

**ALGORITHMIC - WORLD SERVIÇOS DE CONSULTORIA**  
**E INVESTIMENTOS LDA**  
**OFAC Sanctions Compliance Policy**

**I. CORPORATE POLICY TO COMPLY WITH U.S. SANCTIONS**

**Purpose of this Policy**

This Policy is designed to prevent and detect violations of U.S. economic sanctions laws. The Policy summarizes applicable laws and regulations and sets forth procedures so that Company personnel can comply with their international business responsibilities.

**Scope of this Policy**

This Policy reflects the U.S. economic sanctions policy established by Company management with respect to transactions with or in non-U.S. countries or with non-U.S. persons. A copy of this Policy has been distributed to Company managers and Company personnel involved in such activities. The Policy will also be available on the Company Intranet, and any Company employee may request a hard copy of this Policy.

The Policy will be updated and communicated to Company personnel from time to time as laws and regulations change or for further clarification.

**Manager Responsibilities**

Each Company manager serves as a central contact person for questions and issues involving sanctions and other international business activities within his/her authority and for reporting any perceived failure to comply with legal requirements and/or to report deficiencies in compliance on the part of any employee. The Legal Department is responsible for coordinating the compliance activity of all departments engaged in international business. The Legal Department must be consulted in connection with sanctions compliance regarding current and pending international business activities.

**II. OVERVIEW OF U.S. SANCTIONS LAWS AND REGULATIONS**

The United States maintains restrictions and prohibitions on transactions with certain countries, governments, entities, and individuals. These trade restrictions are imposed pursuant to U.S. economic sanctions regulations, which are administered by the U.S. Treasury Department, Office of Foreign Assets Control (OFAC). U.S. sanctions range from comprehensive (e.g., prohibiting nearly all transactions with a particular country) to selective (e.g., prohibiting certain transactions with designated entities or individuals).

U.S. sanctions regulations cover the conduct of U.S. Persons, which means all persons in the United States, regardless of nationality, all U.S. citizens, and lawful permanent residents,

wherever located, and all companies and organizations incorporated in the United States, as well as their foreign branches. In the case of Cuba and Iran, U.S. economic sanctions extend to non-U.S. entities that are owned or controlled by U.S. persons.

U.S. economic sanctions on entities and individuals present particular compliance challenges because sanctions target often do not reside in countries otherwise subject to sanctions. It is therefore essential to screen transaction partners against OFAC's List of Specially Designated Nationals (SDNs) and Blocked Persons. The SDN List is updated regularly, so parties should be screened on a regular basis even if they are well-known to the Company.

### **III. PENALTIES**

Any violation of U.S. sanctions or other applicable trade laws can significantly damage the Company's reputation for good corporate citizenship and ethical dealing. In addition, substantial penalties may be imposed against companies and individuals for such violations, including the following:

- **Civil Penalties** may be \$1,075,000 or more per violation.
- **Criminal Penalties** can include fines of \$20,000,000 or more, imprisonment of 30 years or more, or both, per violation.

### **IV. DUE DILIGENCE / CONTRACT TERMS**

#### **Due Diligence**

Before engaging a third-party representative such as an agent, freight forwarder, or customs broker, and before selling a product to a customer with which the Company is not familiar, appropriate due diligence must be conducted. The Legal Department will be responsible for supervising the diligence exercise, including identifying what information is needed from the business partner, screening the partner against appropriate U.S. prohibited parties' lists, and taking other steps as necessary.

#### **Red Flags**

During due diligence, and throughout the life of a transaction, the Company must monitor for any compliance red flags suggesting the possibility of a violation of U.S. or other countries' trade laws. Any unusual situation or activity involving a transaction partner must be reviewed further. Examples of such red flags include:

- Customer or its address is similar to that of a party found on any U.S. prohibited parties list
- Customer or purchasing agent is reluctant to provide information about the end-user or end-use of a product

- Customer intends to pay cash when the terms of sale would usually call for financing
- Customer has little or no business background
- Customer is unfamiliar with the purchased product
- Customer declines routine installation, training, or maintenance services

***If personnel encounter any of the Red Flags listed above or any other Red Flags or unusual circumstances without adequate explanation, the transaction must be halted, and the Legal Department shall be consulted for guidance.***

### **Contract Terms**

Whenever a written services or other agreement is warranted, the agreement must include appropriate trade compliance language to ensure the partner understands and complies with its obligations under U.S. trade laws. A sample sanctions compliance provision is as follows:

The transaction contemplated by this agreement is permitted by domestic and foreign law, including, but not limited to, U.S. economic sanctions and embargoes regulated by the U.S. Department of the Treasury, Office of Foreign Assets Control ("U.S. Sanctions"). Neither the Transaction Partner nor any person for whose conduct the Company may be held responsible is a person or entity whose property or interests in property are blocked pursuant to U.S. Sanctions. The Transaction Partner has at all times conducted its operations in compliance with, and not received any communication or incurred any liability with respect to any alleged, actual, or potential violation of, U.S. Sanctions. The Transaction Partner agrees to conduct any transaction contemplated by this agreement in accordance with U.S. Sanctions.

As needed, the agreement may also include an audit right for Company, a requirement that the partner attend training on applicable trade laws, and other such obligations.

### **V. TRAINING**

#### **Scope**

All management personnel must have knowledge of U.S. sanctions laws and requirements. An introductory training on sanctions compliance will be provided as part of new employee orientation to personnel with international business responsibilities. Certain personnel will be required to have additional training on sanctions compliance issues, including key issues the Company faces on a regular basis. Such personnel will also be encouraged to attend seminars and conferences on compliance with sanctions and other trade laws. Training may be offered in-house, by outside sponsors, or online at the Company's expense. In addition, as necessary, the Legal Department will advise employees of updates in U.S. sanctions laws. Records will be maintained of all training sessions, including a list of attendees, training date(s), and topics covered. The Legal Department will make training materials available for employees' use.

#### **New Employees, New Tasks**

New employees with international business responsibilities and employees who are first becoming involved with international business transactions will receive compliance training covering: (i) the Company's international business organizational structure, including the parties involved and their roles; (ii) key provisions of applicable sanctions law and the Company's compliance program as outlined in this Policy; and (iii) information on how to get help if the employee recognizes or perceives a sanctions or other international trade compliance issue. Employees may receive additional training whenever needed.

## **VI. RECORDKEEPING**

Personnel are required to retain records for five years from the date of any international business transaction. Once OFAC or another U.S. government actor requests a document, it may not be destroyed, even if after the required time period for retention.

## **VII. REPORTING**

Any Company employee who is aware of a violation by Company personnel of U.S. sanctions or other laws should immediately report the concern to: (i) his or her manager; (ii) the Legal Department; or (iii) the anonymous hotline. The hotline can be reached by telephone at [phone number] or by email at [email address]. ***The Company will not tolerate any form of retaliation against any employee who reports a violation in good faith, even if the reported matter is ultimately determined not to be a violation.***

## **VIII. MONITORING, UPDATES, AND REVISIONS OF THIS POLICY**

### **Monitoring**

Periodic and unscheduled audits may be conducted to ensure the continuing compliance with this Policy and the requirements of applicable sanctions laws and regulations. The Company should also consider requesting periodic compliance certifications from transaction partners to ensure such partners are complying with agreement terms and with applicable law more generally. Such audits generally should be coordinated by the Legal Department in conjunction with internal audit. As necessary, outside attorneys or consultants will be engaged to assist with the audit.

### **Updates and Revisions**

The Legal Department has the responsibility, directly and with the assistance of outside counsel, to monitor new developments in sanctions and other trade laws, regulations, directives, and procedures by monitoring OFAC's website and other relevant websites and legal resources. Additionally, the Legal Department shall monitor relevant changes within the Company and communicate significant changes to key personnel responsible for trade-related activities. All necessary updates and revisions of this Policy are the responsibility of the Legal Department. The drafting of any update or revision of this Policy shall be performed or approved by the Legal Department, which shall be responsible for the distribution of all updates and revisions to personnel.

### **Employee's Responsibility**

Any employee receiving updates or revisions of this Policy must include them in his or her copy of the Policy and delete or replace outdated provisions in accordance with instructions provided by the Legal Department. ***Questions regarding maintaining or updating this Policy must be directed to the Legal Department***