

# Sanctions Policy

## What are the Sanctions?

The United Nations (UN), European Union (EU), the UK, and the United States (US) have established sanctions and embargoes programs designed to prohibit or regulate trade with certain countries, entities and individuals. Some of these controls are designed to penalize countries for human rights violations, control weapon proliferation and/or limit commerce with entities and individuals associated with terrorism or narcotics trafficking. Applicable sanctions laws include those managed by the US Office of Foreign Assets Control (OFAC) sanctions regulations, various UK Statutory Instruments which implement EU sanctions regulations, and the UK Export Control Act 2002 (hereon in collectively known as "the Sanctions Laws"). Please see the below links. The Sanctions Laws prohibit trade with any party (or individual or entity) that has been specifically listed on one of the various sanctions lists or trade with any party in an Embargoed Country (defined below) without prior governmental permission.

[https://www.eeas.europa.eu/eeas/european-union-sanctions\\_en](https://www.eeas.europa.eu/eeas/european-union-sanctions_en)

<https://www.gov.uk/government/organisations/office-of-financial-sanctions-implementation>

[https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques\\_index.aspx](https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques_index.aspx)

<https://scsanctions.un.org/consolidated/>

## Policy Statement

Bytes Software Services ("the Company") has established a statement for Sanctions policies, procedures, guidance, awareness, and monitoring (the "Code"). Furthermore, the Company is committed to maintaining, developing and constantly improving the Code. This Code, and the internal controls herein, have been designed to prevent violations of the Sanctions Laws from occurring, avoid the appearance of wrongdoing and enable the Company to respond promptly and effectively to any enquiries about its conduct.

## Scope & Implementation of the Code

The Company's Board of Directors has overall responsibility for the development and implementation of its Sanctions policy; the day-to-day management, operation and monitoring of its Sanctions procedures is carried out by the Company's Finance Director. The Code applies to all entities within the Group and to all individuals working at all levels and grades. This includes directors, senior managers, employees, agency workers and any other person working for us wherever located ("Workers"). The Company will take appropriate action to ensure that third parties, such as clients, customers, consultants, contractors, agents, suppliers, advisers and joint venture partners ("Third Parties"), also understand and commit to the principles and relevant practices of the Code.

## Code Guidelines for Sanctions of the Code

All Workers, without prior approval from the Company's Finance Director, are not permitted to engage in any business or dealings with Embargoed Countries, Blocked Persons, BIS Restricted Parties, or individuals or entities listed as a sanctions target by UK and/or EU Legislation; or facilitate transactions with third parties that involve Embargoed Countries, Blocked Persons, or BIS Restricted Parties. The Code prohibits all Workers from engaging *direct and indirect* business and dealings with Embargoed Countries and Blocked Persons. This means that the Company will not enter into any agreement with end-users or other customers whereby the Company agrees to export products or services to or import products or services from Embargoed Countries. Additionally, all

Workers will not authorise distributors or agents to resell products to customers in Embargoed Countries. More specifically, the Company will not enter into a distribution agreement that includes any Embargoed Country in the distributor's authorised "territory". Should a Worker learn that a distributor is reselling products to an Embargoed Country they are required to immediately notify the Company's Finance Director.

### **Third Party Business Relationships**

All new business relationships with Third Parties are reported to the Company's Finance Director and checks on their suitability and integrity are carried out prior to being appointed, according to the procedure set out above. All Workers will be required to confirm on their monthly reporting checklist that all proposed business relationships with Third Parties have been reported to the Company's Finance Director. The Company's zero-tolerance approach to Sanctions must be communicated to all Third Parties at the outset of any business relationship with them, and they are required to commit to the principles and relevant practices of the Code as a term of their engagement. This commitment will be subject to monitoring by the Company's Finance Director.

### **Awareness**

The Company will provide periodic Sanctions compliance awareness to educate directors about the requirements and obligations of Sanctions Laws and this Code. This is reviewed at yearly intervals, with refreshers taking place to update them with any developments. The Company will encourage all its business associates to adopt similar Sanctions compliance awareness in their organisations.

### **Worker Responsibilities**

It is the Worker's responsibility to ensure that they understand and comply with the terms of the Code. Should they be in any doubt as to how to proceed in a particular circumstance the matter should be referred to the Company's Finance Director before proceeding.

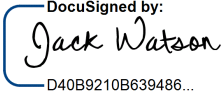
### **Monitoring & Review**

The Company is committed to monitoring and assessing the effectiveness of its Sanctions Policy and procedures. The Company's Finance Director regularly reviews the Code considering its suitability, adequacy and effectiveness and regularly reports on these to the Board of Directors. The annual audit shall contain a specific provision for investigation of the possibility of breaches of the Code. The Company's Finance Director may also carry out 'spot' internal audits of particular relationships or records without notice. Any identified improvements will be made as soon as possible. Employees are invited to comment on the Code and suggest ways in which it might be improved. Any and all comments, suggestions and queries should be forwarded to the Company's Finance Director. The Code does not form part of any employee's contract of employment and it may be amended at any time.

### **Confidential Reporting**

The Company expects and requires all Workers who have knowledge of, or reason to suspect, any violation of this Code to contact the Company's Finance Director immediately. All and any reports of suspected violation will be dealt with in a safe and confidential manner (see 'Whistleblowing Policy') and will be investigated rigorously.

Signed on Behalf of Bytes Software Services Ltd:

**Signature:**   
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**Name:** Jack Watson

**Position:** Managing Director

**Date:** 26<sup>th</sup> January 2023