

## **VW VOLLEYBALL WORLD, SA**

### **ANTI-CORRUPTION, SANCTIONS AND EXPORT CONTROLS POLICY COMPLIANCE STATEMENT**

VW Volleyball World SA (“VW” or “Company”) is a Swiss limited company owned by the Fédération Internationale de Volleyball (“FIVB”) and Vivaldi Holdings S.Á.R.L. The Company has been entrusted by the FIVB to exploit all of the commercial rights granted to it by the FIVB in the Licence Agreement between the FIVB and the Company, including the organisational and commercial rights to FIVB volleyball competitions. It is committed to conducting its business in compliance with all applicable laws and regulations, including anti-bribery and corruption laws and sanctions and export controls.

It is VW’s policy that all VW personnel and Third Party Intermediaries (as defined in the Policy), including contractors, agents and other persons engaged to act for or on behalf of VW, comply with all abovementioned laws and regulations applicable to the business of VW.

It is each individual’s responsibility to understand and follow this policy which is in line with the laws and regulations that apply to VW’s business. Failure to follow this Policy may result in criminal and civil penalties for VW and the persons involved and may result in disciplinary action up to and including termination of employment or referral to law enforcement.

Copies of the Policy are available on [www.volleyballworld.com](http://www.volleyballworld.com). If any uncertainty arises in these matters, or if you become aware of any conduct that you believe may be inconsistent with this policy or applicable law, you should immediately raise the issue with your supervisor and/or the Legal team. VW will not tolerate any form of retaliation against a person that does so in good faith.



**Stephen Bock**

**Secretary of the VW Volleyball World S.A. Board of Directors**

**19 August 2021**

**VW VOLLEYBALL WORLD SA**  
**ANTI-CORRUPTION AND SANCTIONS POLICY**

**1. INTRODUCTION**

- 1.1.** VW’s business consists of the exploitation of designated commercial rights of the FIVB, which is also its majority shareholder. FIVB is a member of the Olympic Movement and an international sports federation with members in each territory around the world. Therefore, the relevant regulations and principles applicable to VW also include sporting regulations associated with the Olympic Games provided for in the FIVB Code of Ethics and the International Olympic Committee’s (“IOC”) Code of Ethics.
- 1.2.** Additionally , it is the policy of VW Volleyball World SA (“VW”) to conduct its business in accordance with all applicable anti-bribery, anti-corruption, sanctions and export controls laws and regulations of Switzerland, the UK, EU, US and any other jurisdictions where we conduct business. This policy has been drafted in accordance with laws including, without limitation, Swiss Criminal Code, the UK Bribery Act 2010 (the “UKBA”), US Foreign Corrupt Practices Act (the “FCPA”), laws and regulations administered by the Office of Foreign Assets Control (“OFAC”) of the US Treasury Department, Switzerland and the European Union, export controls administered by the Bureau of Industry and Security of the US Commerce Department (“BIS”), as well as and any other applicable anti-bribery, anti-corruption, sanctions, and export control laws and regulations in any jurisdiction where VW conducts business.
- 1.3.** To ensure compliance with the abovementioned applicable laws, regulations and principles, VW has adopted this Anti-Corruption, Sanctions and Export Controls Policy (this “Policy”). This Policy sets forth the basic principles to which all directors, officers and employees (together, “Personnel”) and Third-Party Intermediaries are required to follow. This Policy sets forth the steps that all Personnel must follow when engaging in certain transactions in order to minimize the risk of violating applicable anti-bribery, anti-corruption, sanctions, and export control laws.
- 1.4.** Violations of this Policy may result in substantial fines or other sanctions against VW and the imprisonment or sanctioning of responsible individuals. Personnel who fail to adhere to the standards and rules set forth in this Policy will be subject to disciplinary action up to and including termination of employment, and referral to law enforcement. You will never be punished in any way, however, for raising questions or reporting possible issues in good faith.
- 1.5.** The Policy is available on [www.volleyballworld.com](http://www.volleyballworld.com). All Personnel are required to familiarize with the contents of this Policy.

**2. DEFINITIONS**

Capitalized terms used but not otherwise defined in this Policy shall have the following meanings:

- 2.1. “Anything of Value” means anything of tangible or intangible value, including, but not limited to, money (including cash equivalents, gift cards, or cryptocurrency), securities, tangible gifts, meals, entertainment, travel and lodging, tickets to sporting or cultural events, political and charitable donations, offers of employment to an individual or their relatives (whether paid or unpaid), or the provision of confidential or “inside” information.
- 2.2. “Public Official” means any employee, official or representative of any government department; agency; administration; other governmental organization, regardless of whether at the local, county, state, or federal level; any authority or court of any such government; and any enterprise or company owned or controlled thereby. The term includes, but is not limited to, civil servants, law enforcement, military personnel, government inspectors, customs, immigration and border patrol officials; elected officials and their staffs; judges and their staffs; individuals who hold official positions in political parties (but not those who are merely members of political parties without any special positions or duties) candidates for any public office, and political parties themselves. The term also includes the employees of “public international organizations” (such as the UN and the World Bank), the employees of government-owned or government-controlled companies, members of royal families, and the leaders of indigenous peoples (such as the members of tribal councils).
- 2.3. “Sanctioned Person” means any person, organization or vessel (i) designated on the European Union Consolidated Financial Sanctions List, the OFAC list of Specially Designated Nationals and Blocked Persons, the list maintained by the Switzerland State Secretariat for Economic Affairs, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty’s Treasury or on any list of targeted persons issued under the Economic Sanctions Law of any other country, (ii) that is, or is part of, a government of a Sanctioned Territory, (iii) owned or controlled by, or acting on behalf of, any of the foregoing, (iv) located within or operating from a Sanctioned Territory, or (v) otherwise targeted under any sanctions.
- 2.4. “Sanctioned Territory” any country or other territory subject to a general export, import, financial or investment embargo under the economic or financial sanctions law of any jurisdiction, which countries, as of 3 June 2021, include the region of Crimea, Cuba, Iran, North Korea and Syria.
- 2.5. “Third Party Intermediary” or “TPI” means any third-party individual or business entity engaged by VW to assist with the pursuit of business or the performance of business activities. The term includes, but is not limited to, marketing representatives, agents, consultants, distributors, advisors and lobbyists, regardless of their actual title or method of compensation.

### **3. PROHIBITION ON BRIBING PUBLIC OFFICIALS**

- 3.1. No Personnel, and no individual or entity working for or on behalf of VW, shall under any circumstances (i) offer, promise, agree to give, or give, (ii) Anything of Value, (iii) to a Public Official, (iv) for the purpose of (a) inducing the recipient to do or refrain from doing anything in the course of performing their duties (including from that person or by using that person’s influence), (b) influencing any act or decision of the recipient, (c) convincing

the recipient to violate any laws, or (d) inducing the recipient to provide VW any kind of improper advantage, (v) in order to assist VW in obtaining or retaining business or any type of business advantage, or to help direct business to any other person or company.

#### **4. PROHIBITION ON COMMERCIAL BRIBERY**

- 4.1. All Personnel and any individual or entity working for or on behalf of VW, are also prohibited from engaging in so-called “commercial bribery.” Commercial bribery is bribery that takes place between private sector businesses, such as VW.
- 4.2. In particular, no Personnel, and no individual or entity working for or on behalf of VW, shall under any circumstances: (i) offer, promise, agree to give, or give, (ii) Anything of Value, (iii) to the employee or representative of other private sector businesses, (iv) for the purpose of inducing the recipient to do or refrain from doing anything in the course of their employment that would violate the duties owed to their employer (including, without limitation, the award of a contract to VW, the renewal of an existing contract, ignoring performance problems, or providing “inside” or confidential information, or otherwise for the purpose of influencing any act or decision of that private sector business).

#### **5. PROHIBITION ON RECEIVING BRIBES**

- 5.1. All Personnel, and any individual or entity working on behalf of VW, are prohibited from soliciting, agreeing to or accepting Anything of Value from any other person or entity in exchange for doing or refraining from doing anything in the course of performing their work for VW.

#### **6. GIFTS, MEALS, ENTERTAINMENT AND LOCAL TRAVEL**

##### **Introduction**

- 6.1. In many circumstances, it is legitimate to provide gifts, meals, entertainment, and local travel (i.e., taxi fare and local mass transit) (collectively, “Business Courtesies”) to private sector business partners and Public Officials as a traditional part of establishing and maintaining positive professional relationships. The provision of Business Courtesies by Personnel shall strictly adhere to the standards set forth below.

##### **Minimum Standards for all Business Courtesies**

- 6.2. All Business Courtesies must be: (i) supported by a sound and ethical professional justification; (ii) reasonably priced and not lavish; (iii) provided openly and transparently (in other words, not provided in a manner to hide the Business Courtesies from the recipient’s superiors); (iv) not provided to induce the recipient to do or refrain from doing something in the course of her/his official duties (in other words, no “quid pro quo”); (v) tasteful and consistent with generally accepted standards for professional courtesies; (vi) not salacious or offensive; and (vii) consistent with the laws applicable to the recipient.

##### **Procedures – Business Courtesies That Do Not Require Prior Approval**

- 6.3.** No prior approval is required for the provision of Business Courtesies with a nominal value in accordance with prevailing customs. For purposes of this provision, there is a presumption that “nominal value” shall cover Business Courtesies with a value at or below the following:
- (a) CHF 200 per person in the case of a member of the private sector; or
  - (b) CHF 100 per person in the case of a Public Official, except in jurisdictions where even *de minimis* amounts may be illegal or otherwise considered a bribe.
- 6.4.** All Personnel who incur expenses for Business Courtesies at or below the thresholds set forth above shall submit reimbursement for those expenses to the General Counsel or Compliance Officer, in accordance with VW’s employee reimbursement policies. All submissions for reimbursement shall include: (i) the names of the Personnel involved; (ii) the name, title, and employer of each recipient; and (iii) all supporting documentation that clearly and unambiguously set forth the costs (including receipts and invoices).
- 6.5.** In the event that the same recipient receives Business Courtesies at or below these thresholds five (5) times in a single calendar year, then any additional Business Courtesies given to the same recipient during the rest of that calendar year shall require prior approval of the General Counsel or the Compliance Officer in accordance with the procedures set forth immediately below.

#### **Procedures – Business Courtesies That Require Prior Approval**

- 6.6.** Personnel who propose furnishing Business Courtesies to private sector business partners or Public Officials above the thresholds set forth above must first obtain prior written approval from the General Counsel. Requests for approval shall be submitted in writing to the General Counsel using the Request for Approval Form attached as Appendix B to this Policy, not less than ten (10) days prior to the proposed event.

#### **Other Requirements**

- 6.7.** Gifts to private sector business partners and Public Officials shall never take the form of cash, cash equivalents, gift cards, cryptocurrency, or securities.
- 6.8.** Personnel shall not provide Business Courtesies to the family members of any Public Official or private sector business partner, or any other person who does not have a role in the relevant business matter, without the prior written approval of the General Counsel. Such requests shall be subject to a presumption of denial.
- 6.9.** Personnel shall not use their own unreimbursed personal expenditures to provide Business Courtesies to Public Officials or private sector business partners outside of, or in a manner inconsistent with, this Policy.

### **7. NON-LOCAL TRAVEL AND LODGING**

#### **General Requirements**

- 7.1. It may be appropriate from time to time for VW to incur costs for non-local travel (i.e., travel other than local taxis or local mass transit) and lodging for Public Officials and private sector business partners.
- 7.2. All travel/lodging must: (i) directly relate to VW's business, the negotiation of a contract, the negotiation of license/permit terms and conditions, or the performance of a contract; (ii) be reasonable and not lavish; (iii) be provided openly and transparently (in other words, not provided in a manner to hide the travel and lodging from the recipient's superiors); (iv) not be provided to induce the recipient to do or refrain from doing something in the course of her/his official duties (in other words, no "quid pro quo"); (v) be consistent with the level of service (e.g., travel class, size of room, etc.) to which Personnel would be entitled under similar circumstances when traveling for work, and/or is appropriate given the rank of the Public Official or individual from the private sector business partner; and (vi) be consistent with laws applicable to the recipient (recognizing that some jurisdictions will not permit companies to incur travel costs for Public Officials).

#### **Procedures – Prior Approval Required for All Non-Local Travel and Lodging**

- 7.3. Personnel who propose furnishing non-local travel or lodging to private sector business partners and Public Officials must first obtain prior written approval from the General Counsel. Requests for approval shall be submitted in writing to the General Counsel using the Request for Approval Form attached as Appendix B to this Policy, not less than ten (10) days prior to the proposed event.

#### **Direct Payments to Service Providers; No Per Diems**

- 7.4. When non-local travel or lodging have been approved in accordance with this Policy, VW will, to the extent possible, pay all costs related to the non-local travel and lodging directly to the relevant service provider. If direct payment to the relevant service provider is not possible, VW may reimburse a Public Official or a private sector business partner for approved costs incurred in connection with non-local travel or lodging upon being provided with a valid receipt for these expenses. VW will not provide a cash per diem, stipend or other payment to a Public Official in connection with non-local travel or lodging, and may only provide a reasonable cash per diem, stipend or other payment to a private sector business partner in connection with services performed on behalf of VW if lawful, made pursuant to the FIVB regulations, and clearly documented in VW's books and records.

#### **Written Invitation**

- 7.5. Prior to making a request for a Public Official or private sector business partner to travel, including furnishing non-local travel, Personnel shall submit to the relevant government entity or private sector business a written invitation that contains a description of the non-local travel and/or lodging, the purpose of the non-local travel and/or lodging, the fact that VW will cover the costs, and an agenda. In some instances, and in some jurisdictions, a formal invitation should be addressed to the relevant government entity or private sector business and not a specific person.

#### **No Side Trips or Sightseeing Without Prior Approval**

- 7.6. When providing non-local travel or lodging to Public Officials or private sector business partners, Personnel shall not schedule or organize side trips or sightseeing that go beyond the main purpose of the business trip without the prior written approval of the General Counsel. Although the General Counsel will consider requests to provide side trips or sightseeing, such activities must only constitute a minor portion of the trip.

### **Other Requirements**

- 7.7. As a general matter, providing non-local travel and/or lodging to any family, relatives, friends or personal associates of Public Officials or private sector business partners is prohibited without pre-approval.
- 7.8. Personnel shall not use their own unreimbursed personal expenditures to provide non-local travel or lodging to Public Officials or private sector business partners outside of, or in a manner inconsistent with, this Policy.

## **8. POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS AND SPONSORSHIPS**

- 8.1. As set forth in the Code, Personnel shall not, directly or indirectly, use any VW funds or assets to make political contributions without the prior written authorization of the General Counsel. In addition, Personnel shall not engage in lobbying on behalf of VW without the prior written approval of the General Counsel, which shall be subject to a presumption of denial. From time to time, VW may find it acceptable to make donations to charitable organizations, whether in the form of in-kind services, knowledge, time, or direct financial contributions.
- 8.2. Requests to use VW assets or funds to make political contributions, for Personnel to engage in lobbying on behalf of VW, and requests to make donations to charitable organizations shall be submitted in writing to the General Counsel using the Request for Approval Form attached as Appendix B to this Policy, not less than thirty (30) days prior to the proposed contribution or lobbying activity.

## **9. EMPLOYMENT AND INTERNSHIPS**

- 9.1. To ensure that all hiring decisions are based on merit, Personnel shall not offer employment or internships to a candidate with close personal or professional ties to a Public Official or a private sector business partner without obtaining the prior written approval of the General Counsel.

## **10. COMPLIANCE WITH SANCTIONS AND EXPORT CONTROLS**

### **Applicability**

- 10.1. Many countries operate financial and economic sanctions regimes to serve both their domestic and foreign policy interests and their international treaty obligations. These regimes are established under a range of laws and create a varied set of requirements. Key sanctions from VW's perspective include those that:

- (a) generally restrict or prohibit financial, commercial or other business dealings with or connected to a targeted country (including the Crimea region, Cuba, Iran, North Korea, and Syria), depending on the applicable sanctions regime;
  - (b) restrict or prohibit dealings with, or connected to, certain “designated” individuals or persons, or entities who are owned or controlled by such individuals or persons; and
  - (c) restrict the import or export of certain goods to certain targeted countries.
- 10.2.** VW must be careful to comply with all applicable sanctions and export controls regulations when it provides, transports and/or sells goods and services across national borders in connection with the operation of commercial volleyball activities.
- 10.3.** It is the policy of VW that VW, its employees and its service providers will not sell any goods or services in connection with VW activities directly, or indirectly through sales agents, distributors or other third parties, or engage in any other transactions, involving Sanctioned Territories or Sanctioned Persons, in violation of US, UK, Swiss, or EU economic sanctions. This provision shall not apply to the FIVB or persons who are representing the FIVB as it relates to transactions involving the FIVB’s member federations in the Sanctioned Territories.
- 10.4.** Given the broad application of US sanctions, Personnel that are US Persons shall not be involved in, approve of, or otherwise facilitate, any business that may be prohibited by US sanctions. In particular, US dollar transfers typically are cleared by US-based financial institutions.
- 10.5.** It is important to consider potential reputational risk for VW that may result from dealing with individuals or entities targeted under international sanctions, even if such dealing is not strictly prohibited for VW.

#### **Transaction Screening Procedures**

- 10.6.** VW should apply a risk-based approach to screening contractual counterparties against relevant lists of sanctions targets. All counterparties under both existing and new significant agreements above CHF 300,000 should be screened against the relevant US, UK, Swiss and EU lists of sanctions targets, as should any transactions (regardless of value) that fall under the “Red Flags” noted in the next section below. No such new agreement should be entered into without first obtaining express clearance from the General Counsel to proceed.

#### **Potential Sanctions Red Flags**

- 10.7.** If certain risk factors are present, then VW shall conduct enhanced due diligence in addition to screening. Possible indicators that a transaction could raise sanctions or export controls compliance concerns include, without limitation, the following:
- (a) the transaction involves a country subject to limited or broad economic sanctions such as the Crimea region, Cuba, Iran, Myanmar, North Korea, Russia, Syria, Ukraine or Venezuela;



- (b) Personnel are notified (e.g. by a payment services provider) or otherwise become aware that the name or address of any party matches or is similar to any person on the US List of Specially Designated Nationals and Blocked Persons (“SDN List”), the UK sanctions list, the UN Security Council Consolidated List, the EU lists of designated persons; the denied persons list, entity list or unverified list published by BIS; or any other list of prohibited persons; or
- (c) the counterparty provides information or documentation that appears false or uses different names or name spellings on different documents.

**10.8.** If any of the above risk factors is present, the name of the counterparty should be provided to the General Counsel (or other person authorized by the General Counsel) for additional due diligence.

## **11. THIRD PARTY INTERMEDIARIES**

### **No Engagement of TPIs without Prior Approval**

**11.1.** VW may from time to time engage TPIs to assist with the marketing and promotion of our services, negotiating contracts relating to licensing or event hosting, and otherwise supporting our efforts to obtain or retain business. However, under certain laws, VW can be criminally liable in the event that a TPI engages in bribery or corruption while rendering services to us. Therefore, Personnel shall not engage the services of a TPI without the prior written approval from the General Counsel. For the avoidance of doubt, this restriction also prohibits Personnel from promising a potential TPI that VW will engage their services. It also prohibits so-called “test runs” in which a proposed TPI is tasked to engage in services, with or without compensation, for the purposes of evaluating their abilities.

### **Risk-Based Due Diligence**

**11.2.** As part of the General Counsel’s review of requests to engage TPIs, he/she will conduct appropriate risk-based due diligence to ascertain, among other things, the following: (i) the legal and beneficial owners of the TPI, if applicable; (ii) whether the TPI is being engaged for a legitimate business purpose; (iii) whether the TPI is a legitimate business or is employed by a legitimate business, and has the requisite experience to render the services in question; (iv) whether the TPI is closely connected to any Public Officials or private sector business partners in a position to influence the award of business to VW or to the TPI; and (v) whether there is any indication that the TPI may be expected to engage in improper or unethical conduct.

**11.3.** The General Counsel shall determine the scope of due diligence to be applied to a proposed TPI, based on the risks presented by the proposed relationship.

### **Contractual Provisions**

**11.4.** VW requires all agreements with TPIs to include appropriate contractual provisions that are designed to address anti-corruption, sanctions and export controls compliance.

### **Payments**

- 11.5. All payments to TPIs must be documented accurately, in a timely manner, and clearly described. Unless otherwise approved in writing by the General Counsel, payments to a TPI will be made by wire transfer. All payments shall be made to or from a bank account held in the TPI's name at a legitimate financial institution situated in the jurisdiction in which the TPI has its primary place of business.

#### **Potential Red Flags**

- 11.6. When working with TPIs, Personnel should be alert to possible signs of bribery or corruption or violations of sanctions or export controls laws, known as "red flags." As general guidance, Appendix B lists several common red flags with which Personnel who work with approved TPIs should be familiar. The list in Appendix B is not intended to be exhaustive. Personnel must be vigilant for any other signs of potential corruption or unethical behavior. Personnel who encounter any red flags must immediately notify the General Counsel.

### **12. FACILITATION PAYMENTS AND EXTORTION**

#### **Prohibition on Facilitation Payments**

- 12.1. Facilitation payments are small payments or the provision of Anything of Value given to a Public Official for their personal benefit in order to expedite or secure the performance of a routine administrative action. Facilitation payments are also known as "grease payments."
- 12.2. VW strictly prohibits the making of facilitation payments to Public Officials. Furthermore, TPIs shall be instructed to not make facilitation payments on VW's behalf.
- 12.3. Personnel who receive requests to make facilitation payments shall contact the General Counsel as soon as possible for guidance.

#### **Extortion**

- 12.4. In rare situations, Personnel may face situations in which Public Officials seek to extort something of value by threatening imminent personal injury. In such situations, Personnel may make the payment in question, but only to the extent necessary to prevent the imminent personal injury. Personnel must report such payments to the General Counsel as soon as it is safe to do so.

### **13. ACCURATE RECORDKEEPING AND APPROPRIATE INTERNAL CONTROLS**

- 13.1. This Policy requires, among other things, that all transactions involving VW assets shall be promptly and accurately recorded. VW has established certain accounting requirements to ensure compliance with applicable laws. It is VW policy to maintain books, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the company. It is also VW policy to maintain an appropriate system of internal accounting controls to ensure the reliability and accuracy of its books and records and the proper recording of all transactions, and to ensure that the expenditure of corporate assets adhere to management's general and specific instructions.

**13.2.** All Personnel are required under this Policy to maintain accurate records with respect to all transactions undertaken on behalf of VW. All transactions involving VW assets shall be promptly and accurately recorded. No undisclosed or unrecorded funds or assets are to be established for any purpose. These requirements apply to transactions of any amount, not just sums that would be “material” in the traditional financial sense. “Records” include virtually all forms of business documentation, including accounts, financial data, correspondence, memoranda, tapes, discs, papers, books and other documents or transcribed information of any type, electronic or otherwise.

#### **14. COMPLIANCE TRAINING**

**14.1.** VW requires Personnel to complete anti-corruption, sanctions and export controls compliance training when onboarding new employees, and additional training may be provided to certain Personnel on a periodic basis depending on the risk that they will face potential corruption issues as part of their duties, or otherwise supervise other Personnel who will face such issues. The General Counsel will determine the Personnel required to undergo such training, the contents and manner of delivering such training, and the requirement for supplemental or refresher training. It is the obligation of all Personnel instructed to undergo such training to cooperate with such instructions.

#### **15. CONSEQUENCES OF A BREACH**

**15.1.** It is the responsibility of all Personnel to be familiar with and comply with the contents of this Policy. Personnel shall be subject to formal disciplinary action, up to and including termination of employment and potential referral to law enforcement authorities, if they are found to have done any of the following: (i) violated the FCPA, Swiss Criminal Code or other applicable anti-bribery laws or the FIVB and/or IOC Code of Ethics, (ii) violated any applicable sanctions laws and regulations, (iii) breached this Policy, (iv) knowingly permitted a subordinate to breach this Policy, (v) facilitated such a breach, or (vi) failed to prevent, detect or report such a violation.

**15.2.** In addition, individuals should be aware that violations of any anti-corruption laws to which such individuals are subject may result in such individual or VW receiving substantial civil and/or criminal fines and punishment, including imprisonment.

#### **16. SEEKING ADVICE AND REPORTING CONCERNS**

**16.1.** Should any personnel have any questions about this Policy, seek additional information pertaining to this Policy or wish to report any matters under this Policy, he or she may contact VW’s General Counsel at [legal@volleyball.world](mailto:legal@volleyball.world) or call ext. 567.

**16.2.** Personnel should seek guidance whenever it is unclear how a situation should be handled or whether there may be an issue and can always ask questions and seek clarification about this Policy.

**16.3.** Any employee who has knowledge of facts or incidents that he or she believes may be in violation of this Policy has an obligation, promptly after learning of such fact or incident, to review the matter with the General Counsel or, if the violation involves the General

Counsel, then to review the matter with the Chief Executive Officer. Alternatively, Personnel may also confidentially report violations, or suspicions of violations, through VW's anonymous compliance hotline.

## **17. PROTECTION AGAINST RETALIATION**

- 17.1.** VW will not permit retaliation or discrimination against any person who in good faith reports a suspected violation of this Policy. In addition, Personnel shall not under any circumstances retaliate against any individual who refuses to carry out a request or action that they believe in good faith would violate this Policy or any applicable law. Suspected retaliation should be reported immediately to the General Counsel or using the compliance hotline. Individuals who retaliate will be disciplined, which could include termination of employment.

\* \* \*

*VW continuously looks to improve its operations and compliance in all areas. Accordingly, this Policy may be modified at any time without advance notice. This Policy was designed to address requirements set forth in applicable laws and regulations but recognizes that legal changes may occur. Therefore, to the extent any provision of this Policy conflicts with applicable law, the provisions of the applicable law shall apply. Questions concerning any aspect of this Policy shall be directed to VW's General Counsel.*

## APPENDIX A – SUMMARY OF US, EU AND UK SANCTIONS

### 1. Summary of applicable law

- 1.1. US sanctions are administered by the Office of Foreign Assets Control (**OFAC**) of the US Treasury Department.
- 1.2. The United States imposes comprehensive territory-wide sanctions that generally prohibit activities by US persons or with a US nexus with or involving (currently) the Crimea region, Cuba, Iran, North Korea, and Syria.
- 1.3. Also targeted under US sanctions are, among others, individuals and entities designated on OFAC's Specially Designated Nationals (**SDN**) list, entities 50% or greater owned by one or more SDNs in the aggregate, the governments of Cuba, Iran, North Korea, Syria and Venezuela and any entity owned or controlled thereby. In addition, certain Russian entities are targeted under less-restrictive sectoral sanctions.
- 1.4. OFAC issues general licenses (authorizations) and transaction-specific licenses to authorize limited activity that would otherwise be prohibited under US sanctions. Such licenses are generally limited in scope.
- 1.5. Other jurisdictions, including the EU and UK, maintain sanctions lists. These sanctions regimes typically have list-based asset freezing provisions, but generally do not include territory-wide comprehensive sanctions similar to US sanctions, apart from sanctions targeting the Crimea region.

### 2. Who must comply with US sanctions?

- 2.1. Primary sanctions apply:
  - (a) to **US persons** (i.e., any entity organized under US law, any US citizen or permanent resident wherever located in the world, and any person located within or operating from the US);
  - (b) wherever there is a nexus to the US in connection with the relevant activity (such as US dollar payments cleared through US correspondent banks, or US person involvement in the activity); and
  - (c) with respect to the Cuba and Iran sanctions, to entities owned or controlled by US persons.
- 2.2. OFAC considers a US person to “own or control” an entity in this context if the US person:
  - (i) holds a 50% or greater equity interest by vote or value in the entity; (ii) holds a majority of seats on the board of directors of the entity; or (iii) otherwise controls the actions, policies, or personnel decisions of the entity.
- 2.3. Non-US persons can also be held liable for activities targeted by US sanctions that also involve a US nexus (including, e.g., a USD-denominated transaction or otherwise using the US financial system).

2.4. In addition, US secondary sanctions authorize the imposition of penalties on non-US persons engaging in certain activities, even absent a US nexus. This is referred to as “secondary sanctions.”

### 3. US primary sanctions restrictions

3.1. US persons are generally restricted from entering into or facilitating transactions with the following jurisdictions or entities:

- (a) **Crimea:** persons located in the Crimean region of Ukraine;
- (b) **Cuba:** the government of, and persons located in, Cuba, Cuban companies and nationals located anywhere in the world, and any entity owned or controlled by the government of Cuba;
- (c) **Iran:** the government of Iran, Iranian financial institutions, and persons located in Iran; any person that is, or is owned or controlled by or acting for, the government of Iran or an Iranian financial institution;
- (d) **North Korea:** the government of and persons located in North Korea, and any entity owned or controlled by the government of North Korea;
- (e) **Syria:** the government of and persons located in Syria, and any entity owned or controlled by the government of Syria;
- (f) **Venezuela:** the Government of Venezuela and any entity owned or controlled thereby;
- (g) **SDN List:** several thousand individuals, groups, entities and vessels (wherever located) included on the US List of Specially Designated Nationals and Blocked Persons any entity in which one or more persons on the SDN List own, directly or indirectly, a 50% or greater interest (in the aggregate);<sup>1</sup> and
- (h) **Foreign Sanctions Evaders:** persons designated on the Foreign Sanctions Evaders List.<sup>2</sup>

3.2. As such, should VW engage in any transactions with the above-listed jurisdictions or entities, it must ensure that these transactions are not US-dollar denominated and that any US persons at VW are walled off or “ring-fenced” from the business in question, and that no other US nexus exists in the transaction, unless a general or specific license applies (noting that general licenses are limited in scope and must be carefully analyzed before relying on such a license).

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<sup>1</sup> An electronic version of the SDN List can be found at <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>. The list changes from time to time and it is important to ensure that the most recently list is used for the purposes of any screening or diligence.

<sup>2</sup> The Foreign Sanctions Evaders List is available [http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fse\\_list.aspx](http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fse_list.aspx). The list changes from time to time and it is important to ensure that the most recently list is used for the purposes of any screening or diligence.

#### **4. US secondary sanctions restrictions**

- 4.1.** US secondary sanctions are applicable to both US and non-US persons. US secondary sanctions currently target, among other things:
- (a) **Iran:** engaging or facilitating significant transactions with, for or on behalf of an Iranian SDN (e.g. the Iranian Revolutionary Guard Corps. (*IRGC*)).
  - (b) **Russia:** engaging or facilitating significant transactions with, for or on behalf of a Russian SDN, as well as entities 50% or more owned by certain Russian SDNs.

#### **5. EU and UK sanctions**

- 5.1.** EU sanctions are administered by each EU member state.
- 5.2.** EU sanctions take different forms with respect to each targeted country. Generally, however, they contain the following elements. The nationals of any EU member state, legal entities that are registered or constituted in any EU member state, persons physically located in the territory of the EU and/or any other EU Persons must:
- (a) “freeze” upon receipt and not otherwise deal with the assets of any individuals, entities and/or groups which are listed as targeted under EU economic sanctions (or under any additional domestic sanctions measures imposed by the relevant EU member state), and
  - (b) not make available, directly or indirectly, any further assets to persons targeted under EU sanctions.
- 5.3.** EU economic sanctions (together with related control measures which are implemented by each respective EU member state) also may prohibit the supply of certain items and goods or apply additional financial restrictions for certain targeted countries/industry sectors.
- 5.4.** UK economic sanctions apply to:
- (a) All individuals and legal entities who are within or undertake activities within the UK’s territory; and
  - (b) All UK nationals and legal entities established under UK law, including their branches, irrespective of where their activities take place.
- 5.5.** Financial sanctions imposed by the UK on individuals, companies, and organizations are consolidated in the UK Sanctions List, which is maintained by Her Majesty’s Treasury’s Office of Financial Sanctions Implementation. The UK imposes comprehensive financial sanctions on listed entities. In addition, entities owned or controlled, directly or indirectly, by entities designated on the UK Sanctions List are also targeted by UK sanctions.
- 5.6.** Unlike US secondary sanction restrictions, the EU and UK sanctions regimes do not apply to persons or transactions outside of the EU or UK and where there is no EU or UK nexus.

**APPENDIX B**  
**REQUEST FOR APPROVAL FORM**

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*(Select One)*

- Business Courtesies that Require Prior Approval**
  - Non-Local Travel and Lodging**
  - Political Contribution**
  - Charitable Donation or Sponsorship**
- 

5.7.

**Instructions:**

Any Personnel who seeks to engage in any of the above types of activities **MUST** submit this Form to the General Counsel and receive prior approval. For more information and definitions of capitalized terms, please see VW's Anti-Corruption, Sanctions and Export Controls Policy.

**APPROVAL FORM:**

Employee's Name:

Employee's Location:

Proposed Date of Payment or Gift:

Name of Recipient or Beneficiary of  
Payment:

Recipient's Title:

Location (Town/City, Country):

Form of Payment or Gift (check, credit, etc.):

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Please describe the proposed recipient's organization and the recipient's role in that organization:

\_\_\_\_\_

Have there been any prior payments or Anything of Value given to this recipient or beneficiary?

Yes  No



Does VW have any business with or is VW seeking any business from the recipient and/or his or her organization or agency?

Yes  No

Is the recipient a Public Official (for definition, see VW 'Anti-Corruption, Sanctions and Export Controls Policy)?

Yes  No

If the recipient is a Public Official, does VW have any business with or is VW seeking any business or other business advantage from the relevant government, any government agency, or any government-owned or government-controlled enterprise or instrumentality?

Yes  No

Do you have any reason to believe that this payment, gift or donation will affect the outcome of a government or commercial decision in which VW has an interest?

Yes  No

Explanation for why employee believes the proposed activity constitutes a legitimate expenditure: (attach separate sheet if necessary)

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Please submit this Form along with any supporting documentation for approval in accordance with VW's Anti-Corruption, Sanctions and Export Controls Policy.

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Supervisor Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_



## APPENDIX C

### COMMON THIRD PARTY INTERMEDIARY (“TPI”) RED FLAGS

#### 1. **Red flags regarding payment or compensation terms**

- Requests by a TPI for payment in cash, cash equivalents, bearer instruments, or cryptocurrency.
- Requests for a payment method that is unusual for the business transaction, such as payments to an account in a third country, unconnected to the transaction.
- Requests by a TPI for compensation that is more or excessive to the amount normally expected for such services.
- Requests for a payment, rebate or discount that is not provided for in the written contract with the TPI.
- Requests for payment for more than the actual amount of expenses or for poorly documented expenses, or a request to extend an unusually large credit line or to provide a substantial upfront payment.
- Requests or requirements to hire a family member for a job or internship.

#### 2. **Red flags regarding the status of a TPI**

- A TPI is also a Public Official.
- A TPI has a personal, family or business relationship, or other close relationship with a Public Official.
- A TPI and/or any of its identified shareholders, beneficial owners, directors and managers/officers are on any of the lists of individuals and entities subject to sanctions, including lists of individuals and entities banned from government contracts financed by development banks and the list of individuals and entities subject to financial and international sanctions published by economy and finance ministries.
- The TPI has any involvement, relation to, or business related to a country subject to limited or broad economic sanctions such as the Crimea region, Cuba, Iran, North Korea, Russia, Syria, Ukraine, or Venezuela.
- A transaction involves or takes place in a country with a reputation for bribery and corruption. For example, please see the Transparency International Corruption Perception Index, available online at:  
<https://www.transparency.org/en/cpi/2020/index/nzl>
- A TPI makes large or frequent political contributions.

### 3. **Red flags regarding actions of or statements by a TPI**

- TPI refuses to agree in writing to FCPA, UKBA, Swiss Criminal Code or anti-bribery compliance provisions or certifications.
- TPI refuses to agree in writing to sanctions compliance provisions or certifications.
- A Public Official, or a business partner requests an improper or unusual payment or favor in exchange for helping with our business.
- A TPI suggests that bribery or corruption is customary or a “way of doing business” in the country.
- A TPI suggests that a political or charitable contribution would influence an official action or business decision.
- A TPI does not fully and truthfully disclose all of the information requested by VW (e.g., during diligence or during the course of the business relationship).
- A TPI has been recommended by a Public Official or a potential government customer.
- A TPI has a negative reputation, has little experience, or is new to the business.
- There is some indication of a history of unethical conduct, or the TPI has been subject to civil or criminal enforcement actions, particularly if related to relevant compliance issues (e.g., anti-bribery and corruption, sanctions, multilateral development bank resolutions).
- A TPI fails to provide credible references for other companies with which it has worked.
- TPI requests that his/her identity not be disclosed or intends to use undisclosed subcontractors.
- A TPI does not have the resources or staff to undertake the scope of the work required by the agreement, or at the other extreme, the TPI involves seemingly unnecessary subcontractors.
- VW already engages other TPIs that perform the same or substantially the same function (i.e., multiple duplicative relationships).
- The TPI provides information or documentation that appears false or uses different names or name spellings in different documents.