disclose to us any situations that may involve inappropriate or improper conflicts of interests affecting them personally or affecting other employees or those with whom we do business.

*Corporate Opportunities.* Employees and Directors owe a duty to us to advance our legitimate business interests when the opportunity to do so arises. Employees and directors are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered using corporate property, information, or position, unless we have already been offered the opportunity and an appropriate member of senior management or a director has declined the opportunity on behalf of the company, in writing. More generally, employees and directors are prohibited from using corporate property, information or position for personal gain or competing with the company.

Sometimes the line between a benefit to the employee or director and a benefit to us is difficult to draw, and sometimes both types of such benefits may be derived from certain activities. The only prudent course of conduct for employees and directors is to make sure that an appropriate member of senior management approves, beforehand, any use of company property or services that is not solely for the benefit of the company.

*Improper Influences – Gifts and Entertainment.* Employees and directors must not offer, make, solicit, or receive a bribe, kickback, illegal political contribution, or other improper payment, and we do not condone any such activity on the part of our employees. No employee or director should accept from any organization or individual that has, or is seeking to have, a business relationship with us any gift or gratuity of material value or excessive or extravagant entertainment or other similar gratuities. In applying these guidelines, employees and directors must use common sense and good judgment to avoid the appearance of impropriety.

*Board Memberships.* We encourage our employees to serve as directors on corporate boards. Any employee so desiring to serve must obtain the prior written approval of our chief executive officer.

## **CONFIDENTIAL AND PROPRIETARY INFORMATION**

Protecting the Company's information is the responsibility of every employee. Do not discuss the Company's confidential business with anyone who does not work for us. Confidential information includes proprietary and financial information, vendor information, methods of doing business and other private matters. Violation of this policy will be grounds for immediate disciplinary action, up to and including discharge. An employee also may become aware of similar confidential information belonging to the Company's clients. It is extremely important that all such information remain confidential, and particularly not be disclosed to our competitors. Any employee who improperly copies, removes (whether physically or electronically), uses or discloses any confidential information to anyone outside of the Company may be subject to disciplinary action up to and including termination.

Each employee is required to sign a Confidentiality and Non-Disclosure Agreement, promising that he or she will not divulge company confidential or proprietary information or material outside

of the company; in addition, it acknowledges that the ideas, inventions, products, and processes developed while working for us are our sole property.

## **REPORTING AND COMPLIANCE PROCEDURES**

Any employee or director who knows or believes that any other employee or representative of ours has engaged or is engaging in company-related conduct that violates applicable law or these standards should report such information to our chief executive officer or an appropriate member of senior management. You may report such conduct openly or anonymously without fear of retaliation. We will not discipline, discriminate against, or retaliate against any employee who reports such conduct, unless it is determined that the report was made with knowledge that it was false, or who cooperates in any investigation or inquiry regarding such conduct.

If our chief financial officer receives information regarding an alleged violation of these standards, he or she shall, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the board of directors of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation and (d) if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the board of directors for action. Employees, officers, and directors are expected to cooperate fully with any inquiry or investigation by us regarding an alleged violation of these standards. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

In the event the alleged violation involves any persons other than an executive officer or director, our chief financial officer shall determine whether violations of these standards have occurred and, if so, shall determine the disciplinary measures to be taken against such person. If the alleged violation involves an executive officer or a director, the board of directors shall determine whether a violation of these standards has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

Failure to comply with the standards outlined in these standards will result in disciplinary action including, but not limited to, reprimands, warnings, probation, or suspension without pay, demotions, reductions in salary, discharge, and restitution. Certain violations of these standards may require us to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of these standards, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary action, up to and including discharge.

## **ACCOUNTING COMPLAINTS**

Our policy is to comply with all applicable financial reporting and accounting regulations applicable to the company. Any employee or director who has concerns or complaints regarding questionable accounting or auditing practices may confidentially, and anonymously if they wish, submit such concerns or complaints in writing to the audit committee of the board of directors, which, subject to its duties arising under applicable law, regulations, and legal proceedings, will treat such submissions confidentially.

## **LAWS, REGULATIONS AND GOVERNMENT RELATED ACTIVITIES**

As an international United States based company, CAFE VALLEY is subject to laws and regulations both in the United States and abroad. Violations of governing laws and regulations are both unethical and subject us to significant risk in the form of fines, penalties, and damaged reputations. It is expected that each employee will comply with applicable laws, regulations, and

corporate policies. Specific areas with which employees are expected to comply include:

- Anti-Trust
- Insider Trading
- Foreign Corrupt Practices Act
- Using Third-Party Copyrighted Material
- Export, Re-export, and Transfer Policy
- Customs Compliance for International Shipping
- Privacy

### **ANTI-TRUST**

The economy of the United States, and of most nations in which we do business, is based on the principle of a free competitive market. To ensure that this principle is played out in the marketplace, most countries have laws prohibiting certain business practices that could inhibit effective competition. The anti-trust laws are broad and far-reaching. They touch upon and affect virtually all aspect of our operations. We fully embrace all anti-trust laws and avoid conduct that may even give the appearance of being questionable under those laws. Each employee should keep those thoughts in mind when going about his or her job, because the penalties for violations can be quite serious, both to CAFE VALLEY and to the individual. Whether termed anti-trust, competition, or free trade laws, the rules are designed to keep the marketplace thriving and competitive.

### **INSIDER TRADING**

If an employee has material, non-public information relating to CAFE VALLEY or our business, it is CAFE VALLEY's policy that the employee, the employee's family members or any entities controlled by the employee or his or her family members, may not engage in any action to take advantage of, or pass on to others, that information. This policy also applies to trading in the securities of any other company, including our customers, suppliers, vendors, or other business partners, if employees have material, non-public information about that company which the employee obtained by virtue of his or her position at CAFE VALLEY.

Transactions that may be necessary and justifiable for independent reasons, including emergency expenditures and transactions planned before the employee learned the material information, are not exceptions. Even the appearance of an improper transaction must be avoided to prevent any potential prosecution of CAFE VALLEY or the individual trader.

Besides the obligation to refrain from trading while in possession of material, non-public information, employees are also prohibited from "tipping" others. The concept of unlawful tipping includes passing on information to friends or family members under circumstances that suggest that employees were trying to help them make a profit or avoid a loss. Besides being considered a form of insider trading, or course, tipping is also a serious breach of corporate confidentiality.

## **FOREIGN CORRUPT PRACTICES ACT**

We require full compliance with the Foreign Corrupt Practices Act (“FCPA”) by all our employees, consultants, agents, distributors, and resellers. The anti-bribery and corrupt payment provisions of the FCPA make illegal any corrupt offer, payment, promise to pay or authorization to pay any money, gift, or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of:

- Influencing any act, or failure to act, in the official capacity of that foreign government or agency
  
- Inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, to obtain or retain business for anyone, or direct business to anyone.

Payments, offers, promises or authorizations to pay any other person, United States, or foreign, are likewise prohibited if any portion of that money or gift will be offered, given, or promised to a foreign official or foreign political party or candidate for any of the illegal purposes outlined above.

All CAFE VALLEY employees, whether located in the United States or abroad, are responsible for FCPA compliance and the procedures to ensure FCPA compliance. All managers and supervisory personnel are expected to monitor continued compliance with the FCPA to ensure compliance with the highest moral, ethical, and professional standards of CAFE VALLEY.

## **USING THIRD-PARTY COPYRIGHTED MATERIAL**

Employees may sometimes need to use third-party copyrighted material to perform their jobs. Before such third-party material may be used, appropriate authorization from the copyright holder must be obtained, except for material for which we hold the copyright. The need for such permission may exist whether the product containing third-party material is for personal use, for CAFE VALLEY internal or other use. It is our policy, and it may be unlawful for any employee to copy, reproduce, scan, digitize, broadcast, or modify third-party copyrighted materials when developing CAFE VALLEY products, promotional materials or written (such as manuals, presentations, etc.), unless written permission from the copyright holder has been obtained prior to the proposed use. Improper use could subject both CAFE VALLEY and the individuals involved to possible civil and criminal actions for copyright infringement. It is against our policy for employees to use our facilities for the purpose of making or distributing unauthorized copies of third-party copyrighted materials for personal use or for use by others.

## **EXPORT, RE-EXPORT AND TRANSFER POLICY**

*Design, Development and Production Technology.* Export of design, development and production technology is subject to national security, foreign policy and anti-terrorism laws and regulations.

Employees must obtain written permission from the chief executive officer or corporate compliance officer before providing design, development or production technology to nationals or territories of countries that have not ratified global weapon non-proliferation treaties. Non-Disclosure Agreements do not constitute written authorization to transfer design, development, or production technology.

Technology that has been made publicly available, except for cryptography, may be exported to

all foreign nationals and territories except those embargoed or sanctioned by the United States.

*Products and Technology.* Under no circumstances shall employees or agents engage in marketing, service or sales of products or technology to embargoed or sanctioned territories without written authorization from the chief executive officer.

*Violation and Suspicious Activities Reporting.* Employees should contact the chief executive officer or corporate compliance officer if they know or have reason to believe that any party (e.g., partners, users, employees, etc.) has or intends to violate United States or local country laws or regulations.

## **CUSTOMS COMPLIANCE FOR INTERNATIONAL SHIPPING**

Our policy is to comply fully with customs laws, regulations, and policies in all countries where we do business. Accurate customs information on shipping documents is required for all international shipments. Employees should not initiate shipping documents outside approved automated shipping systems or non-production shipping tool.

## **PRIVACY**

We have established guidelines for the collection, use and disclosure of personal data. All our operations, activities and functions that collect, use, receive or distribute personal data must adhere to this policy. Moreover, all electronic and physical resources, whether owned or leased by CAFE VALLEY, and the messages, files, data, software, or other information stored or transmitted on them are, and always remain, the property of CAFE VALLEY, and CAFE VALLEY reserves the right to inspect these items.