

# EuroChem Group Sanctions Policy

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## I. INTRODUCTION

EuroChem Group AG (“**Company**”) and all its directly or indirectly controlled subsidiaries (together with the Company, shall be jointly referred to as the “**Group**” and individually as a “**Member of the Group**”) are committed to complying with all applicable laws and regulations governing economic sanctions and export/import controls imposed by multiple government authorities (“**Sanctions**”) in all jurisdictions in which the Group operates, as these may apply to its operations.

The Company and the Group’s policy has been and continues to be that all Employees (as defined in Definitions in Section 1 below) must comply fully with Sanctions. This includes those of the European Union (“**EU**”) and its member states, Switzerland and the United States (“**US**”). Other jurisdictions also establish Sanctions requirements that may also affect the Group and, therefore, must be taken into consideration by the Group, where applicable.

Therefore, it is important that all the Members of the Group (notwithstanding their jurisdiction of incorporation) as well as the Employees (notwithstanding their place of living, position or physical presence) consult this Sanctions Policy (“**Policy**”) before engaging in any business activities.

The Group acknowledges and follows the objective that all its activities and duties are carried out with diligence, responsibility and transparency. In this regard, the Group has defined a corporate model based on a culture of compliance and integrity that ensures ethical and sustainable business practices throughout its operations.

This Policy has been developed to ensure full compliance with all Sanctions applicable to the Group’s business activities and is to be consistently followed by each Employee.

The Group aims to ensure that any risks of non-compliance with Sanctions are detected early, allowing to mitigate such risks’ negative impact on the Group. Non-compliance with Sanctions can expose the Members of the Group as well as Employees to civil, regulatory and criminal penalties, including substantial economic fines and/or imprisonment. Any behaviour in violation of Sanctions will result in the infringement of the values pursued by the Group, which will not be tolerated.

***The scope and content of Sanctions is subject to regular changes. Certain dealings/transactions described in this Policy would be permissible if the relevant Sanctions Authority (e.g., US Department of the Treasury’s Office of Foreign Assets Control, etc.) issues a specific license or other authorization or official interpretation (e.g., EU Commissions FAQ’s, etc.). Any dealings or transactions subject to Sanctions or this Policy are only permissible upon consultation with and sign off by the Head of Compliance.***

## 1. DEFINITIONS

- 1.1 **“Business Day”** means a day (other than a Saturday or Sunday) on which banks are open for general business in Switzerland and in the place of business activities of the Group.
- 1.2 **“Business Process Owner”** means a manager of the Company or a Member of the Group responsible for managing any business-related process.
- 1.3 **“Compliance Officer”** means the employee of the Company who is and committed to ensuring that the compliance policies (including this Policy) are consistently complied with throughout the Company’s activities.
- 1.4 **“Company”** means EuroChem Group AG with its registered seat at 37, 6300 Zug Switzerland, with, tax registry number: CHE-309.898.065 MWST
- 1.5 **“Employee”, “Employees”** means officers, directors, employees (either permanent or not, intern and/or trainee) and agents of the Company or of any Member of the Group.
- 1.6 **“Head of Compliance”** means compliance officer appointed at the level of the Company by Top Management for the Company and all Members of the Group, committed to ensuring that the compliance policies (including this Policy) are consistently complied with throughout the activities of the Company, the Group and the Members of the Company;
- 1.7 **“Legal Department”** refers to a department or a person nominated in or engaged by the Company or a Member of the Group to provide legal support to the Company or such Member of the Group.
- 1.8 **“Local Compliance Officer”** means the Compliance Officer of the Member of the Group, appointed by Top Management of the respective Member of the Group, committed to ensuring that the compliance policies (including this Policy) are consistently complied with throughout the activities of the respective Member of the Group.
- 1.9 **“OFAC”** means Office of Foreign Assets Control of the US Department of the Treasury.
- 1.10 **“Sanctions”** mean any economic, sectoral, financial or trade sanctions, embargoes, export control restrictions adopted, administered, enacted or enforced by any Sanctions Authority.
- 1.11 **“Sanctions Authority”** means:
- 1.11.1 competent authorities of the United States of America (including but not limited to OFAC, Bureau of Industry and Security of the United States Department of Commerce (“**BIS**”)),
  - 1.11.2 competent authorities of the European Union and its Member States,
  - 1.11.3 competent authorities of the United Kingdom (including the Office of Financial Sanctions Implementation (“**OFSI**”) of HM Treasury),
  - 1.11.4 the United Nations,
  - 1.11.5 competent authorities of the jurisdiction of each finance party or each finance party’s facility office under any facility agreement to which a Company or any other Member of the Group is a party,
  - 1.11.6 competent authorities of Switzerland (namely, the State Secretariat for Economic Affairs (“**SECO**”) or any other authority established in addition to, or in substitution of, SECO), or
  - 1.11.7 any other state, national or supranational authority or agency, as may be amended from time to time.
- 1.12 **“Sanctions Laws”** means:
- 1.12.1 any economic, sectoral, financial or trade sanctions laws, regulations, embargoes, export control restrictions adopted, administered, enacted or enforced by any Sanctions Authority; or
  - 1.12.2 any other law, enabling legislation, executive order or regulation in relation to paragraph above.
- 1.13 **“Sanctions Obligations”** means any obligations of the Group, including, but not limited to, under any loan, facility, guarantee, suretyship or other similar agreement, with respect to Sanctions.

- 1.14 **“Sanctions Restricted Territory”** means any country or territory which is subject to country/territory-wide Sanctions Laws.
- 1.15 **“Sanctions Restricted Person”** means a person or entity:
- 1.15.1 that is identified as subject to Sanctions per the relevant state and its rules and is on a list published by a Sanctions Authority and in effect at the relevant time, including but not limited to:
- the Sectoral Sanctions Identifications List, Specially Designated Nationals and Blocked Persons List (“**SDN**”) and List of Foreign Sanctions Evaders issued by OFAC, the sanctions lists issued in accordance with the Executive Orders (“**EOs**”) or Declarations issued by OFAC in relations to that EOs, Denied Persons List and Entities List issued by the US Department of Commerce; Debarred Parties List, the Foreign Terrorist Organisations List and Terrorist Exclusion List issued by the US Department of State, the sanctions lists issued under the Countering America’s Adversaries Through Sanctions Act (“**CAATSA**”);
  - the Consolidated List of Financial Sanctions Targets maintained by HM Treasury;
  - the European Union’s lists of restrictive measures against persons and entities issued pursuant to, inter alia, Council Regulation (EC) No. 881/2002 of 27 May 2002, Council Regulation (EC) No. 2580/2001 of 27 December 2001, Council Regulation (EU) No 269/2014 of 17 March 2014, Council Regulation (EU) No. 833/2014 of 31 July 2014 and Council Regulation (EU) No. 960/2014 of 8 September 2014; EU Council Decision No. 2014/512; EU Council Decision No. 2014/119; EU Council Decision No. 2014/145;
  - the List of sanctioned individuals and entities issued by the SECO; and
  - any other sanctions identification list as published by a Sanctions Authority;
- 1.15.2 that is located in or organized under the laws of, or that is the government of, any Sanctions Restricted Territory;
- 1.15.3 that is otherwise the target or subject of Sanctions Laws;
- 1.15.4 that is acting or purporting to act on behalf of any of the persons listed in paragraphs above; or
- 1.15.5 with which any party under any agreement, to which a Member of the Group is a party, is prohibited from dealing or otherwise engaging in any transaction pursuant to any Sanctions Laws.
- 1.16 **“Top Management”** means the directors, Chief Executive Officer or Executive Board / Board of Directors (if any) of any Member of the Group.

## 2. **PURPOSE**

- 2.1. The Policy’s purpose is
- 2.1.1. to establish internal regulatory framework, procedures and processes regarding Sanctions applicable to the Group during its business activities as well as
- 2.1.2. to determine those responsible for ensuring the strict observance of such regulatory framework and fulfilment of relevant procedures and processes.
- 2.2. The Policy establishes the minimum expectations of risk management and compliance with Sanctions Obligations and sets out the approach of the Group towards:
- 2.2.1. the meaning of Sanctions;
- 2.2.2. guidance on how to comply with applicable Sanctions Laws or specific provisions of any Sanctions Obligations;
- 2.2.3. principles and measures as to how to mitigate the risk associated with or arising from any potential breach of Sanctions Laws;
- 2.2.4. analysis and investigation of any report on conduct that is contrary to this Policy applying the principles of confidentiality, non-reprisal, and protection of personal information for all persons affected by the investigation process, with particular attention in relation to the reporting and reported person;
- 2.2.5. consequences of failing to comply with Sanctions Obligations and the Policy;

- 2.2.6. regular reporting on violation (or risks of such violation) of applicable Sanctions Laws;
  - 2.2.7. regular training of Employees with regard to applicable Sanctions Laws.
- 2.3. This Policy does not provide detailed guidance on the specific restrictions that exist under different national Sanctions regimes, nor the extent to which licenses or authorizations are available that would permit activities that are otherwise prohibited by Sanctions. Such detailed guidance and information shall be provided to Employees by the relevant Compliance Officer through the relevant materials, guidelines, information notes and alerts provided to the attention of Employees, as well as via regular trainings and case-by-case consultations.

### **3. APPLICABILITY**

- 3.1 The Company and each Member of the Group shall, to the extent permitted by applicable laws, apply and incorporate the Policy in their business practices.
- 3.2 All Employees of the Company and each Member of the Group shall comply with the Policy when performing their duties.

## **II. SANCTIONS COMPLIANCE**

### **4. General Principles, Compliance Requirements and Restrictions**

- 4.1. The Company and each Member of the Group shall implement this Policy (either by directly applying this Policy or by adopting a local policy in alignment with the principles, requirements and standards set out hereunder) and invest due effort in ensuring that their business and transactions do not involve a breach of any applicable Sanctions Obligations or applicable Sanctions Laws. All principles, requirements and obligations established hereunder for the Group shall be observed and respected by Employees.
- 4.2. Each Member of the Group (including the Company) must not:
  - 4.2.1. breach any Sanctions Obligations or any applicable Sanctions Laws;
  - 4.2.2. maintain, permit or undertake any activity or conduct which would result in any breaching of applicable Sanctions Obligations or any applicable Sanctions Laws;
  - 4.2.3. use any revenue or payment that is directly or indirectly derived from transactions which would be prohibited by applicable Sanctions Laws;
  - 4.2.4. directly or indirectly do business (either continuing any contractual relationship or entering into any new transaction) with any Sanctions Restricted Person, including any deposit activities, trade, investments and any other transactions, when such business leads to breach of applicable Sanctions Laws;
  - 4.2.5. directly or indirectly use or permit to be used any funds or economic resources of, or received by, the such Member of the Group and / or the Company, in the interest or for the benefit of, or lend, contribute or otherwise make available such funds or economic resources directly or indirectly to any functional person or entity for the purposes of, or with the effect of, financing the activities of any person or entity which is a Sanctions Restricted Person in a manner that would be in breach of any Sanctions Laws;
  - 4.2.6. do business in the Sanctions Restricted Territory (or with any person or entity located or incorporated thereunder) in a manner that would be in breach of any Sanctions Laws applicable to it. The Group shall ensure that respective Employees refrain from (a) making business trips to the Sanction Restricted Territory or other types of trips to the Sanction Restricted Territory with the business purpose, or (b) doing business with (on behalf of the Group) any person or entity located or incorporated within the Sanctions Restricted Territory, in a manner that would be in breach of any applicable Sanctions Laws.
- 4.3. To ensure the compliance with this Policy, all Employees must:
  - 4.3.1. Be acquainted with this Policy, regular updates provided by the Compliance Officer and the Legal Department, as well as attend trainings provided in accordance with this Policy;
  - 4.3.2. Before undertaking any commercial transactions, seek to know the risks and the most relevant aspects of the transaction, with the aim of identifying potential breach of this Policy;

- 4.3.3. Ensure that Sanctions screening (as defined in Section 6) is duly carried out;
- 4.3.4. Avoid (refrain from) maintaining, permitting or undertaking any activity or conduct which would result in breaching of any applicable Sanctions Obligations or Sanctions Laws;
- 4.3.5. Immediately suspend all activities and negotiations in progress, whenever there are indications, news, conducts or facts that indicate that a transaction violates, has the potential to violate, is or can be associated with a violation of any Sanctions Obligations or any applicable Sanctions Laws, and forward the matter to the relevant Compliance Officer and the Legal Department;
- 4.3.6. Immediately report about any breach or suspect of potential breach of any applicable Sanctions Obligations or Sanctions Laws after they become aware about any such breach or potential breach to:
  - the Legal Department,
  - the relevant Compliance Officer (at local level) or Head of Compliance (at Group level);
  - the Compliance Helpline, forming part of the Whistleblowing system, at <KYC@eurochemgroup.com>.
- 4.4. Where there are concerns or doubts whether a transaction, operation or conduct (either contemplated or already effected/performed) can lead to breach of this Policy, the relevant Compliance Officer and the Legal Department shall be approached for consultation.

## 5. Sanctions Compliance Responsibilities

- 5.1. The Head of Compliance appointed on the level of the Company shall have responsibility for ensuring the compliance within the Company and the whole Group with this Policy. The Head of Compliance shall be assisted by the relevant Compliance Officers appointed on the level of each Member of the Group.
- 5.2. The Head of Compliance is responsible for implementing this Policy and ensuring that the Policy is observed by all Employees and in all territories where the Group operates (as allowed by applicable local law), monitoring its effectiveness, overseeing the audit of internal controls and procedures and reviewing, on an ongoing basis, the adequacy of all compliance measures.
- 5.3. The Head of Compliance shall oversee the coordination and monitoring of this Policy, including monitoring of developments and changes of Sanctions Laws in order to identify risks associated with Sanctions Obligations or Sanctions Laws in relation to the Group. The Head of Compliance shall ensure that Employees are regularly informed on the updates in the applicable Sanctions Obligations and Sanctions Laws in the format of (a) alerts, information and news letters, (b) the Frequently Asked Questions (FAQs) and other materials developed, maintained and regularly updated and circulated among Employees, and (c) trainings performed in accordance with this Policy.

### Group (“Local Compliance Officers”)

- 5.4. The Top Management of the Company shall ensure that the Top Management of the Members of the Group (hereinafter referred to as “**Local Management**”) appoints, upon having consulted with the Head of Compliance, at least one qualified individual to serve as a Local Compliance Officer in each key Member of the Group. To the extent possible, the head or a member of local Legal Department of the Member of the Group concerned shall be proposed to take such role. If no in-house legal specialist is available, then a financial officer of the relevant Member of the Group shall take responsibility over compliance matters at local level. If there is no chief financial officer in the Member of the Group, then any other non-commercial employee of the relevant Member of the Group shall be appointed by Local Management to take responsibility over compliance matters at local level.
- 5.5. The Top Management of the Company shall ensure that the Local Management establishes and maintains a compliance department or team led by the Local Compliance Officer, if and where appropriate, in each key Member of the Group to manage the compliance matters at such Member of the Group and to advise and assist Local Management to manage the compliance risk attributable to it.
- 5.6. Local Compliance Officers shall hierarchically report to the Local Management. On compliance matters, Local Compliance Officers shall have a functional reporting line to the Head of Compliance. Material compliance information shall be reported to both hierarchical and functional line.

- 5.7. To effectively support the business activity, Local Compliance Officers shall, having consulted with the Head of Compliance, implement local level compliance policies and practices and shall develop a clear understanding of such local rules. Local Compliance Officers shall act within the scope of this Policy and shall review and continually improve the effectiveness of the local policy rules. Each Local Compliance Officer shall consult upwards whenever having doubts about compliance-related matters.
- 5.8. To the extent possible, the Local Compliance Officer shall be sufficiently independent from the commercial activities to be able to perform their compliance duties objectively, as appropriate, and shall have a right to report on compliance matters directly to the Local Management or the Top Management as appropriate (all such reporting communications shall be copied to the Head of Compliance). In consultations with the Head of Compliance, a Local Compliance Officer may delegate execution of tasks and responsibilities as appropriate.
- 5.9. The Local Compliance Officer shall have the relevant powers, may give instructions to Employees of the relevant Member of the Group and take any other reasonable measures in order to manage the compliance risks in accordance with applicable laws, this Policy or related regulations. Where local laws or regulations impose additional duties on a Local Compliance Officer, such requirements shall supersede provisions of this Policy.
- 5.10. The Local Compliance Officer shall at all times have access to all documentation, information, activity, Employees, the Local Management, Business Process Owners or other decision-makers in relation to the compliance risk areas as related to the relevant Member of the Group.
- 5.11. The Local Compliance Officer shall, in addition to authorities similar to those of the Head of Compliance manage day-to-day operations of the compliance function at the local level:
  - 5.11.1. ensure communication of this Policy and related regulations are disseminated to all Employees at local level and the Local Management;
  - 5.11.2. provide regular compliance reports to the Head of Compliance; and
  - 5.11.3. regularly communicate with or otherwise contact the Head of Compliance to discuss relevant compliance topics and where appropriate available compliance reports or concerns.
- 5.12. In some instances, Employees other than the appointed Local Compliance Officers may also perform certain compliance duties, but the Head of Compliance remains integrally responsible for these duties as if they were performed by such Head of Compliance. Where this is the case, these officers and the Head of Compliance must communicate and cooperate fully with each other on compliance issues, such that the requirements and responsibilities set forth in this Policy are complied with.
- 5.13. For certain Group's businesses or operations, it may be appropriate to control compliance risks without a full-time or on-site Local Compliance Officer, but this always requires the prior approval of or waiver from the Head of Compliance, who shall always specify the related conditions and requirements in writing.

### **Reporting at the Local Level**

- 5.14. Local Compliance Officers shall report at least monthly to the Local Management, relevant local boards and committees on the effectiveness of implementation of the Policy and related regulations in addition to compliance topics that may be required by local policies or related regulations. Local Compliance Officers shall ensure that reports are accurate, up-to-date and on-time. All reports as provided by Local Compliance Officers shall also be sent to the Head of Compliance for the file.
- 5.15. In addition, Local Compliance Officers shall report on any incidents, failure or breaches in relation to compliance matters to the Local Management and the Head of Compliance as prescribed in this Policy.
- 5.16. The Head of Compliance, as part of his assurance duties, reviews Local Compliance Officers' supporting evidence and inquires to ensure the local reports are accurate and current.
- 5.17. The Local Compliance Officer shall serve as a reporting officer for the Whistleblower Policy. The reporting officer is responsible for reporting on new and updated whistleblower cases at least monthly to the Head of Compliance.
- 5.18. The following rules shall apply for reporting:



- 5.18.1. **Periodic reporting:** it shall be conducted by Local Compliance Officers in a manner permitting the Head of Compliance to meet their upward reporting obligations provided that any local report shall be delivered at least two (2) Business Days before the end of the reporting month;
- 5.18.2. **Reporting on incidents:** report on incidents, failures or breaches shall be provided by a Local Compliance Officer as soon as possible, but not later than within two (2) Business Days after their occurrence. Where material compliance incidents are reported, these must be provided by a Local Compliance Officer to the Head of Compliance.

## 6. Sanctions Screenings

- 6.1. The core element of this Policy is screening of new and existing counterparties and subject fields stated below: customers, suppliers, intermediaries, agents, business owners, beneficiaries, commercial and financial documents and transactions, goods, vessels and aircrafts, geographic locations.
- 6.2. All Employees of the Company and members of Group shall be obliged to assist with identification of whether a contemplated or current transaction involves Sanctions Restricted Persons, Sanctions Restricted Territory or activities prohibited by Sanctions and associated with Sanctions-related risks to which the Group may be exposed. Any Sanctions screening processes pursuant to this Policy may be carried out in connection with, and without conflict with, the rest of compliance procedures established within the Group.
- 6.3. The following Sanctions screening requirements and principles shall be observed:
  - 6.3.1. Sanctions screening shall be done based on all information necessary to determine whether or not a transaction has ties or links of a transaction with any activity, country, organization, entity or persons affected by Sanctions to the extent that this may imply a risk for the Company and the Group.
  - 6.3.2. Sanctions screening shall be performed by means of collection of (i) a set of documentation and information as well as (ii) information through the completion of a Sanctions screening questionnaire.
  - 6.3.3. Employees shall reject and report to the Legal Department and Head of Compliance any request from a counterparty to omit or conceal names, addresses or other information relating to a Sanctions Restricted Person in transaction records or other commercial documents. Any such lack of transparency in regard to a Sanctions issue will not be tolerated.
  - 6.3.4. Sanctions screening shall be done with respect to counterparties prior to execution of any transaction. "Counterparties" include any direct party to a transaction, as well as ultimate customers, principals, beneficiaries. No transaction shall be executed in absence of the performed Sanctions screening process formalized and certified in accordance with the requirements determined by the Head of Compliance.
  - 6.3.5. Sanctions screening must be conducted not only prior to any engagement but also during the course of the business relationship on a periodical basis, at least once in a quarter, unless more regular Sanctions screenings are deemed necessary, as specifically determined by the Head of Compliance.
  - 6.3.6. All information about counterparties and screening results shall be consolidated, systemized and securely stored with the indication of, among other information, the date of the relevant Sanctions screening and an Employee responsible for performing the relevant Sanctions screening.
- 6.4. The Head of Compliance is responsible for determining and updating detailed procedures and guidelines for the performance of Sanctions screenings, including but not limited to the minimum set of documents and the content of the Sanctions screening questionnaire required for Sanctions screening purposes.

## 7. Contractual Clause

- 7.1. The contractual clause drafted and communicated from time to time by the Legal Department shall be included in each of the contracts or transactions that are carried out by the Group. The contractual clause must be adapted to each case or transaction and any more restrictive determination may be added, but in no case may its scope be reduced, nor may its main content be modified if its purpose is distorted. Where there is any doubt about the contractual clause, an Employee must consult with the Legal Department and Head of Compliance.

## 8. **End-use Controls**

- 8.1. The Group needs to carefully consider whether there are any end use concerns about any third-party recipient. Therefore, Employees shall request the provision of end-user certificates (end-user statements) from third parties in all cases when there is knowledge or suspicion that the knowledge, good or technology ordered from any Member of the Group could be indirectly (ultimately) supplied to a person or territory or used for purposes restricted or prohibited by Sanctions Laws. Employees shall immediately report to the Local Compliance Officer of the relevant Member of the Group when identifying parties from certain countries which are either subject to arms, trade or other sanctions, embargoes or when there are concerns about military, weaponry or terrorist activities.

## 9. **Reporting and Investigations**

- 9.1. Employees shall immediately contact the Legal Department and the Local Compliance Officer of the relevant Member of the Group by any possible means of communication in the following cases:
  - 9.1.1. there is a suspicion of a potential breach of the Policy an Employee becomes aware of;
  - 9.1.2. an Employee has breached or is found in a position breaching any Sanctions Obligations or any Sanctions Laws applicable to it;
  - 9.1.3. a counterparty is a Sanctions Restricted Person or a transaction is restricted by Sanctions Laws (including in view of end use concerns as indicated in Section 8 hereof).
- 9.2. The Local Compliance Officer is responsible for investigating any internal suspicious transaction reports made by Employees.
- 9.3. The Local Compliance Officer's investigations may or may not involve engaging Employees in further discussion of the suspicions raised. Employees may or may not be informed that an external suspicious transaction report has been filed.
- 9.4. The investigation shall be approached as follows:
  - 9.4.1. Determine the area or department potentially affected;
  - 9.4.2. Collect and assess all the information in connection with a transaction and, in particular, to check if the Sanctions screening processes have been carried out correctly;
  - 9.4.3. If the suspected breach is confirmed, identify the cause of the breach;
  - 9.4.4. Develop recommendations for remedial actions to be taken, to address the breach or to mitigate its possible adverse effects and prevail from repeated breach.
- 9.5. Upon the completion of the investigation, the Local Compliance Officer shall prepare a report, summarizing facts relating to the breach and recommendations for remedial actions. The Local Compliance Officer shall notify the Top Management, and the Head of Compliance shall suggest the appropriate response to the breach.

## 10. **Non-compliance**

- 10.1. Any violation of the provisions included in this Policy may lead to disciplinary actions.
- 10.2. In case any Employee breaches this Policy, the Top Management, upon consultation with the Legal Department, shall have a right, at its sole discretion (i) to terminate the employment of such breaching Employee or (ii) to impose on such breaching Employee any disciplinary liability measures, to the extent permitted by applicable labor or corporate laws or regulations.
- 10.3. In case the Company or any Member of the Group is a party to a contract and, as a result of either (i) a change in Sanctions Laws applicable to it or (ii) a change of control of a counterparty to such contract, the existence of such contract contravenes Sanctions Laws applicable to it, this shall be immediately reported to the attention of the Top Management, Legal Department and Local Compliance Officer.
- 10.4. Upon instructions of the Legal Department and Head of Compliance, the relevant Top Management shall take all necessary steps to address such breach, including steps to suspend, freeze, cancel and/or terminate the relevant contract to ensure that there's no contravention of applicable Sanctions Laws.

- 10.5. The Top Management being in breach of Sanctions Laws shall confirm to the Legal Department and Local Compliance Officer within fifteen (15) Business Days of becoming aware of such contravention that such contravention no longer exists.
- 10.6. The Local Compliance Officer and/or the Legal Department have the right to escalate material compliance issues affecting the Group directly to the Top Management, if and where appropriate.
- 10.7. The Local Compliance Officers and Head of Compliance have the duty to escalate to:
  - 10.7.1. Local Management – in case of any Sanctions compliance breach;
  - 10.7.2. Company's Top Management – in case:
    - 10.7.2.1. of any Sanctions or compliance breach by Local Management;
    - 10.7.2.2. Local Compliance Officer rejected a counterparty, but Local Management decided nevertheless to engage in any relation with such counterparty.
- 10.8. Employees who, after consultation with appropriate personnel, decline to enter into a transaction because of concerns regarding trade sanctions will not be negatively affected.

## 11. **Awareness and Training**

- 11.1. This Policy shall be brought to the attention of all Employees. All new Employees shall be informed of the Policy at the time of signing the employment agreement. By signing the employment agreement (or amendments thereof) Employees confirm that they have read, understood and undertake to comply with the Policy. The Head of Compliance is responsible for training and for ensuring that all Employees are informed promptly about any changes to applicable Sanctions Laws and guidance.
- 11.2. The Head of Compliance shall provide trainings on the applicability of the Policy to Employees on a regular basis, but at least once in a twelve-month period and whenever there is a substantial change in the law or this Policy.
- 11.3. The Head of Compliance shall determine the content of the trainings and the relevant Employees who will be required to complete these trainings.
- 11.4. The Head of Compliance shall ensure that all Employees complete the training.
- 11.5. The Head of Compliance shall maintain a record of all Employees who have been trained on this Policy, as well as the whole details of the training (i.e., date, subjects covered by the training, trainer's name).

## 12. **Implementation of the Policy**

- 12.1. The Head of Compliance shall be responsible for implementation and incorporating of this Policy into the employee training program and relevant policies and standards.

## 13. **Policy Review**

- 13.1. This Policy and implementing procedures and guidelines shall be reviewed by the Head of Compliance on a regular basis, but at least semi-annually.
- 13.2. The Head of Compliance of the Company shall prepare a semi-annual report (no later than thirty (30) Business Days after the end of a six-month period) to the attention of the Company's Board of Directors about the level of compliance carried out by the Group in accordance with this Policy as well as the information on the training received by Employees in this matter. Each such report shall be based on the semi-annual reporting prepared by the Local Compliance Officer to the attention of the Top Management of the relevant Member of the Group.
- 13.3. Each such report shall also include any anomalies detected by the Head of Compliance and any suggested changes to this Policy in order to ensure that the Policy is up to date and reflects all changes to the Sanctions Obligations or applicable Sanctions Laws.