

# Bonhams' Code of Conduct

Bonhams is committed to operating to the highest level of corporate standards and through this commitment seeks to minimize the level of risk to our business and those associated with it.

Our aim is to comply with all applicable national, regional and local laws and regulations in all the jurisdictions where we operate. Furthermore, this Code of Conduct and our internal policies and processes may, where we consider it appropriate to do so, require us to do more than comply with applicable laws and to apply higher standards to our business operations.

We constantly strive to meet the standards set out in this Code. If we fall short, we expect our employees, clients and business associates to tell us so that we can do better in the future.

## **A. EMPLOYEES**

This Code is binding on all Bonhams' employees, consultants, interns and volunteers (together "employees") and any other third party who represents Bonhams in some formal capacity.

All Bonhams' employees are required to agree to this Code to confirm that they understand the standards of conduct expected of them in carrying out their roles for Bonhams.

Senior members of staff have a greater level of responsibility than other employees in ensuring that this Code is adhered to at all times. They must:

- ensure that employees who report to them are aware of and fully understand this Code of Conduct and Bonhams' internal policies;
- assess each employee's compliance with this Code and the internal policies as part of their annual review and promotion opportunities; and

- lead by example by acting in accordance with the Code and supporting policies at all times.

### **Breaches of the Code**

Every employee is responsible for his/her own behaviour and must abide by this Code at all times.

An employee must not do anything that breaches this Code because someone else, whether a client, another employee or other third party, has asked them to. Instead, you should report any such request to your superior, or if more appropriate, Compliance or HR.

Our employees understand that any breach of this Code will be treated as a disciplinary offence which may impact on an employee's eligibility for bonus, salary increase or promotion and may in certain circumstances be grounds for suspension and/or dismissal.

All employees are under a duty to report to our Compliance team any concerns that they have about a breach (whether past, present or potential) of any part of this Code or the internal policies referred to in it as soon as they become aware of it.

All Bonhams' employees agree to co-operate fully in relation to any investigation that may be initiated into any actual or potential breach of this Code or the policies referred to in it.

### **Bonhams' Policy of Speaking Out**

Bonhams' employees are encouraged never to ignore behaviour that makes them feel uncomfortable in any way.

An employee must never ignore breaches of this Code by colleagues and should report any such wrongdoing to your superior, Compliance or HR. In this regard, a failure to act or deliberately turning a blind eye may also be treated as a breach of this Code.

As such, all employees should speak out if they observe any kind of behaviour, whether by a colleague, client, supplier or other third party, that is, or potentially may be, in breach of any law or regulation, this Code or our

underlying policies. Speaking out protects the employee and also enables the Company to make an informed decision as to our future relationship with that party. Even if it turns out that concerns are unfounded, the right approach is to share concerns with others. If any employee is at all unsure of any issue, they are encouraged to seek guidance from their superior, Compliance or HR.

Bonhams also has in place a Whistleblowing policy available to all employees and which can be used in respect of wrongdoing that specifically relates to the business, for example, the commission of a criminal offence or failure to comply with a legal obligation, as opposed to other more personal types of grievance, for example, harassment or bullying concerns which follow a different procedure.

No employee will be penalised for speaking out and Bonhams will not tolerate any retaliation against any employee who does so or who assists Bonhams in relation to any subsequent investigation. To be clear, any employee who retaliates against a member of staff, who speaks out, will be subject to disciplinary proceedings, which can include termination of employment.

### **Diversity and Equal Employment Opportunity**

Bonhams is committed to equal opportunities and, at a minimum, complies with all applicable local laws and regulations relating to non-discrimination and equal opportunity. We value diversity and aim to set up and maintain a working environment with terms and conditions of service and employment practices which ensure that all employees receive equal treatment.

Consequently, any form of discrimination based on gender identification, race, religion, colour, sexual orientation, nationality, age, marital status, disability, pregnancy or other basis prohibited by law is prohibited and is a disciplinary offence. If any employee has any concerns in this regard, they are encouraged to report them to their supervisor, Compliance or HR. Bonhams will ensure that they are not victimized in any way as a consequence of raising a complaint.

## **Freedom from Harassment and Anti-Bullying**

Employee harassment and bullying are not tolerated at Bonhams – this applies equally to employees and people from outside our company, whether clients, suppliers or any other third parties.

Harassment is any kind of behaviour that humiliates, victimizes or threatens a person. This can include seemingly harmless actions like continuously calling an employee outside work for non-emergencies. Anyone who objectifies, threatens or ridicules a Bonhams' employee, whether in-person, via email or over the phone, is at risk of being held to be guilty of harassment.

Bonhams' Bullying and Harassment Policy makes clear that the Company will not tolerate behaviour of this kind, even if it means having awkward conversations with people or losing business. We aim to protect every employee regardless of level, function, seniority, status or protected characteristic like race, gender and sexual orientation. Ensuring all of our employees are safe in their workplace is our first priority. Bonhams is committed to investigating any allegations of harassment or bullying by third parties and taking any appropriate action as necessary.

## **Modern Slavery and Human Trafficking**

Forced labour is a global problem affecting over 20 million people around the world. Bonhams emphatically opposes the use and exploitation of forced labour. We expect everyone working for us, or on our behalf, to share our zero-tolerance approach. Not only does this reflect our legal obligations but also our wider commitment to ethical and social responsibility. See our modern slavery policy on Bonhams' website.

## **Family Friendly Policies**

Bonhams' Maternity, Paternity, Shared Parental Leave, Adoption, Parental and Flexible Working policies go above the minimum national legislative requirements in all the jurisdictions in which we operate.

## **BONHAMS' COMMITMENT TO LAWFUL BUSINESS PRACTICES**

### **Illegal Practices**

All of Bonhams' employees must refrain from any illegal practices and from being tainted, however remotely, by any suggestion that they may have been involved in an illegal practice. This applies both to their professional and personal lives. Professionally, it includes but is not limited to, the handling of stolen property, money laundering, terrorist financing, tax evasion and the facilitation thereof, bribery and corruption, the illegal import or export of goods or works of art and the misuse of confidential information.

#### **1. Confidentiality**

Bonhams treats matters of confidentiality with the upmost importance. All employees must respect the confidentiality of information concerning the affairs of the Company and its clients. Remember that confidential information exists in many formats and does not only refer to information that is expressly flagged as such. In in doubt, ask.

Any confidential information, whether relating to the Company or clients, should be used only for Company business and should not be disclosed to anyone outside the Bonhams' Group. Within Bonhams, confidential information should only be shared with those employees who need access to the information to carry out their responsibilities. Unless such disclosure is legally required, no information may be given to a third-party concerning dealings of the Company's clients without that client's express consent.

All employees agree to return all confidential information, in whatever form, to Bonhams at the end of their employment and Bonhams will take action against any employee who acts in breach of this agreement.

#### **2. Protection of personal data**

Ensuring the legal and correct use of personal data is important to Bonhams and central to this is ensuring the proper protection of our clients' data.

A client's data is stored securely by Bonhams and stays within the Bonhams group. We do not store client data with any third party nor do we give (or

sell) a client's personal data to any third party, unless the sharing of that data is necessary to fulfil our contractual relationship with the client, for example, to carry out an obligation in terms of authentication, restoration or shipping.

Further information regarding Bonhams' treatment of personal data can be found in our Privacy Policy on Bonhams' website.

### **3. Conflict of Interests**

Employees are required at all times to act in the best interests of the Company and to avoid putting themselves in a position in which their own interest(s) and the interests of the Company or its clients are in conflict. Business decisions must be made in the best interests of Bonhams and our clients and not be motivated by own personal gain or benefit. Employees must do everything to avoid even the appearance of such a conflict of interest arising. Should on any occasion circumstances arise where such a conflict is or may become apparent, employees must immediately notify the Compliance Department. Equally, should any employee become aware of or have a suspicion of any possible conflict of interest involving another employee or representative of the Company, they should immediately inform the Compliance Department.

### **4. Employee Buying and Selling**

The purchase or sale of property by a Bonhams' employee, or his/her family member, may create an actual or potential conflict of interest, or the appearance of such a conflict, between Bonhams and the employee or Bonhams and a client of Bonhams.

No purchase or sale, or proposed purchase, by an employee, or his/her immediate family member, may directly or indirectly deprive Bonhams of an opportunity to acquire an item on consignment for auction or for private sale.

Bonhams therefore has clear rules in place to control the circumstances in which our employees can buy or sell property and all employees are expected to understand and comply with these rules.

## **5. Gifts/Entertainment**

Whilst Bonhams appreciates the gesture of gifts/entertainment, the Company discourages the giving or the acceptance of gifts by its employees, particularly if given/received on a consistent basis from the same person. Gifts can include items such as free trips, tickets to sporting and theatrical events, airline tickets and entertainment of any kind, including lunch or dinner invitations.

Bonhams has a gift policy which allows employees to keep gifts of low value provided it is not a repeat gift or given in unusual circumstances. Any gifts or offer of gifts/entertainment over this de minimis amount must be disclosed to the Compliance Department who will then decide whether the gift can be accepted, depending on the circumstances. The Compliance Department maintains a register of such gifts.

## **B. BONHAMS' COMPLIANCE POLICIES**

### **1. Anti-Money Laundering and Combatting Terrorist Financing**

Bonhams, like other reputable auction houses and dealers in the art market, is committed to preventing the auction process being used for money laundering and terrorist financing purposes. The introduction of the 5<sup>th</sup> AML Directive in Europe and its implementation by member states is the strongest message yet of the collective effort to erase the opportunities for, and risk of, money laundering in the auction market.

Anti-money laundering and terrorist financing laws across the globe make it a crime to accept the proceeds of criminal activity or funds intended to support terrorist activity, whether in the form of money or other tangible property. Bonhams is committed to strict compliance with all applicable laws regarding anti-money laundering and combatting terrorist financing. To this end, Bonhams has in place a global policy concerning anti-money laundering/combating terrorist financing and sanctions compliance, and a comprehensive screening programme. These measures, when coupled with ongoing risk assessments and training programmes ensure that the risk of the company being used for money laundering purposes is kept to a minimum.

For clients, this means that our registration process is now much more akin to that employed by a bank or an estate agent. This is a legal requirement and protects Bonhams, our clients and the art market as a whole.

## **2. Anti-competitive practices**

Competition laws govern how we deal with competitors in the auction market, whether other auction houses, dealers or individuals. These laws ensure a transparent and competitive marketplace.

Bonhams is committed to strict compliance with all applicable competition and trade laws, as well as compliance with Bonhams' Anti-Trust Policy which may insist on a higher standard than the laws of certain countries where we do business. All employees, no matter how junior, must understand Bonhams' Anti-Trust Policy and how that Policy impacts on what they can and cannot do. All employees must immediately report any concerns, no matter how minor, to the Compliance Department.

## **3. Anti-Corruption and Anti-Bribery**

Bonhams' business activities involve dealing with numerous external parties, including our clients, dealers, competitors, appraisers, experts, curators, shippers and government officials. In all of these relationships, Bonhams and its employees must operate in strict compliance with the anti-corruption laws and policies applicable to Bonhams worldwide.

Although these laws differ around the world, they have the same basic principle – no employee must offer or accept any improper payments or gifts that are given (or may appear to be given) with the intent to influence someone unduly to obtain or retain business or secure services.

Bonhams goes above the law in some jurisdictions and applies this test to all individuals and not just in relation to dealings with government officials. Similarly, Bonhams' employees are not permitted to make so called "facilitation payments" anywhere in the world even though they are permitted in some jurisdictions in which we may do business.

It is because of concerns about bribery and corruption (and also conflicts of interest) that Bonhams has in place a policy concerning the payment of

introductory commissions to third parties involved in any consignment. Introductory commission payments are a common and important part of business in the art market. However, transparency is vital to ensure that there is no abuse of any fiduciary relationship between an IC recipient and the owner of the property. The fact of payment (and if requested, the amount) of such a commission must always be disclosed by Bonhams to the owner of the property so that they are fully informed of all the circumstances surrounding the sale of their property. Any IC payment is also subject to an internal approval process prior to the payment being made.

#### **4. Legal Movement of Goods**

Bonhams aims to comply with all applicable laws, regulations and restrictions on the import or export of art and/or cultural objects wherever we operate in the world. We expect all of our clients to do the same and therefore require formal confirmation from them that a work has been legally exported and imported. It is Bonhams' policy to abide by the export laws of the country from which the work will be shipped and import laws of the country in which the work will be offered for sale. Property will not be offered for sale if we become aware that export/import laws have not been complied with in full.

In addition, Bonhams must comply with all other laws affecting the movement of goods – including rules governing the movement of endangered species, the movement of cultural heritage and other culturally sensitive materials and the movement of items to, from or originating in countries subject to trade embargoes or sanctions. Again, we expect our clients to comply in the same way.

#### **5. Due Diligence**

Due diligence is an essential part of art transactions – not only of the property to be offered for sale but also the parties to the transaction and the transaction itself. Bonhams is committed to carrying out due diligence appropriate to the items to be offered for sale. This is important not only for the good of the auction process, but also benefits the seller and buyer of the property that we sell. For this reason, we expect our clients to make full disclosure of all relevant information relating to the property to be offered and the parties to the transaction.

## **C. SUPPLIERS**

Bonhams wishes to conduct business and build relationships with suppliers who share our values. We aim to ensure that our suppliers apply the same standards of corporate social responsibility and ethical business codes to their business as we employ in ours.

To this end, our Suppliers must confirm that they:

- Have measures in place to ensure their organization is free from slavery, human trafficking and child labour;
- Do not discriminate in any way in their employment practices;
- Comply, at a minimum, with all applicable labour laws and regulations including without limitation those relating to minimum wages, legally mandated benefits, working hours and health and safety;
- Adhere to all applicable environmental laws, regulations and standards; and
- Have in place policies and procedures to ensure compliance with lawful business practices, in particular, AML, Anti-bribery and corruption, Anti-trust, Conflicts of interest, the use of Confidential information and Data Protection.

Bruno Vinciguerra  
Global CEO

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