

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

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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 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.

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