

DEFINITIONS

"Company", the "Group" "we", "us" and "our" means Underwater Lights Limited and its subsidiary companies.

"Counterparty" means any person or entity the Company receives funds or economic resources from including any person, supplier, contractor, sub-contractor, agent, intermediary, bank or other financial institution, merger and acquisition party, or other person or entity with which the Group conducts or may conduct business.

"Sanctions" includes, but is not limited to, the sanctions laws of the United Nations ("UN"), the United Kingdom ("UK"), the European Union ("EU"), the United States of America ("US"), Australia and Canada, as further set out in Schedule 1.

"Sanctions Manager" means such individual appointed by the Group from time to time to oversee the implementation of this Sanctions Policy.

"Sanctions Policy" means this sanctions policy and its underlying procedures.

"Significant Shareholder" means, with respect to any Counterparty, the owner of 50% or more of the beneficial interest in such Counterparty.

"Workers", **"you"** and **"your"** means the relevant individuals who are required to comply with this Sanctions Policy; including individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any of our subsidiaries or their employees, or any of our Counterparties, wherever located.

OUR OBJECTIVE

The Company is committed to acting legally in all of its business dealings wherever it operates. As part of this, we must all exercise due diligence to ensure that we and those that we do business with observe all sanctions laws applicable to our worldwide operations.

This Sanctions Policy outlines the actions that are required to ensure that the Company complies with Sanctions and that it does not contract or engage with countries, regions, industries, organisations or individuals which are the target of such sanctions.

WHO IS COVERED BY THIS POLICY?

This Sanctions Policy extends to all business dealings and transactions in all countries in which the Company or its Counterparties operate. The policy applies both to the Company, and all companies in the Company's group. It will be communicated to all relevant Workers overseen by the Board of the Company.

WHAT ARE SANCTIONS?

Sanctions are foreign policy tools used by governments and international organisations and bodies (such as the UN and the EU) principally to influence a change in the behaviour of a specific country's government, individuals or groups in a direction which will improve peace and security and protect human rights.

Sanctions place restrictions and controls on the movement of goods and services (trade sanctions) or money (financial sanctions) to specified countries, industries, organisations or individuals. These restrictions can impact:

- (a) the countries we operate in; and
- (b) the entities or individuals that we may enter into agreements with

Entities which are the target of sanctions are known as 'designated persons' and are identified on a variety of lists maintained by the governments and international organisations/bodies which issue sanctions. It may be legally prohibited to engage in certain activities with designated persons. Prohibited activities may include contracting with, selling to, shipping to, receiving payment from, making payment to, or providing goods or services to the designated persons.

In addition, so-called "sectoral sanctions" may make it illegal to conduct business activities with, entities operating in specific sectors in countries targeted by sanctions. This is even though such entities may not be specifically named in sanctions legislation.

Sanctions put in place by the UN are reflected in UK law via the Sanctions and Anti-Money Laundering Act 2018 (SAML).

US sanctions, administered by the United States Treasury Office of Foreign Assets Control (OFAC) can apply extraterritorially and therefore impact non-US based entities including the Company.

Other countries may impose autonomous sanctions which may have extra-territorial effect. In certain instances it may be illegal to comply with extra-territorial sanctions – such as some of those enacted by the US – in the EU or UK.

In addition to the laws applicable to the Company, other business partners, including banks or insurance companies may hold us to contractual provisions that track or even go beyond legal requirements set out here. It is therefore vital this Policy is followed to ensure that we can continue to fund and operate our business globally.

WHAT IS COMPANY'S SANCTIONS PROCESS?

New Counterparties

The Company shall include in its contractual arrangements provisions that the Counterparty declares that they, nor any of their Significant Shareholders, are targeted by any Sanctions, and that each new Counterparty must provide any information where appropriate requested by the Company and agree to ensure ongoing compliance with sanctions (see example contract wording in Schedule 2).

What happens if we don't comply?

Failure to comply with Sanctions may result in regulatory investigation, which could lead to penalties for the Company, and personal prosecution or other regulatory enforcement action for individuals. It may also interrupt our activities and cause damage to our reputation and to the brand. As noted above, many business partners, including banks or insurance companies may hold us to contractual provisions that track or even go beyond legal requirements set out here. It is therefore vital this Policy is followed to ensure that we can continue to fund and operate our business globally.

Wilful or negligent violation of Sanctions, or of this Sanctions Policy, by any staff will not be tolerated and will be the subject of immediate disciplinary action.

Updates

The Company's sanctions compliance programme will change particularly due to changes in the legal environment.

Questions

For further information on Sanctions, or for questions relating to this Sanctions Policy, please contact your relevant Legal department.

SCHEDULE 1

Consolidated list of persons, groups and entities subject to sanctions

EU: <https://webgate.ec.europa.eu/europeaid/fsd/fsf>

UK: www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets

US/OFAC: <https://sanctionssearch.ofac.treas.gov/>

Canada: https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/consolidated-consolide.aspx?lang=eng

UN: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

Australia: <https://complyadvantage.com/knowledgebase/what-are-sanctions/dfat-australia-sanctions-list/>

SCHEDULE 2

Example clauses for inclusion in contracts as follows:

"[We/company name] hereby warrant that [We/company name] are not subject to, as at the date of this [Agreement/Contract], any sanction regime belonging to the UK, USA, EU, UN, Canada or Australia. Should [We/company name] become subject to any such sanction regime during the Term of this [Agreement/Contract], [We/company name] shall promptly notify Underwater Lights Limited, and promptly provide reasonable information requested by Underwater Lights Limited in connection with such matter."

[Customer/Company] warrants that neither the [Customer/Company] nor any of its joint ventures, subsidiaries nor any of its or its subsidiaries' directors, officers, agents, or employees, is a person that is, or is owned or controlled directly or indirectly by persons that are (1) the subject of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), the U.S. Department of State, the United Nations Security Council, the European Union or Her Majesty's Treasury (collectively, "Sanctions") or (2) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions; including, without limitation, Cuba, Iran, North Korea, Sudan and Syria. Where the [Customer/Company] is an individual, [Customer/Company] warrants that they personally are not subject to any of the Sanctions.

The Customer shall not directly or indirectly, export, re-export, sell, supply, transfer or otherwise make available any goods or services for the benefit of or use in, any Sanctioned Country, Sanctioned Person or in a manner that may result in a violation of Sanctions Laws or Regulations.

The Customer shall not engage, participate, or facilitate any activity that evades or avoids, or has the purpose of evading or avoiding, Sanctions. The Customer acknowledges that the seller/supplier, operates a zero-tolerance policy regarding any actual or attempted circumvention of Sanctions Laws".

Shall maintain controls and safeguards to ensure compliance with Sanctions regimes enforced by UK, EU, UN, and US authorities. This includes without limitation, performing screening on underlying clients, third parties and conducting end-user checks.