

**ECORA RESOURCES PLC**

**SANCTIONS POLICY**

**1. DEFINITIONS**

**"Company", the "Group" "we", "us" and "our"** means Ecora Resources PLC.

**"Counterparty"** means any recipient of funds in relation to an asset the Company invests in, 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"** means 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.

**"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 individuals who must comply with this Sanctions Policy; all 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.

**2. PURPOSE**

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

2.2 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.

**3. 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 Workers overseen by the Board of the Company.

**4. WHAT ARE SANCTIONS?**

4.1 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.

- 4.2 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 can invest in;
  - (b) the industries we can invest in; and
  - (c) the entities or individuals that we may enter into agreements with (such as mining companies and/or the individuals that own them).
- 4.3 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.
- 4.4 In addition, so-called "sectoral sanctions" may make it illegal to invest in, or 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.

## 5. **WHO IMPOSES SANCTIONS?**

- 5.1 In the UK, the Foreign, Commonwealth and Development Office has overall responsibility for the UK's policy on sanctions. HM Treasury is responsible for implementing and administering, enforcing and supervising financial sanctions in the UK. This work is carried out by the Office for Financial Sanctions Implementation (OFSI). In addition, the Financial Conduct Authority (FCA) is responsible for ensuring that regulated firms have adequate systems and controls to comply with UK sanctions requirements.
- 5.2 Sanctions are also put in place by international bodies such as the UN and EU. and countries, such as the United States of America, which are administered by the United States Treasury Office of Foreign Assets Control (OFAC), and can apply extra-territorially and therefore impact non-US based entities.
- 5.3 Other countries may impose autonomous sanctions which may have extra-territorial effect. In rare instances it may be illegal to comply with extra-territorial sanctions – such as those enacted by the US – in the EU or UK.

## 6. **THE SANCTIONS PROCESS**

### 6.1 **New Counterparties**

Prior to entering into a relationship with a new Counterparty, the following process must be followed:

- (a) Check the consolidated lists of designated persons for the UN, EU, UK, US, Canada and Australia to ensure that neither the new Counterparty nor any of its Significant Shareholders are targeted by any Sanctions (see links to the relevant consolidated lists in Schedule 1);
- (b) as a condition of their engagement with the Company, each new Counterparty must provide any information requested by the Company and agree to ensure ongoing compliance with sanctions (see suggested contract wording in Schedule 2); and

- (c) check whether there is a country-specific sanctions regime in place in respect of the country of investment (see Schedule 1) and if there is discuss with the General Counsel.

## 6.2 Existing Counterparties

With respect to the Company's existing counterparties, every twelve months:

- (a) check the consolidated lists of designated persons for the UN, EU, UK, US, Canada and Australia to ensure that neither the Counterparty nor any of its Significant Shareholders are targeted by any Sanctions (see links to the relevant consolidated lists in Schedule 1); and
- (b) check whether any country-specific regimes in relation to the country of investment exist (see Schedule 1) and if they do discuss with the General Counsel.

**Why do we need to check whether any country-specific regimes apply, if we are also checking whether our Counterparties or their Significant Shareholders appear on Sanctions lists?**

This is because, in certain cases, there may be restrictions on conducting business activities with entities operating in specific sectors in countries targeted by sanctions. For instance, if there was a general prohibition on UK companies investing in the diamond mining industry in a particular country, checking that a proposed Counterparty was not on a sanctions list would not identify the risk of breach.

**What do I do if there is a country-specific regime in place for a country in which I want to do business?**

Check with the General Counsel who will be able to assess, and/or take advice on, whether the sanctions on that country affect the Company's proposed business.

**What do I do if my checks identify that a Counterparty or a Significant Shareholder is designated on a sanctions list?**

Report this immediately to the General Counsel.

**Why do we need to repeat the checks every twelve months?**

Because sanctions regimes change frequently, as do the lists of designated persons.

## 7. CONSEQUENCES OF NON COMPLIANCE

- 7.1 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.
- 7.2 Wilful or negligent violation of Sanctions, or of this Sanctions Policy, by any Workers will not be tolerated and will be the subject of immediate disciplinary action.

8. **SEEKING GUIDANCE**

For further information on Sanctions, or for questions relating to this Sanctions Policy, please contact the General Counsel.

9. **UPDATES**

The Company's sanctions compliance programme is an on-going process which is likely to be adapted over time, particularly due to changes in the legal environment.

### SCHEDULE 1: SANCTIONS LISTS

	<b>Consolidated lists of sanctioned persons</b>	<b>Country specific sanctions regimes</b>
UN	<a href="https://www.un.org/securitycouncil/content/un-sc-consolidated-list">https://www.un.org/securitycouncil/content/un-sc-consolidated-list</a> <a href="https://scsanctions.un.org/search/">https://scsanctions.un.org/search/</a>	<a href="https://www.un.org/securitycouncil/sanctions/information">https://www.un.org/securitycouncil/sanctions/information</a> -> Sanctions
EU	<a href="https://www.sanctionsmap.eu/#/main">https://www.sanctionsmap.eu/#/main</a>	<a href="https://www.sanctionsmap.eu/#/main">https://www.sanctionsmap.eu/#/main</a>
UK	<a href="https://sanctionssearch.ofsi.hmtreasury.gov.uk/">https://sanctionssearch.ofsi.hmtreasury.gov.uk/</a>	<a href="https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases">https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases</a>
US	<a href="https://sanctionssearch.ofac.treas.gov/">https://sanctionssearch.ofac.treas.gov/</a>	<a href="https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx">https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx</a>
Canada	<a href="https://laws-lois.justice.gc.ca/Search/Search.aspx">https://laws-lois.justice.gc.ca/Search/Search.aspx</a>	<a href="https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/current-actuelles.aspx?lang=eng">https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/current-actuelles.aspx?lang=eng</a>
Australia	<a href="https://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx">https://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx</a>	<a href="https://dfat.gov.au/international-relations/security/sanctions/sanctions-regimes/Pages/sanctions-regimes.aspx">https://dfat.gov.au/international-relations/security/sanctions/sanctions-regimes/Pages/sanctions-regimes.aspx</a>
	<p style="color: red;">If a Counterparty/Significant Shareholder appears on a sanctions list, discuss this with the General Counsel.</p>	<p style="color: red;">If the country in which you wish to do business has sanctions applied to it, discuss this with the General Counsel.</p>

## **SCHEDULE 2: TEMPLATE SANCTIONS COMPLIANCE WORDING**

### **[X]. Sanctions Compliance**

[X].1 [Each Party] shall comply with any trade, financial or other sanctions regime which applies in relation to its business including, without limitation, sanctions and embargos imposed by: (i) the UN, EU, UK, Australia, Canada or US (including regimes administered by the United States Department of the Treasury, Office of Foreign Assets Control (OFAC)); and (ii) any other such regime which applies in relation to [a Party's] business, save in each case where such compliance would be illegal by reason of laws applicable to such Party.