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**AB AKOLA GROUP AND GROUP COMPANIES  
POLICY ON INTERNATIONAL SANCTIONS  
IMPLEMENTATION**

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## CONTENTS

1.	<b>GENERAL PROVISIONS .....</b>	<b>3</b>
2.	<b>DEFINITIONS.....</b>	<b>3</b>
3.	<b>GENERAL PRINCIPLES FOR IMPLEMENTING INTERNATIONAL SANCTIONS.....</b>	<b>4</b>
4.	<b>INTERNAL CONTROL SYSTEM FOR INTERNATIONAL SANCTIONS.....</b>	<b>5</b>
5.	<b>INTERNATIONAL SANCTIONS RISK MANAGEMENT.....</b>	<b>5</b>
6.	<b>FINAL PROVISIONS .....</b>	<b>6</b>

## 1. GENERAL PROVISIONS

- 1.1. This Policy on International Sanctions Implementation (the "**Policy**") of AB Akola Group (the "**Company**") sets out the measures for the implementation of the International Sanctions and the provisions for their implementation by the Company and its subsidiaries (the "**Group Companies**").
- 1.2. The Policy has been developed to comply with decisions, resolutions, regulations or other legal acts establishing International Sanctions and/or consolidated lists of International Sanctions adopted by the undertakings referred to in paragraph 1.3 of the Policy, as well as with the obligations or restrictions imposed by the national Competent Authorities and other international organizations imposing International Sanctions or implementing provisions, and to take action required by the International Sanctions being implemented, to refrain from any action that would result in non-compliance with or evasion of the restrictions and obligations imposed by the International Sanctions being implemented, and to prevent possible evasion or circumvention of International Sanctions.
- 1.3. The Company and the Group Companies are required to comply with the resolutions, regulations or other legislation adopted by the undertaking referred below that impose International Sanctions and/or consolidate the International Sanctions Lists:
  - 1.3.1. United Nations Security Council;
  - 1.3.2. European Union;
  - 1.3.3. the Government of the United States of America, including United States Department of the Treasury (OFAC);
  - 1.3.4. United Kingdom.
- 1.4. The Policy aims to establish a high level of principles and standard for the implementation of International Sanctions at the Company and Group Companies.
- 1.5. The International Sanctions risk management (mitigation) measures set out in the Policy and in the internal control procedures of each of the Company's and the Group's companies shall be applied to all Business Partners and Transactions of the Company or the Group Companies.
- 1.6. The Company and the Group Companies shall adopt separate procedures on International Sanctions implementation and/or internal control procedures to implement the principles set out in this Policy.
- 1.7. The Policy, together with the internal control procedures of the Company or Group Companies, forms part of the Company's and/or Group Company's overall internal control system.
- 1.8. The Policy is the basis for determining the specific procedures for the implementation of International Sanctions by the Company or a Group Company.
- 1.9. The internal control procedures of the Company or each of the Group Companies shall be prepared in accordance with the provisions of the applicable Policy, and where the Policy conflicts with the specific internal control procedures of the Company and the Group Company, the Policy shall prevail.

## 2. DEFINITIONS

- 2.1. The terms used in the Policy shall have the meaning given to them in laws, regulations, resolutions or any other legislation of the United Nations, the European Union, national or international organisations and other bodies imposing economic, sectoral, financial or trade sanctions restrictions applicable to the Company or a Group Company.

<b>Company</b>	AB Akola Group, legal entity's code 148030011, registered at Subačiaus St. 5, Vilnius, Lithuania;
<b>Group Company</b>	any company under the Company's control;
<b>Competent Authorities</b>	the competent authorities of the Member States as referred to in the regulations, decisions or other legal acts of international organisations or other bodies referred to in point 1.3 of the Policy;
<b>Beneficial Owner</b>	a natural person who owns or controls a legal person, and/or a natural person on whose behalf a Transaction or activity is carried out. The Beneficial Owner shall include: <ol style="list-style-type: none"><li>1) in the case of a legal person:<ol style="list-style-type: none"><li>(i) a natural person who owns or controls a legal person, directly or indirectly, by holding a sufficient percentage of the shares or voting rights of that legal person, including through bearer shares, with the exception of public limited liability companies or undertakings for collective investment whose securities are admitted to trading on regulated markets which are subject to disclosure requirements complying with European Union law or equivalent international</li></ol></li></ol>

standards, or by otherwise exercising control over it. A natural person who owns 25 % and one share or more than 25 % of the ownership of a legal entity shall be considered a direct owner. A natural person(s) controlling an enterprise or several enterprises which hold 25% and one share or more than 25% of the ownership interest in a legal entity shall be considered as indirect owner(s);

(ii) if no person under sub-point (i) of this paragraph is identified, or if there is any doubt that the person identified is the Beneficial Owner, the natural person who holds the position of senior managing official in the legal person who has been identified;

2) in the case of trusts, all following persons:

(i) the settlor(s);

(ii) the trustee(s);

(iii) the protector (s), if any;

(iv) natural persons benefiting from a legal person or an unincorporated entity or, where these persons have not yet been identified, from persons for whose benefit that legal person or unincorporated entity is constituted or acts;

(v) any other natural person who effectively controls the trust through direct or indirect ownership or other means;

(3) in a legal person administering and distributing funds, or in an entity similar to a trust, a natural person holding a position equivalent to that referred to in point (2) of this paragraph;

**OFAC**

US Department of the Treasury, Office of Foreign Assets Control;

**Policy**

This Policy on International Sanctions implementation applicable to the Company and Group Companies;

**Transaction**

all forms of transactions entered into by the Company or Group entities;

**International Sanctions**

International Sanctions, restrictive measures or embargo(es) imposed by European Union legislation, the totality of restrictions and obligations imposed by decisions of the United Nations and other international organizations of which the relevant state in which the Company or a Group Company is established or operates is a member or participates, which are either directly applicable in the relevant state or are enforceable by national law, and restrictions and obligations imposed by the Government of the United States of America, by the The North Atlantic Treaty Organization (hereinafter – **NATO**) allies, including without limitation OFAC, and the United States Department of State, a set of restrictions and obligations;

**Risk of International Sanctions**

the possibility that the Company or Group Companies will fail to comply with, evade/participate in the evasion of and/or breach/participate in the breach of enforceable International Sanctions;

**Business Partner**

any person from whom the Company or a Group Company purchases goods or services necessary for the Company's or a Group Company's business, as well as any person who enters into a Transaction with the Company or any Group Company in connection with the provision of services by the Company or a Group Company, or the sale of goods or services.

2.2. Other terms not defined in this Policy shall have the same meaning as defined in the applicable law(s).

### **3. GENERAL PRINCIPLES FOR IMPLEMENTING INTERNATIONAL SANCTIONS**

3.1. The Company and its Group Companies are required to comply with the following general principles for the implementation of International Sanctions in the conduct of their business:

3.1.1. The Company and the Group Companies shall use their best endeavors to ensure that their activities and Transactions do not breach any applicable International Sanctions;

3.1.2. The International Sanctions risk management (mitigation) measures set out in the Policy and in the internal control procedures of each of the Company's and the Group's Companies shall be applied to all Business Partners

of the Company or the Group's Companies and to each Transaction entered into by the Company or the Group's Company;

- 3.1.3. The Company and Group Companies shall not support, authorize or undertake any activity or take any action that would violate applicable International Sanctions or enable the evasion or avoidance of International Sanctions;
- 3.1.4. The Company and the Group Companies may not directly or indirectly conduct business (whether by continuing a contractual relationship or by entering into any new Transaction) with any person or legal entity directly or indirectly controlled by a person or legal entity that is subject to International Sanctions, including any trade, supply, investment and all other Transactions;
- 3.1.5. The Company and the Group Companies shall not carry on business in territories subject to International Sanctions and restricted by applicable International Sanctions or with any person established or operating in such territories in a manner that would violate any prohibitions or restrictions imposed by applicable International Sanctions;
- 3.1.6. The Company and the Group Companies are obliged to ensure, in accordance with applicable regulations, decisions, laws or regulations, that the Company's and the Group Company's employees do not violate any requirements or obligations imposed by regulations, laws or regulations imposing International Sanctions.

#### **4. INTERNAL CONTROL SYSTEM FOR INTERNATIONAL SANCTIONS**

- 4.1. The Company or Group Companies, taking into account the specific nature and scope of their activities and the potential risk of International Sanctions, are responsible for establishing and implementing specific internal control measures in the activities of a particular Company or Group Company in order to ensure the proper and timely implementation of International Sanctions, including the possible evasion or circumvention of International Sanctions.
- 4.2. The Company and the Group Companies shall select and implement (selectively) the following internal control measures in accordance with the criteria and objectives set out in paragraph 4.1 of the Policy:
  - 4.2.1. due diligence on compliance with International Sanctions and sectoral sanctions;
  - 4.2.2. providing information to Competent Authorities;
  - 4.2.3. providing information on cases of non-compliance identified within the Company;
  - 4.2.4. periodic inspections of International Sanctions implementation;
  - 4.2.5. preserving the evidence and results of checks carried out to identify cases of International Sanctions;
  - 4.2.6. regular reporting by Group Companies to the Company on the implementation of International Sanctions;
  - 4.2.7. training on International Sanctions at least once a year;
  - 4.2.8. audit the implementation of International Sanctions;
  - 4.2.9. other internal controls of International Sanctions.
- 4.3. The Company shall have the right to require Group Companies to report regularly to the Company on the implementation of International Sanctions.

#### **5. INTERNATIONAL SANCTIONS RISK MANAGEMENT**

- 5.1. The Company and the Group Companies allocate the risk of International Sanctions on the basis of the legal status of the Business Partner and the information on the place of residence or place of business, including the country of incorporation or geographical region of the Business Partner and the Beneficial Owner, the country of tax residence, the Business Partner's activities, information on the country of origin of the goods, the place of pickup and delivery and intermediate stops and any other factors that may be relevant for the Transaction.
- 5.2. A risk assessment of the Business Partner and the Transaction must be carried out:
  - 5.2.1. before entering into a Transaction with a Business Partner;
  - 5.2.2. before making any changes to or extending any Transaction entered into with the Business Partner;
  - 5.2.3. when the Company or a Group Company becomes aware of changes in the details of the Business Partner (e.g. changes in directors or management bodies) or other information that may affect the Business Partner's exposure to International Sanctions;
  - 5.2.4. updates to the International Sanctions list or changes to the scope of the prohibitions and restrictions imposed by International Sanctions;
  - 5.2.5. periodic reviews, as part of the internal control procedures of the Company and the Group Companies, in accordance with the procedures and within the time limits set out in the procedures;
  - 5.2.6. in other cases where the responsible officer of the Company deems it relevant to assess and manage the risk of

International Sanctions.

- 5.3. Each Business Partner or Transaction is assigned by the Company and Group Companies to a specific International Sanctions risk group:
  - 5.3.1. low risk;
  - 5.3.2. medium risk;
  - 5.3.3. high risk.
- 5.4. Each Group Company, including the Company, shall establish in its internal policies and procedures, taking into account the specific nature of its business, the criteria for classifying its Business Partners and Transactions into one of the International Sanctions risk groups referred to in paragraph 5.3 of the Policy..
- 5.5. The Company and the Group Companies shall appoint an employee(s) responsible for the assessment of Business Partner and Transaction risks.
- 5.6. In the event that a Business Partner or Transaction is classified as:
  - 5.6.1. low risk - the decision to enter into a relationship with a Business Partner or to enter into a Transaction shall be made by an employee of the Company or a Group Company in accordance with the internal procedures of the respective company;
  - 5.6.2. for medium risk - the determination of such risk level shall be communicated to and the decision to enter into a relationship with a Business Partner or to enter into a Transaction shall be made by the head of the Company or the Group Company in accordance with the internal procedures of the respective company;
  - 5.6.3. for high risk - the determination of such risk level shall be communicated to the head of the Company or Group Company and the responsible senior manager, who shall immediately report to the board of the Company or Group Company (if any). The decision to enter into a relationship with a Business Partner or to enter into a Transaction shall be made by the board of the Company or the Group Company (if any) or, in the absence of the board, by head of the Company or Group Company after obtaining the opinion of the senior manager or the International Sanctions implementation committee (if any).
- 5.7. The need for an International Sanctions Implementation Committee and its composition are decided by the Board of the Group Company.
- 5.8. The Company or a Group Company must take steps to ensure that Transactions with Business Partners contain International Sanctions risk management provisions that eliminate any liability of the Company or a Group Company for non-performance, improper performance or refusal to enter into the relevant Transactions, as well as any other liability of the Company or the Group Company that may arise as a result of the implementation of the International Sanctions, including the right and obligation of the Company or the Group Company to freeze or suspend the transfer of funds, not to enter into a Transaction and/or amendments thereto, to terminate a Transaction early, either unilaterally or by mutual agreement between the parties, etc.

## **6. FINAL PROVISIONS**

- 6.1. This Policy shall enter into force on the date of its approval and may be revoked, amended and/or supplemented only by a decision of the board of the Company.
- 6.2. This Policy shall be communicated to all employees of the Company or the Group Company in accordance with the procedures established by the Company and the Group Company.
- 6.3. Staff members who violate the provisions of the Policy shall be liable in accordance with the internal rules of procedure, laws and regulations.
- 6.4. This Policy shall be reviewed regularly, but at least once a year.