



## CENTRAL ASIA METALS GROUP

(Including Central Asia Metals PLC and all its subsidiaries, branches, joint ventures and associated businesses)

### TRADE SANCTIONS POLICY

#### 1. INTRODUCTION

This document describes the Trade Sanctions Policy of Central Asia Metals plc (the “**Company**”) and all its subsidiary companies worldwide. The Company is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted this Trade Sanctions Policy (this “**Policy**”), which is applicable to all officers, employees, and associated persons (including consultants, agents, suppliers and representatives of the Company) (collectively “**Company Personnel**”). In brief, Company Personnel shall comply with all applicable trade sanctions laws, including, when applicable, the EU sanctions regulations, Office of Foreign Assets Control (“**OFAC**”) of the United States of America sanctions regulations, and the Export Administration Regulations (“**EAR**”) of the United States of America (collectively “**Trade Sanctions Laws**”).

This Policy and the internal controls herein have been designed to prevent violations of the Trade Sanctions Laws from occurring, to avoid the appearance of wrongdoing, and to enable the Company to respond promptly and effectively to any inquiries about its conduct. The pages that follow provide a general guide to trade sanctions compliance but do not address every potential scenario that may implicate issues bearing on compliance with this Policy.

Due to the serious consequences of violation of the Trade Sanctions Laws, any employee who violates this Policy will be subject to disciplinary action, up to and including dismissal from the Company. Any Company Personnel who have questions concerning the requirements of this Policy should consult with their line manager or the Group Compliance Officer using the procedure set out in the Group Whistle Blowing Policy. See Section 6 for more information on reporting.

The General Counsel of Central Asia Metals plc will act as the Group Compliance Officer.

#### 2. EUROPEAN UNION SANCTIONS/EXPORT CONTROLS

The European Council adopts E.U. sanctions through Council decisions and Council regulations. E.U. Regulations are directly applicable in E.U. Member States, and apply (i) in the territory of the European Union, including its airspace and on board any aircraft or any vessel under the jurisdiction of an EU Member State; (ii) to any person inside or outside the territory of the European Union who is a national of an EU Member State; (iii) to any legal person, entity or body, inside or outside the territory of the European Union, which is a citizen of or is incorporated or constituted under the law of an EU Member State; and (iv) to any legal person, entity or body in respect of any business done in whole or in part within the European Union.

As of the date of this policy, the E.U. sanctions regime includes more than 35 programs targeting 25 or so countries, and depending on the country, includes embargoes on specific products or activities (such as related to

the energy sector, or luxury goods), equipment usable for internal repression, economic and financial sanctions, and restrictions on admission. Sanctions may target governments of third countries, non-state entities or individuals, in which case it is generally unlawful to do any business with such countries, entities or individuals. Enforcement is left to the Member States, and often includes criminal penalties. Company employees should not assume a transaction is permissible pursuant to an exception or license without first consulting the Group Compliance Officer.

Further information on EU sanctions can be accessed at: [http://ec.europa.eu/dgs/fpi/what-we-do/sanctions\\_en.htm](http://ec.europa.eu/dgs/fpi/what-we-do/sanctions_en.htm)

### 3. UNITED STATES SANCTIONS AND EXPORT CONTROLS

OFAC is an office within the U.S. Treasury Department that has responsibility for administrating, implementing, and enforcing economic sanctions. There are two general categories of OFAC sanctions: (1) country-based sanctions programs and (2) list-based sanctions programs. The country-based programs have broad, country-wide sanctions against five countries and regions: Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine/Russia (collectively “**Embargoed Countries**”), which may change from time to time. The prohibitions in the regulations generally prohibit U.S. persons (both legal and natural) from doing business with the Embargoed Countries absent a license from OFAC. By contrast, OFAC’s list-based sanctions apply to individuals and entities in specific countries (*e.g.*, Belarus, Ivory Coast, Zimbabwe, Ukraine) as well as individuals and entities participating in certain activities (*e.g.*, narcotics trafficking, terrorism, and proliferation of weapons of mass destruction). The OFAC sanctions regulations prohibit transactions between U.S. persons and individuals and entities included on OFAC’s Specially Designated Nationals and Blocked Persons List (“**SDN List**”) and/or individuals owned or controlled by individuals or entities on the SDN List (collectively “**Blocked Persons**”). OFAC updates the SDN List on a regular basis and it can be accessed at: <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

The OFAC sanctions regulations also prohibit U.S. persons from “facilitating” activities by a non-U.S. person with Embargoed Countries or Blocked Persons that would be violative of the sanctions regulations if conducted by a U.S. Person. This means that U.S. persons may not assist or support transactions that would be prohibited if carried out by a U.S. person.

Through a licensing process, OFAC can authorize U.S. persons to engage in certain transactions that would be otherwise prohibited by the sanctions regulations. Additionally, certain exceptions codified in the sanctions regulations may allow the Company to do business with Embargoed Countries and Blocked Persons in certain circumstances. Company employees should not assume a transaction involving an OFAC-restricted party is permissible pursuant to an exception or license without first consulting the Group Compliance Officer.

The U.S. Export Administration Regulations (“**EAR**”), administered by the U.S. Department of Commerce’s Bureau of Industry and Security, regulate the export and re-export of commodities, software or technology that are “subject to” the EAR without regard to the nationality of the persons involved in the transaction. Generally, an item is subject to the EAR if, for example, it (1) was produced or originated in the United States; (2) is a foreign-made product that contains more than a specified percentage of U.S.-controlled content; (3) is a foreign-made product based on certain U.S.-origin technology or software, is controlled for national security, and is intended for shipment to specified destinations; or (4) was made by a plant or major component of a plant located outside the U.S. if that plant or major component of a plant is the direct product of certain U.S. technology or software, is controlled for national security, and the product is intended for shipment to specified destinations.

The EARs can be accessed at: <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>

Violations of U.S. sanctions are subject to very substantial civil, administrative and criminal penalties.

### 4. OUR POLICY

Company Personnel must conduct their activities in full compliance with this Policy and all applicable Trade Sanctions Laws. Under this Policy, the Company and Company Personnel, without prior approval from the Group Compliance Officer, are not permitted to:

- engage in any business or dealings with Embargoed Countries, Blocked Persons, or individuals or entities listed as a sanctions target by EU or U.S. authorities; or,
- facilitate transactions with third parties that involve Embargoed Countries, Blocked Persons, or individuals or entities listed as a sanctions target by EU or U.S. authorities.

Please note that this Policy prohibits Company Personnel from engaging in *direct and indirect* business and dealings with Embargoed Countries and Blocked Persons. This means that the Company will not enter into any agreement with end users or other customers whereby the Company agrees to export products or services to or import products or services from Embargoed Countries or Blocked Persons. Additionally, Company Personnel will not authorize distributors or agents to resell Company services to customers in Embargoed Countries or to Blocked Persons. To the extent that Company employees learn that third parties are providing services to or in an Embargoed Country or to a Blocked Person, they are required to immediately notify the Group Compliance Officer.

## **5. COMPLIANCE PROCEDURES AND TRAINING**

As part of the Company's ongoing commitment to trade sanctions compliance, all employees must review a copy of this Policy. Depending on your location and position, employees must then certify in writing that they (1) have reviewed the Policy; (2) agree to abide by the Policy; and (3) agree to report any potential violations of the Policy to the Group Compliance Officer. The certification is attached to this Policy as Schedule A.

In addition, the Company will provide periodic trade sanctions compliance training programs to educate employees about the requirements and obligations of Trade Sanctions Laws and this Policy. All relevant employees must participate in this training and the Group Compliance Officer will retain attendance records establishing compliance with this requirement for an appropriate time period.

## **6. REPORTING REQUIREMENTS AND PROTECTION AGAINST RETALIATION**

The Company takes its commitment to trade sanctions compliance very seriously and expects all Company Personnel to share that commitment. The Company therefore expects and requires any Company Personnel who have knowledge of, or reason to suspect, any violation of this Policy to contact the Group Compliance Officer immediately using the procedure set out in the Group Whistle Blowing Policy. Reports are made preferably openly but, if strictly necessary and justified by exceptional circumstances, anonymous reports can be issued.

It is the Company's policy that, if the report of known or suspected violations is made honestly and in good faith, no adverse employment-related action will be taken against any Company Personnel in retaliation for reporting a violation or suspected violation of Trade Sanctions Laws or this Policy.

All questions regarding this Policy should be directed to the Group Compliance Officer.



**Schedule A**

**EMPLOYEE TRADE SANCTIONS POLICY CERTIFICATION  
(TO BE COMPLETED BY CERTAIN COMPANY EMPLOYEES)**

I, \_\_\_\_\_, make the following certifications:

- I have reviewed the Company Trade Sanctions Policy (the "Policy");
- I agree to abide by the Policy;
- I agree to report any potential violations to the Group Compliance Officer;
- I understand that failure to comply with the Trade Sanctions Laws may result in immediate termination and prosecution, with penalties including fines and/or imprisonment.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Location and Title