

## **Trade Compliance Policy Embracer Group**

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This policy applies to all Embracer Group operations worldwide, including all operative groups, subsidiaries and affiliates worldwide owned or controlled by Embracer and to all directors, officers and employees.

If you have any questions about this policy, please contact:  
Embracer Group General Counsel



**Dear Asmodee people,**

As you know, Asmodee has joined the Embracer Group in March 2022.

As a public company, Embracer is following strict regulations to ensure market stability, the respect of overall Group principles, and is sharing guidelines to staff members to support them on specific topics. As an Embracer Operative Group, we need to be aware of and follow these policies and guidelines.

Please find below the Embracer Group Trade Compliance policy. Please read it carefully and sign it at the end.

Thank you for your commitment.

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## 1. Revision history

Date	Version	Description	Author
2020-12-22	1.0	Adopted by the Board of Directors	Embracer General Counsel

## 2. Introduction

In today's complex regulatory landscape companies are expected to know who they are doing business with and implement risk-based compliance measures to ensure that their dealings with counterparties are lawful and do not expose the company to unacceptable levels of risk.

The EU and the US as well many other countries, such as the member states of the United Nations, apply trade sanctions and export control laws and regulations (together "**Sanctions**"). Sanctions are used to apply political pressure to a particular country or government regime, prohibiting or otherwise restricting dealings with certain entities, organizations, individuals or countries and also imposing additional restrictions on imports from and exports to specific countries ("**Sanctioned Territories**"). There are several lists of blocked persons, entities and other targets even outside Sanctioned Territories with whom it is illegal to conduct business and/or for whom transactions must be blocked and relationships reported to the appropriate authorities ("**Restricted Party**").

Violations of the Sanctions can lead to very severe civil and criminal penalties against both companies and individuals, including, but not limited to, the following: significant fines, imprisonment, extradition, blacklisting, revocation of licenses, disqualification of directors not to mention significant reputational issues. Beyond the law, dealings with Restricted Parties and sanctioned territories, even if legally permissible, are rarely tolerated by banks and insurers from a commercial, internal Policy, perspective and can lead to loss of access to accounts and even being reported to regulators.

The purpose of this Policy is to provide a high-level overview of the typical Sanctions and baseline requirements. You should contact the responsible CO (Compliance Officer) in each respective Operative group for further guidance on the specific Sanctions relevant to the country in which you operate. Please note that the nature and scope of Sanctions differ as between Sanctions programs and implementing countries and Sanctions evolve rapidly. You should contact the responsible CO of your Operative group for further guidance on the specific Sanctions relevant to the country in which you operate.

## 3. General Policy Statement

Pursuant to the Code of Conduct for Embracer, all business conducted by Embracer shall be carried out in strict compliance with any applicable laws and regulations on Sanctions and export controls and this Policy. This includes the laws and regulations of the European Union, United Kingdom and the United States.

No Embracer entity may, unless explicitly permitted, conduct business, directly or indirectly, with any Restricted Party under EU or US Sanctions regardless of which country the Embracer entity is located in or exporting from.

This Policy applies to all Embracer operations worldwide, including all operative groups, subsidiaries and affiliates worldwide owned or controlled by Embracer and to all directors, officers and employees.

#### **4. Roles and Responsibilities**

##### **4.1 Approval of Sanctions Policy**

This Policy has been adopted by the management of Embracer and approved by the board of directors of Embracer. This Policy will be revised as needed. The CEO of Embracer Group AB is responsible for updating this Policy and publishing updates, after approval by the board.

##### **4.2 Legal, Compliance and Governance Department**

The Legal, Compliance and Governance department of Embracer, headed by Embracer General Counsel, is ultimately internally accountable to ensure Embracer Group's compliance with applicable Sanctions laws and regulations.

The duties and responsibilities of the Legal, Compliance and Governance department shall include:

- (a) develop and facilitate suitable periodic training programs for all Embracer Group entities designed to explain this Policy and how and why the Sanctions apply to our business;
- (b) respond to inquiries by Embracer Group employees regarding any aspect of this Policy or other trade compliance matters and delegate issues as appropriate;
- (c) develop and issue supplementary guidance and compliance procedures, as necessary, to entities and employees of particular Embracer Group entities on specific legal and regulatory obligations and issues relevant to them arising under this Policy;
- (d) advise on and make recommendations in relation to appropriate resources, systems and internal controls, to implement this Policy and its elements effectively; and
- (e) adequately document all procedures and measures in connection with and/or involving the application of this Policy.

##### **4.3 Compliance Officer**

In relation to compliance with this Policy and applicable Sanctions, each designated Compliance Officer of each Embracer Group entity (hereafter referred to as "**CO**") is responsible for the following:

- (a) ensure the adequacy and effectiveness of policies and procedures in place (such as this Policy) for identifying and complying with applicable Sanctions requirements and propose revisions to the Policy to the Legal, Compliance and Governance department;
- (b) ensure that relevant licenses and authorizations, where needed, are obtained from relevant authorities and that their terms and conditions are complied with, including record-keeping requirements, and that relevant individual employees and consultants within the relevant Embracer Entity are notified of their responsibilities in this regard;

- (c) notify the Legal, Compliance and Governance department of any potential or suspected Policy violations related to export transactions and assist in the resolution and remediation of any such matters;
- (d) undertake such other Sanctions compliance tasks and initiatives as the Legal, Compliance and Governance department may direct; and
- (e) adequately document all procedures and measures in connection to and/or involving the application of this Policy, and other compliance measures with regard to Sanctions and export control, taken within the relevant Embracer Group entity.

#### 4.4 All Relevant Employees and Consultants within Embracer

All relevant employees and consultants working within Embracer Group is obliged to read and familiarize themselves with and comply with this Policy, as well as relevant Sanctions compliance policies, guidelines and procedures issued by their employing Embracer Group entity. The CEO of each respective Operative group is responsible for that all relevant employees and consultants (including but not limited to management, HR-manager and employees and consultants that have direct interactions with third parties) read and familiarize themselves and comply with this Policy.

### 5. Sanctions Clause

Each CO shall ensure, with respect to the relevant Embracer Group's entity, that all orders and contracts with parties/entities shall contain a trade compliance clause set forth in [Appendix 1](#).

### 6. Country-specific Instructions

Any dealings, direct or indirect, with any persons in any of the following countries/territories, are currently **prohibited** for all Embracer Group entities:

- Cuba
- Iran
- North Korea
- Crimea (the following cities are located in Crimea: Alushta, Armyansk, Bakhchysarai, Chornomorske, Dzhankoi, Feodosiya, Haspra, Kerch, Krasnoperekopsk, Saky, Sevastopol, Shcholkin, Simferopol, Sudak, Yalta and Yevpatoriya)
- Syria

### 7. Screening Procedure

#### 7.1 Screening of Third Parties

Before engaging in any transaction (including providing software, procuring products or services, providing financing or other services, such as maintenance, troubleshooting, and customer service), all new customers, suppliers and other third parties (including independent distributors, other intermediaries, agents, freight forwarders, financial institutions and other parties involved in the transaction) established or with operations in a High-Risk Country (as defined in [Appendix 2](#)) must be screened using the screening process set out in [Appendix 3](#) - Screening Instruction. Each CO is responsible for overseeing the screenings of third parties in transactions involving the relevant Embracer Group entity and taking appropriate action based on the results of such screening, including escalation to the Legal, Compliance and Governance department, as

appropriate, or immediate termination of any services and/or sales to the countries listed in Section 6 above.

## **8. Raising a Concern**

Embracer Group will investigate fully any instances of alleged or suspected violations of this Policy.

Embracer Group is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity.

We all have a responsibility to help detect, prevent and report instances of Sanctions. If you have a concern regarding a suspected instance of Sanctions violations, please speak up – your information and assistance will help.

If you have any concerns, please contact your local management or send your concerns to: [compliance@embracer.com](mailto:compliance@embracer.com) or if you would like to report your concerns anonymously please use your designated whistleblowing channel.

In the event that an incident of Sanctions violation is reported, we will act as soon as possible to evaluate the situation.

Staff who raise concerns or report wrongdoing can understandably be worried about repercussions. Embracer Group encourages openness and will support anyone who raises a genuine concern in good faith under this Policy, even if they turn out to be mistaken.

Embracer Group is committed to ensuring that nobody suffers detrimental treatment through refusing to take part in potential Sanctions violations, or because of reporting a concern in good faith.

If you have any questions about these procedures, please contact your local manager, the CO of your Operative Group or the Legal, Compliance and Governance department of Embracer [compliance@embracer.com](mailto:compliance@embracer.com).

## **9. Auditing and Monitoring**

The Legal, Compliance and Governance department will periodically audit and monitor compliance with this Policy. Embracer's personnel may be required to execute periodic certifications as to compliance with this, as well as attend, and successfully complete, training related to the topics covered by this Policy.

## **10. Violations of this Policy**

Failure to comply with this Policy may result in disciplinary action by Embracer consistent with applicable laws, up to and including dismissal, depending on the facts and circumstances.

## **11. Appendices and Related documents**

Appendix 1: Standard Trade Compliance Clause

Appendix 2: Screening Instruction

Appendix 3: High-Risk Countries

Related documents:

Embracer Code of Conduct



## Appendix 1 - Standard Trade Compliance Clause

This standard trade compliance clause should be used in relation to all third party agreements including agreements with customers, distributors and suppliers. The clause should be used in all agreements including green, yellow and orange countries. The clause applies to all new agreements and should also be included in connection with the extension of an agreement. It is not necessary to terminate existing agreements in order to negotiate the clause.

*Each party agrees to comply with all applicable trade and economic sanctions, export control, and anti-boycott laws and regulations in performing this Agreement, including but not limited to EU, UK, UN and United States (the U.S. Department of Commerce Bureau of Industry and Security's ("BIS") Export Administration Regulations and the economic sanctions programs administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC")) laws and regulations (together "Trade Restrictions").*

*Each party represents and warrants that neither it nor any parent, subsidiary is (1) included on any of the restricted party lists maintained by the EU, UK, UN and/or the U.S. Government under applicable Trade Restrictions, including the Specially Designated Nationals List administered by OFAC, the Denied Parties List, Unverified List, Entity List maintained by BIS (collectively, "Restricted Party Lists"), (2) owned or controlled by a Restricted Party, or (3) owned or controlled by or acting on behalf of the governments of Cuba, Iran, North Korea, Syria or Venezuela. Each party shall immediately inform the other party about any change of ownership, control and/or other circumstances that could invalidate the representations made under this clause.*

*In performing this Agreement, each party will not, directly or indirectly, do business with or provide goods or services to any company or individual on the Restricted Party Lists or to any country with which trade is prohibited by any applicable sanctions.*

*This Agreement may be terminated by the non-breaching party if the other party or anyone acting on its behalf fails to comply with this clause. A breach of this clause entitles the non-breaching party to refuse to enter into, to perform any delivery or to cancel any delivery or to terminate this Agreement with immediate effect and at its sole discretion.*

Please note that the standard clause will need to be modified in relation to the specific wording used in each agreement with a third party. Thus, it might be necessary to update defined terms such as "party," "agreement" etc.

This standard End User License Agreement ("EULA") clause should be included in all EULA's applicable to Embracer Group games and other related services:

*"You may not use, access or otherwise export or re-export the products except as authorized by United States law and the laws of the jurisdiction in which the Services were obtained. In particular, but without limitation, the Games may not be exported, re-exported or otherwise made available (a) into any country or region embargoed by the U.S. Government, or (b) to anyone on the U.S. Treasury Department's Specially Designated Nationals List or the U.S. Department of Commerce Denied person List or Entity List, EU consolidated sanctions list with designated persons. By using the Games, you represent and warrant that you are not located in any such country or on any such list.*

## Appendix 2 - Screening Instruction

### 1.1 Introduction

For the purpose of ensuring Embracer Group's compliance with applicable Sanctions, this Screening Instruction sets forth the baseline risk-based process for screening and due diligence of Embracer Group's relevant third parties in High Risk Countries and certain other compliance processes in relation thereof (the "Screening Instruction"). In order for Embracer Group to show relevant authorities that all reasonable steps have been taken to comply with applicable laws and regulations, it is important that all efforts carried out under this Screening Instruction (including records of screening and of resolution of screening hits) are documented and filed in accordance with the procedure set out below.

### 1.2 Identifying High Risk Countries

Certain countries and territories are subject to comprehensive or significant sanctions and/or include large numbers of Restricted Parties; these therefore present a higher sanctions risk. It is important first to identify relevant countries, entities and individuals involved in the intended business or transaction to understand if there is any potential nexus to such higher risk countries.

The list of targeted countries is frequently updated due to changes in global geopolitical developments and national politics. As a result, there is no durable, static list of countries that adequately covers all sanctions targets.

Embracer Group has compiled a list of countries which are subject to comprehensive or significant sanctions programs or other sanctions-related- risks and therefore considered high-risk countries for purposes of this Policy ("High Risk Countries"). These High Risk Countries are classified into three different categories - Red, Orange and Yellow Countries - depending on their respective risk profiles.

Special attention should be paid to new risks arising from changes in Sanction lists (for example, the targeting of a country not previously subject to sanctions or the expansion of sanctions against any country already subject to sanctions).

### 1.3 Restricted Party Screening

Individuals and entities in countries other than High Risk Countries may still be sanctions targets so business and transactions in neighboring areas to High Risk Countries should also entail additional risk-based screening and due diligence. Risk-based screening should be conducted on counterparties in such other countries as outlined below.

#### A. When to screen

It is the responsibility of each CO to ensure that third parties, with which the relevant Embracer entity interacts, are screened in the following situations:

- a. **All new and renewing customers/business partners in all High Risk Countries** shall be screened before being registered in each Operative Group's and its subsidiaries' customer/business partner database(s) or similar.
- b. **Change of information (customers/business partners in all High-Risk Countries).** If an Embracer Group entity receives information regarding the change of ownership or

control of known customers, end-users<sup>1</sup>, business partners or change of any other information (name or address) that has already been screened or change in global sanction regimes, the new information has to be screened and considered.

Any positive hits shall be further reviewed together with the CO and the CEO of the Operative Group. No transactions may occur and no contracts may be signed unless and until compliance clearance is provided by Corporate Governance and Sustainability Department and documented.

## **B. What information to screen**

Screenings shall be made of the following information:

- **Business partner (payer/payee in relation to relevant Embracer Group entity and recipient of Embracer's products (including digital and physical games, films and related merchandise):** the business entity/name, identification number (if known), address (if known) and names of the CEO and the board of directors of the relevant third party;
- **Owner(s) of business partner:** the business entity/name, identification number (if known), address (if known) of the majority and other known shareholders and, if known, names of the CEO and the board of directors;
- **End-user (only applicable if business entity, not if consumer):** the business entity/name, identification number (if known), address and names of the CEO and the board of directors;

## **C. Who shall screen**

The relevant CO responsible for ensuring that screenings are properly performed are the following:

- a. **Registering entity.** Embracer Group entity registering a new customer to the customer database is responsible for ensuring that such entity is screened in accordance with the procedure set out in Sections 1.a above.
- b. **Quoting/contracting entity.** Embracer Group entity issuing a quote or accepting an order bound to an Orange Country is responsible for ensuring that the screening procedures set out in Sections 1.b is performed.

## **D. Documentation**

The CO in each respective Operative Group responsible for screening shall document the screening result by sending an e-mail with the result to a separate e-mail address set up within the responsible Embracer Group entity. The CO in each respective Operative Group is responsible for that such e-mail address is set up and that such e-mail address is clearly designated for compliance issues (for example [compliance@\[operativegroup\].com](mailto:compliance@[operativegroup].com)). The CO is also responsible for ensuring that the e-mail inbox is structured in a way that secures clear and easy tracking of the result to each quote/order and delivery. The result of the screening should be saved for seven years. All positive hits shall be sent to [compliance@embracer.com](mailto:compliance@embracer.com).

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<sup>1</sup> End User is only applicable if it is a business entity, not if consumer

### Appendix 3 - High-Risk Countries

For the purpose of sanctions screening, the following Red, Orange and Yellow countries are generally considered as being High-Risk Countries from an EU/US sanctions<sup>2</sup> perspective.

Red Countries are considered major sanctioned countries against which there are currently extensive sanctions programs in place;

Orange Countries are considered subject to extensive sanctions measures or associated with high sanctions risks;

Yellow Countries are countries which have specific sanctions programs (which is not limited to an arms embargo) or countries widely viewed as a point of diversion of goods to sanctioned countries;

	Red Countries	Orange Countries	Yellow Countries	GREEN COUNTRIES
Compliance Action	All direct and indirect business is prohibited	<ol style="list-style-type: none"> <li>1. Conduct screening before using a New Business Partner<sup>3</sup>; and</li> <li>2. Include Trade Compliance contract clause</li> <li>3. Rescreen all Business Partners every six (6) month</li> </ol>	<ol style="list-style-type: none"> <li>1. Conduct screening before using a New Business Partner; and</li> <li>2. Include Trade Compliance contract clause</li> <li>3. Rescreen all Business Partners every twelve (12) month</li> </ol>	1. Include Trade Compliance contract clause
Countries or Territories	Cuba Iran North Korea Syria	Russia Venezuela Sudan	Armenia, Azerbaijan, Afghanistan, Bahrain, Bosnia and Herzegovina, Belarus,	All countries that are not included in the Red, Orange or Yellow categories.

<sup>2</sup> Including export control restrictions such as the risk of dealing with Entity List parties under US export controls.

<sup>3</sup> A "New Business Partner" means a third party that is not already registered in each respective Operative Group's and their subsidiaries operations, database(s) or similar. Including all type of third parties such as customers, hardware/software suppliers and service suppliers, established in the country included in the list of high risk countries.

	Region of Crimea/(Alushta, Armyansk, Bakhchysarai, Chornomorske, Dzhankoi, Feodosiya, Haspra, Kerch, Krasnoperekopsk, Saky, Sevastopol, Shcholkine, Simferopol, Sudak, Yalta and Yevpatoriya ).	South Sudan China.	Burundi, Burma (Myanmar), Central African Republic, Democratic Republic of Congo, Egypt, Eritrea, Guinea, Guinea-Bissau, Haiti, Hong Kong, Indonesia, Ivory Coast, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Kosovo, Kuwait, Lebanon, Liberia, Libya, Macao, Macedonia, Malaysia, Mali, Nicaragua, Nigeria, Oman, Pakistan, Palestine, Philippines, Qatar, Somalia, Saudi Arabia, Singapore, South Africa, Tajikistan, Turkmenistan, Turkey, Taiwan, Tunisia, UAE, Ukraine, Yemen, Zimbabwe.	
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*Note that the rescreening is applicable on existing business relations provided that the type of business or ownership structure of third party has not changed since the last completed screening. If the type of business or ownership structure change (and Embracer become aware of this), then a new screening and assessment must be conducted without delay and before the rescreening takes place. Furthermore, make sure to regularly verify whether the export country remains in the same risk category.*