Sanctions and Compliance Policy

The purpose of this Sanctions and Compliance Policy is to ensure that SRL Traffic Systems has and continues to comply with all applicable sanctions laws and regulations, including those imposed by the United Kingdom, the United Nations, the European Union and its member countries, and similar, laws, regulations and orders in other jurisdictions. This policy outlines our commitment to preventing and mitigating the risk of sanctions violations in our business operations.

Policy Statement

SRL Traffic Systems is committed to complying with all applicable sanctions laws and regulations. We will not engage in any business or dealings with individuals, entities, or countries that are subject to sanctions unless explicitly authorised by the appropriate regulatory authorities.

Scope

This policy applies to all employees, officers, directors, contractors, consultants, and any other parties acting on behalf of SRL Traffic Systems. It covers all business activities, including but not limited to, sales, purchases, financing, and any other commercial engagements.

SRL Traffic Systems officers, directors and senior managers shall be responsible for ensuring that all SRL Traffic Systems personnel (and agents under their supervision) adhere to this Sanctions and Compliance Policy.

If you become aware of any violations of this Sanctions and Compliance Policy, you must report such violations to your line manager.

SRL Traffic Systems applies a risk-based approach in developing and applying its Sanctions and Compliance policy.

Accordingly, this Sanctions and Compliance Policy is based on an overall assessment of SRL Traffic Systems' exposure to risks, considering factors such as:

i. SRL Traffic Systems' customer base
ii. Regions in which SRL Traffic Systems operates
iii. The types of services SRL Traffic Systems offers.

The level of risk will be updated periodically to address potential changes in SRL Traffic Systems' risk profile, such as expansion of activities or the introduction of new services.

Economic Sanctions

All services provided and all transactions conducted by or through the Company must comply with the Sanctions Laws of applicable law to where the performance of the obligations relevant to the contract is located.

U.K. sanctions consist of a wide variety of restrictive measures. Different types of sanctions include trade sanctions (e.g., arms embargoes and restrictions on dual- use items), financial sanctions (e.g. asset freezing or investment bans) and immigration sanctions (commonly known as travel bans).

Some regimes are focused on suppressing terrorist activity whilst others are more politically

motivated and are designed to encourage a change in behavior on the part of the target country.

U.K. sanctions apply within the territory and territorial waters of the U.K. and to all U.K. persons, wherever they are in the world. All individuals and legal entities who are within or undertake activities within the U.K.'s territory must comply with any sanctions legislation that is in force in the U.K.

All U.K. nationals and U.K. legal entities established under U.K. law, must comply with U.K. sanctions that are in force, irrespective of where their activities take place.

Asset Freezing

Asset freezing may be imposed on individuals, entities or organisations (known as designated persons or sanctions targets) as a restrictive measure.

If an individual, organisation or entity is a designated person and therefore the subject of asset freezing measures, the following is prohibited:

- dealing with funds or economic resources, belonging to or owned, held or controlled by a designated person;
- making funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person; and
- engaging in actions that, directly or indirectly, circumvent the economic sanctions prohibitions.

SRL Traffic Systems will therefore not enter any business relationship with a designated person (even if the connection is indirect).

If a customer or other counterparty becomes a designated person during the business relationship, SRL Traffic Systems Chief Executive Officer will decide whether to terminate the relationship immediately or whether there are grounds for applying for a license from the U.K. Office of Financial Sanctions Implementation ("**OFSI**").

If SRL Traffic Systems knows or has reasonable cause to suspect that it is in possession or control of the funds or economic resources of designated person, it will freeze those funds or economic resources immediately and will report their existence to OFSI without delay.

Any breach of the above asset freezing prohibitions is an offence under U.K. law. Violations of applicable sanctions may lead to severe financial and criminal penalties both for the Company and, in serious cases, SRL Traffic Systems directors and personnel.

Other restrictive measures

In addition to asset freezing, other restrictive measures include travel bans, investment bans, restrictions on access to capital markets, restrictions regarding banking relationships and other financial services, requirements to notify OFSI or seek authorisation from OFSI prior to certain payments being made to or received from certain countries.

Responsibilities

The senior leadership team is responsible for overseeing policy implementation and ensuring that all employees are aware of and comply with this policy.

SRL Traffic Systems employees are required to understand and comply with the Sanctions and Compliance Policy and report any potential violations.

Due Diligence

SRL Traffic Systems will conduct thorough due diligence on all clients, suppliers, and business partners to ensure they are not listed on any restricted party lists.

Any transactions in, or involving parties with links to, a "Comprehensively Sanctioned Jurisdiction" require enhanced due diligence during the screening process. At present, the Comprehensively Sanctioned Jurisdictions are Iran, Syria, Cuba, North Korea, Crimea, Luhansk, Donetsk, and Russia.

Transaction Monitoring

The Company will monitor transactions for any signs of sanctions risks, such as unusual payment methods or requests to ship goods to or through sanctioned countries. The Company will review all new business opportunities and transactions to ensure compliance with sanctions regulations.

SRL Traffic Systems routinely monitors sanctions legislation applicable to the jurisdictions in which it operates to ensure that it is operating in compliance with relevant national & international laws applicable to the relevant location in which SRL Traffic Systems provides its' services.

The Company will, for relevant transactions, carry out usual "know your client/customer/supplier" checks, not involving well-known counterparties to ensure compliance with applicable economic sanctions, protecting potential civil and criminal liability for violations and ensuring more effective execution of the Company's business.

Personnel engaged in finance, sales and procurement, and those engaged in designing and provisioning services for customers, must ensure that transactions are screened prior to finalising a contract.

If sanctions screening reveals a potential sanctions match, the results must be escalated immediately to the Chief Executive Officer, who will review and decide how to proceed.

The Company must not proceed with any business relationship or transaction until cleared by the Chief Executive Officer as it is an organisational-breach-of-duty, and internationally a legal offence under many laws, to deal with the funds or economic resources of a designated person either directly or indirectly (this includes sending funds to a designated person or receiving funds from them either directly or through a third party).

Record Keeping

Whereby personnel record any transaction and customer screening, and other compliance activities, records should be kept. SRL Traffic Systems will securely store and maintain accurate and complete records of all due diligence, screening, and transaction monitoring activities.

SRL Traffic Systems will retain records for a minimum of five years or as required by applicable law.

Reporting and Escalation

Employees of SRL Traffic Systems must report any suspicious activities or potential sanctions violations to the Chief Executive Officer immediately. The Chief Executive Officer will investigate all reports and take appropriate action, including notifying relevant authorities if necessary.

Discipline

Non-compliance with this policy can result in severe consequences for SRL Traffic Systems, including legal penalties, fines, and damage to the Company's reputation. Employees who violate this policy may face disciplinary action, up to and including termination of employment.

This policy applies to all employees, officers, directors and agents of the Company to safeguard all the information assets of SRL Traffic Systems.

This policy will be reviewed annually and updated as necessary to reflect changes in sanctions laws and regulations.

Mark Eburne

Chief Executive Officer August 2024

Version Control

Version	Release Date	Reviewer	Approval Date
1.1	September 2024	John McLaughlin	August 2024