

itm8

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# Code of Conduct on Compliance

With sanctions & embargoes and Restricted industries

## 1 Introduction

Itm8 A/S and its subsidiaries (together, “Itm8” or the “Company”) has issued this Code of Conduct on compliance with sanctions & embargoes and restricted industries (“Code”) to offer guidance to its contractors, affiliates, distributors, resellers, customers and other third parties acting on the Company’s behalf or any type of business that has a relationship with the Company including suppliers (“Business Partner/s”) to understand where breaches of sanctions laws might arise and to support them in making the right decisions in line with its corporate position.

This Code is a requirement for doing business with Itm8 and it applies to all of its Business Partners.

This Code is an integral part of Itm8’s relationships and part of all contracts with Business Partners. In Itm8, we fully commit ourselves to the principles of the Code.

## 2 General expectations

Itm8 expects its Business Partners to uphold similar standards and to require the same from its own set of business partners, especially those that conduct business for Itm8. Itm8 expects immediate notification from existing Business Partners of any suspicion or concern of breaches, or any other non-compliance with the standards set out in this document, allowing for joint verification of facts and remediation.

Itm8 expects its Business Partners to comply with all applicable laws and regulations (“Sanction Laws”) regarding restrictions on engaging in business with:

- a. countries and/or political subdivisions of countries** (collectively, “Sanctioned Countries”);
- b. persons, companies or entities**, that are domiciled in Sanctioned Countries or are listed on national or international sanction lists (collectively, “Sanctioned Persons”).

## 3 What Is a Sanction?

Sanctions are the regulatory restrictions applicable to dealings with certain countries/territories, governments, groups, entities, individuals, or controlled goods or services.

## 4 Sanctioned Countries and Sanctioned Persons

Itm8 is committed to compliance with the applicable laws and regulations that govern the importing and exporting of goods, services, technologies and information, in particular with the ones imposed by European Union (“EU”) and/or United Nations (“UN”) and/ or United States (“US”).

Itm8 expects its Business Partners to comply with the list of Sanctioned Persons imposed by EU/ UN on <https://www.sanctionsmap.eu/#/main>.

Itm8 expects all its Business Partners to comply with US international sanction program for more information please access on U.S. DEPARTMENT OF THE TREASURY for general guidance on <https://home.treasury.gov/>.

## 5 Restricted Industries

Itm8 maintains a list of prohibited industries that it will not engage or allow Itm8's Business Partners to engage.

Itm8 will not engage in any type of direct contractual relationship with any Business Partners that are involved, partly, directly or indirectly, in the Restricted Industries like are listed below.

Itm8's affiliates, distributors and resellers themselves can engage in a contractual relationship with businesses that are part of the Restricted Industries as stated below, but they are not allowed to sell Itm8's products to these companies under any circumstances.

### **Restricted Industries are as follows:**

- Illegal or suspicious activity (by either entity or individual) as directed by federal, state, or other international and local jurisdictions
- Companies/clients who have raised tokenized funding (e.g. initial coin offering, securitized token offering) that do not adhere to FinCEN and state money transmission laws and/or SEC governance or SEC Securities Act and Exchange Act requirements
- Gambling
- Companies dealing in payment for debt that is uncollectible
- Medicinal and / or Recreational drugs e.g. marijuana / cannabis or CBD oils
- Adult content, services or entertainment (e.g. pornography, bookstore, massage parlour etc.)
- Psychics
- Currency Exchange
- Pyramid and Ponzi investments
- Shell Banks or Clients who are Owned by Shell Banks
- Cryptocurrency
- Payday lenders
- Subprime lending
- Precious metals
- Cultural artefacts
- Arms/weapons or defence: i.e. Dealings in arms, munitions, security, intelligence, and dual use goods. Dual-use items include a wide range of goods, software and technology that have both civilian and military applications, and may be used in weapons of mass destruction, terrorist acts, human rights violations, surveillance, repression, or armed conflict. Examples include chemicals, toxins, lasers, sensors, surveillance cameras, satellites, electronics, computers, encryption, and communication technology, such as those that can be used in surveillance applications.
- Ivory or other items related to protected species.
- Other items of archaeological, historical, cultural or religious significance.

## 6 General expectations for complying with this Code

Business Partners are expected to be aware of their obligations in respect of Sanction Laws and with this Code therefore always expected to be compliant with the requirements that apply to them.

It is expected that Itm8's Business Partners should adopt internal procedures/processes in order to comply with this Code and applicable laws and to conduct a due diligence for their clients/ business partners/ suppliers etc. taking into account, at least, the following:

- Due diligence procedures including procedures to identify the ownership and control structures of non-natural persons
- Know your business partners: Where appropriate, conduct integrity assessments and other due diligence and be familiar with their business practices
- Conduct appropriate due diligence / screening and have systems / controls in place to prevent their participation in activities which would place them in breach of Sanction Laws (in regard to UN/ EU/ US requirements)
- Reviewing the level of understanding of, and compliance with, training issued to staff in order to comply with Sanctions Law and this Code
- Any other appropriate business screening in accordance with the Business Partners' standards, regulations, and laws.

It is expected that Itm8's Affiliates, Distributor, and Resellers have a company policy that requires business to be carried out in line with applicable anti-money laundering legislation, and regularly training employees on how to act in compliance and detect signs of money-laundering. You must have a risk management process in place and appropriate due diligence measures to identify your customers that you are selling Itm8's products and assess the risk of money laundering in all business relationships (also known as "KYC" procedure). You must have enhanced due diligence measures in place for your customers and have a screening process that can help you be compliant with the International Sanctions Laws and this Code. It is expected from you to carry out a KYC procedure and to identify the full ownership and the ultimate beneficial owner of the customers that you are selling Itm8's Products.

Itm8's Business Partners are expected to comply with Directive (EU) 2018/843 of the European Parliament on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AML Directive) and all other national/ international legal laws, standards, and requirements.

## 7 Non-compliance

Any Itm8's Business Partner should take all the necessary measures to comply with this Code. Itm8 has no tolerance for compliance violations. Business Partners hereby agrees to abide by and comply with all the above requirements and standards, in case of non-compliance with the above Itm8 will consider it a breach of contractual relationship and will have the right to terminate the contract/ agreement immediately without notice.

Itm8 will not enter in business transactions with, or involving, any Sanctioned Country or Sanctioned Person or with any business that doesn't comply with Sanction Laws. If you become aware of an existing or possible business transaction with or involving any Sanctioned Country and/ or Sanctioned Person, promptly contact your contact person from Itm8 or the Compliance Manager of Itm8.

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