Sanctions Policy

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FOREWORD

Flowdesk ("FLOWDESK" or the "Company") is committed to conducting its business in compliance with applicable laws and regulations. The purpose of this Policy is to ensure that FLOWDESK and those working for or on behalf of FLOWDESK comply with applicable UE sanctions and regulations and other potentially relevant sanctions laws and regulations of other relevant jurisdictions, including Singapore (SG) and the United States ("US") (collectively "sanctions laws").

Sanctions laws and regulations impose restrictions on engaging in activities with certain individuals, entities, and governments, among others. FLOWDESK will screen transactions, including customers, suppliers (collectively called "business partners") against all applicable government lists. If any red flags are identified in connection with the parties to a transaction, we will not proceed with the transaction unless and until the red flags have been resolved.

The United States also imposes economic sanctions against certain countries, regions, and industries, which sanctioned countries and regions change from time-to-time. As of 16th March, 2023 the U.S. imposes comprehensive sanctions against Cuba, Iran, North Korea, Syria, certain regions of Ukraine, and significant sectoral sanctions affecting Russia, Belarus, and Venezuela.

FLOWDESK will not engage in activities that involve these destinations. Noncompliance with applicable sanctions laws exposes FLOWDESK its officers, directors, employees, and/or agents to severe criminal and financial penalties. It is FLOWDESK's policy to comply fully with US sanctions laws and other relevant sanctions laws to the extent not inconsistent with US sanctions laws.

The United States takes these matters <u>extremely</u> seriously. As a result, each Covered Person should take this policy <u>extremely</u> seriously, as well. There are no exceptions for "*de minimis*" or minor activities. For instance, the United States has criminally prosecuted and convicted an individual (Patrick Jean Zuber) for forwarding <u>one</u> email (without adding any commentary) that facilitated business in Iran. There are virtually zero workarounds to these matters that the United States government will respect, and it can be very easy to violate Sanctions Laws, so please do not attempt in any manner to circumvent these laws or this Policy. Each Covered Person is encouraged to ask the Compliance Officer any and all questions they may have about compliance with this Policy.

The “Compliance Officer” currently overseeing the execution of this policy is the General Counsel. In some cases, sanctions laws from various countries may seem contradictory. If you encounter a situation where the specific requirements are unclear or confusing, please contact the General Counsel.

The regions, sectors, and persons covered by comprehensive and targeted sanctions change from time to time. Please contact the Compliance Officer if you have any questions about the current recent geographies, sectors, and persons covered by sanctions laws or this policy. FLOWDESK will update this policy periodically and will undertake to maintain an active list of all sanctions worldwide.

SCOPE

This Policy applies to FLOWDESK’ wholly and partially owned subsidiary companies and joint ventures, including all employees, officers, and directors of such entities, as well as those performing work for or on behalf of any such entity, such as agents, consultants, and contractors. All such entities and individuals are “Covered Persons,” who are required to comply with this Policy.

1- US SANCTIONS

The United States Office of Foreign Asset Control, or "OFAC", is a division of the US Treasury Department that administers and enforces economic and trade sanctions based on US foreign policy and national security objectives. There are several different US sanctions programs with different aims. This Policy also requires compliance with French, SG and EU sanctions programs. Because the US sanctions are generally the most extensive, this Policy focuses on details of the US sanctions.

Comprehensive & Targeted Sanctions

Comprehensive sanctions generally prohibit all transactions – such as exports, imports, trade-related transactions, the provision of services, and financial transactions – in or involving all parties in the geographic locations covered by comprehensive sanctions. As of March 16th, 2023 the following geographic locations are covered by comprehensive sanctions:

- **Cuba**
- **Iran**
- **North Korea**
- **Russia**
- **Belarus**
- **Crimea, Donetsk and Luhansk regions of Ukraine**

For instance, for so long as Cuba is subject to comprehensive sanctions, it is a violation of US sanctions to sell to a Cuban business operating in Spain. It is also prohibited under US law to take payment from a company in France when selling goods are destined to a customer in Iran. Importantly, it is prohibited under US law to do something indirectly (like sell to a distributor who is selling to Iran) if it would be prohibited for a Covered Person to do the same transaction directly (like sell directly to a customer in Iran). The Company reiterates that these Sanctions Laws cannot be evaded through work-arounds, and civil and criminal penalties can apply for violating Sanctions Laws. Please contact the Compliance Office before doing business with a company formed, based, doing business in or doing business on behalf of a party in any country subject to comprehensive sanctions, or any person who is a citizen or resident of any country subject to comprehensive sanctions.

When Flowdesk is dealing with those risks, it shall always take into account the most extensive rules, without regards if those rules are from France, SG, UE or US. Indeed, UE rules have been reinforced against Russia as "existing bans on cryptocurrencies have been strengthened by banning all crypto wallets, accounts or custodial services, regardless of the amount in the wallet".

Therefore, Flowdesk strictly forbids to do any kind of business with a Russian entity or private individual.

Administered by both the U.S. Department of Treasury Office of Foreign Assets Control (OFAC) and the U.S. Department of Commerce Bureau of Industry and Security (BIS), “restricted parties” lists consist of people, companies, institutions or foreign agencies the U.S. Government has identified as being of concern for the purposes of U.S. national security. All FLOWDESK-related activities involving restricted parties will require prior approval from the Compliance Officer.

List-Based Sanctions

The economic sanctions also include list-based sanctions programs, which generally prohibit all dealings with targeted entities, organizations, individuals, and vessels, as opposed to entire countries. In particular, engaging in business with parties listed as Specially Designated Nationals and Blocked Persons (“SDNs”) on OFAC’s Specially Designated Nationals and Blocked Persons List (the “SDN List”) is prohibited. The prohibitions regarding dealings with parties named on the SDN List also extend to any entities in which one or more SDN owns, directly or indirectly, a collective fifty percent (50%) or greater interest. Any property or interests in property of SDNs that come within the United States or possession or control of U.S. persons, such as the Company, must be blocked and not dealt in. As a US person, the Company is also prohibited from providing to, providing for the benefit of, or receiving from, any SDN any funds, goods, or services; this prohibition includes fulfilling rewards/incentives and providing services associated with such fulfillment.

The SDN List is updated frequently and includes thousands of parties designated under the country or region-related sanctions programs, as well as programs targeting **narcotics traffickers**, **terrorists and terrorist organizations**, **purveyors of weapons of mass destruction**, **cyber criminals**, **persons involved in corruption**, **persons involved in serious human rights abuses**, **persons involved in US election interference**, and **transnational criminal organizations**.

Facilitation

The US sanctions also prohibit US persons, including Covered Persons, from facilitating or assisting in activities in which US persons would be prohibited from engaging directly. Facilitation is interpreted broadly and includes a wide range of activities, including, for example, referring to a non-US person or approving an activity that a US person is not permitted to do. This includes a US person referring a request received at a trade show from a business based in Syria to a FLOWDESK’s sales representative outside the United States or even to a third-party distributor. Similarly, facilitation includes a US manager approving a sale by a non-US salesperson in the United Kingdom for sale to Crimea. In addition, it is prohibited to engage in activities that cause another person to violate the US sanctions or that seek to evade or avoid the US sanctions laws and regulations. The Company and its officers, directors, and employees will not facilitate, assist in, or cause any prohibited activity and will not evade, avoid, or seek to evade or avoid the US sanctions prohibitions.

2- DUE DILIGENCE AND SCREENING PROCEDURES

OFAC publishes certain sanctions-related restricted party lists, most notably the SDN List, to identify the individuals, entities, organizations, and vessels that are targets of the US sanctions restrictions and prohibitions. In order to ensure that FLOWDESK's operations are conducted in full compliance with the US sanctions and other sanctions laws, FLOWDESK must conduct due diligence and screen its prospective business partners, including customers, vendors, banks, and third-party representatives, consultants and agents, against the OFAC restricted party lists to determine what, if any, restrictions or prohibitions may apply to a particular business relationship. If any red flags are identified in connection with the parties to a transaction, the Company will not proceed with the transaction until they have been resolved.

The General Counsel is responsible for carrying out the due diligence and screening procedures that are detailed below.

a) Due Diligence

For each business partner FLOWDESK will create a due diligence file for the business partner that includes, at a minimum, the items identified in included in FLOWDESK' Anti-Corruption and Sanctions Due Diligence Procedures. For all business partners that FLOWDESK hires, engages, transacts or works with, the Company will document the due diligence performed.

To the extent that FLOWDESK maintains its relationship with a business partner over time, FLOWDESK will conduct additional due diligence on the business partner at least every two years.

b) Restricted Party Screening

FLOWDESK will abide by the following procedures when conducting restricted party screening of its customers and other business partners.

New Business Partner Review

FLOWDESK will review all potential business partners to determine whether they are in restricted locations. Under no circumstances will FLOWDESK engage in any unauthorized business, directly or indirectly, with parties in the specified region of Ukraine, Belarus, Cuba, Iran, Russia, North Korea, or Syria. In addition, FLOWDESK will assess whether the governments of these countries or Venezuela are involved in any potential business transaction; under no circumstances will FLOWDESK engage in any unauthorized business, directly or indirectly, with any such governments.

Initial Screening of New Business Partners

Before engaging in any transactions with new business partners, FLOWDESK will screen all such parties against applicable US, EU, French, and United Nations export controls and sanctions restricted party lists (the “Restricted Party Lists”) using the Company’s software screening tools (“Screening Tools”).

For each client, FLOWDESK will screen the following:
-The company’s name
-The project’s name or the commercial name
-The Beneficial Owner’s name
-All the Directors
-The Authorized Signatories
-All the wallets addresses linked to the source of funds or whitelisted by the client.

Flowdesk deals with digital assets and is subject to greater risks to trade with sanctioned persons. Hence, the Company will screen the wallet addresses with which it might interact with using the Company’s Screening Tools. This control shall be applied ex ante as well as ex post to monitor if the declared wallets are the ones used in practice.

Regarding the providers, the Company will screen the names and addresses of potential business partners, as well as for any business partners with whom the Company does at least $100,000 business annually, the names and addresses of any and all owners, officers, and/or directors identified during due diligence or through FLOWDESK’s research.

If there are no potential matches, the client and the provider partner may be approved to do business with FLOWDESK. If a potential match is returned in the search, the screener must review the potential match to verify whether the match is accurate; if accurate, the screened party (or its associated organization) may not be qualified to do business with FLOWDESK. This review and verification process is described below.

Potential business partners that are SDNs, that are owned, directly or indirectly, fifty percent (50%) or more by one (1) or more SDN, or that are controlled by SDNs, are not qualified to do business with FLOWDESK. Potential business partners that are on other Restricted Party Lists must be reviewed in light of the restrictions relevant to the match to determine whether the proposed business is permissible or not.

On-going monitoring

On-going monitoring is the process by which financial institutions ensure their business relationships are consistent in order to maintain accurate customer information.

- ***Identity screening:*** All the elements mentioned above (company name, directors etc.) are put under on-going monitoring. Thus, everything is filtered daily thanks to our screening tool. If a potential match is generated, the Compliance Officer receives an alert.
  An analysis must be carried out to confirm or deny the match. This review and verification process is described below.

- ***KYT:*** FLOWDESK should verify that their customers are conducting transactions as expected. During the process of creating a new customer, the anticipated transaction volume is determined and as long as the customer remains in the company and conducts business, he should conduct transactions as expected. Through an automatic monitoring, FLOWDESK continuously screen its clients for changes in their status.

This monitoring includes a transactions' screening. With a supervision of the transactions conducted by the customer, FLOWDESK knows when the client is sending funds from a whitelisted wallet to a sanction wallet. Not only are the wallets monitored to check if a red flag is reported by any authority but also for its ongoing activity (both as a receiving party and a sending party).

If an alert is reported during this ongoing monitoring, FLOWDESK shall stop its business relationship with the client without any delay and report the transaction to the relevant authority.

Reviewing and Verifying Business Partner Screening Results

If screening or re-screening identifies a potential match, to a Restricted Party List the screener should review all available information about the screened party to determine if the match is a positive match or a false positive. This review should consider the following information:

- How closely the name on the Restricted Party List matches the one provided (e.g., only the last name of an individual is a match);
- The type of party screened (e.g., the screened party is an individual, but the "matching" entry is a vessel); and
- Whether the location of the restricted party matches the one provided (e.g., the screened party is located in the United Arab Emirates but the "matching" party is located in Iran).

If the information obtained during due diligence does not match the information in the restricted party list entry, the "match" will be considered a false positive.

If the information obtained during due diligence appears to match the information in the Restricted Party List entry, or the potential match cannot be resolved through information obtained during due diligence, the screener will consult with the General Counsel's Office to resolve the potential match.

FLOWDESK will not proceed with any transaction involving a potential match to any of the Restricted Party Lists until any such red flag has been resolved and confirmed as a positive match or false positive.

FLOWDESK will not engage in any activities with potential business partners who are matches to the SDN List or otherwise deemed ineligible for doing business with FLOWDESK based on the results against other Restricted Party Lists. Likewise, FLOWDESK will not engage in any activities with potential business partners who are not qualified to do business with FLOWDESK based on the results of the screening of their owners, officers, and directors. In the event that a business partner is disqualified in the re-screening process, FLOWDESK will immediately cease all business operations with that party.

3- SANCTIONS COMPLIANCE CERTIFICATIONS

Before the Company hires, engages, or works with a third party, FLOWDESK will use commercially reasonable efforts to ensure that any contractual agreements with a third party include certifications or comparable contractual provisions stating that (i) the third party is familiar with the provisions of the US sanctions laws and applicable sanctions laws relevant for the particular jurisdiction and (ii) the third party has not undertaken and will not undertake any action that would cause FLOWDESK to violate those laws. An example of sample language for potential use in a third-party agreement is included in FLOWDESK' Anti-Corruption and Sanctions Due Diligence Procedures.

Corporate Acquisitions and Joint Ventures

Prior to either (i) acquiring a business that has or conducts operations outside the United States or (ii) establishing a joint venture arrangement in a non-U.S. country, FLOWDESK will use commercially reasonable efforts to:

- Conduct a risk-based due diligence review of the acquisition target or the joint venture partner (the "Target Company") to assess the overall sanctions risk that a Target Company might pose to FLOWDESK;
- Obtain appropriate written agreements and contractual protections from the Target Company;
- Implement post-closing integration of the Target Company into the FLOWDESK's sanctions compliance program, including appropriate education and training; and
- Conduct an appropriate sanctions audit of the Target Company.

Records and Retention

OFAC requires that persons engaging in any transaction subject to the sanctions provisions keep full and accurate records of each such transaction for at least five (5) years. FLOWDESK will maintain records of each transaction to which the US sanctions may be applicable for five (5) years from the date of the transaction.

In addition, FLOWDESK will maintain information regarding its business partners – including but not limited to information obtained during due diligence, screening results (even if no potential matches are identified), and documentation related to the resolution of potential matches – for at least five (5) years, or for the duration of the business relationship with that party plus at least five (5) years, whichever is longer.

Responsibility for Compliance

It is the responsibility of every Covered Person to strictly comply with FLOWDESK's Trade Sanctions Policy.
If you suspect a violation of any sanctions law, you should immediately report your suspicion to the attention of the General Counsel, or designee, in the form of a confidential memorandum, for the purpose of obtaining legal advice and labeled "***Attorney-Client Privileged Communication***." The General Counsel, or designee, will take any further action deemed necessary and appropriate. You should not take any further action until you receive a response from the General Counsel or designee. In addition, you may report concerns confidentially to FLOWDESK's Chief Executive Officer.

All employees involved in international transactions (whether sales, procurement, or any other) or the offer of products and services outside of the US must fill out, sign and return an Annual Anti-Corruption and Sanctions Compliance Questionnaire. The questionnaire must be completed and delivered to the Legal Department by April 1 for the previous fiscal year.

Penalties and Discipline

Violations of the sanctions laws could subject FLOWDESK to serious criminal and civil penalties, and any individual who violates one of these laws may be subject to severe criminal and civil penalties, including imprisonment and substantial fines, which FLOWDESK will not reimburse. Compliance with FLOWDESK's Sanctions Policy is mandatory, and any Covered Person who violates this policy or the sanctions laws is subject to disciplinary action, up to and including termination.

Communication and Training

FLOWDESK shall effectively communicate this Policy to all individuals to whom this Policy is applicable. Such communication shall include appropriate sanctions education and training.

A copy of this Policy will be distributed to each Covered Person promptly following its adoption or any amendments hereto and at such times as a person becomes a Covered Person. Upon receipt of the Policy each Covered Person shall execute the acknowledgement of receipt and understanding contained herein. Acknowledgements will be collected and maintained by FLOWDESK's People team. Failure to sign an acknowledgement will not affect the applicability of this Policy to any Covered Person.

Accountabilities

The General Counsel's Office shall be responsible for administering and interpreting this Policy and shall give directions and maintain procedures to implement this Policy.
For purposes of providing legal advice and advising senior management regarding potential legal liability under the sanctions laws, FLOWDESK's General Counsel's Office has the following responsibilities:

- communicate FLOWDESK' Sanctions Policy to the Company and all Covered Persons;
- collect and review Sanctions Policy acknowledgements;
- collect and review Sanctions compliance questionnaires;
- investigate possible violations or legal issues brought to his or her attention;
- inform senior management of possible material violations or legal issues of which he/she/they is/are aware;
- make recommendations to senior management as to appropriate action to take to address possible violations or legal issues of which he/she/they is/are aware;
- review changes to the sanctions requirements described above, review new case precedent addressing sanctions compliance, and communicate such information to the Company and its employees, subsidiaries, affiliates, representatives and agents;
- modify FLOWDESK's Sanctions Policy to reflect applicable changes in the law, case precedent, regulatory guidance, and industry best practices;
- confirm that FLOWDESK's ongoing training program includes sanctions training; and
- confirm that the implementation of FLOWDESK's Sanctions Policy is reviewed at least annually to evaluate its effectiveness and whether the policy or related procedures should be revised to respond to any apparent or actual weaknesses.

The General Counsel may delegate certain of the above responsibilities to members of the Legal or Finance Departments. Any such delegation shall be made in writing.

Within six months of the adoption of this Policy, the General Counsel's Office will complete an initial risk assessment to determine those Covered Persons who must receive specific sanctions training and complete annual certifications as required under this Policy. This Policy shall be communicated to all directors, officers and employees of FLOWDESK.

The General Counsel, in consultation with the Chief Operating Officer, also shall evaluate which countries and business lines present the highest degree of risk for a potential sanctions violation. This review will include evaluating the jurisdiction, the business line, the customers and vendors, the third-party representatives, agents, distributors being used and the structure of transactions. These risk assessments shall be conducted on a regular basis. To the extent FLOWDESK enters into new countries or the nature of the FLOWDESK's business significantly changes in an existing country, the General Counsel's Office will, as circumstances may warrant, assess the sanctions risks of the FLOWDESK's business in the markets and take appropriate action to implement compliance procedures appropriate for addressing such risks.