



IKON PETROLEUM DMCC

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1. Introduction

IKON Petroleum DMCC (“IKON”) is committed to complying with relevant economic and trade Sanctions laws (“Sanctions”) in all jurisdictions in which it operates, through identifying, mitigating and managing the risks of both primary and secondary Sanctions violations. This Sanctions Compliance Policy (“Policy”) has been approved and endorsed by the board of directors and shareholders of IKON. This is an annually renewed version of the Policy and is effective from 1 January 2020.

2. Purpose

This Policy sets out IKON’s approach in identifying and managing Sanctions-related risks, including:

- Guidance about the meaning of Sanctions and how to comply.
- Principles and measures that IKON follows to comply with Sanctions legislation and to identify, mitigate and manage Sanctions risk in the jurisdictions where it operates; and,
- Consequences of failing to comply with this Policy.

This Policy applies to all countries in which IKON operates, including the U.A.E. and Iraq, and extends to any additional countries where IKON commences operations.

This Policy applies to:

- all employees, officers, directors, and contracted personnel of IKON, and to such other persons as designated by IKON from time to time (“Employees”); and,
- all entities or persons (and their respective employees, officers and directors) that perform services for or provide products to IKON, including without limitation, logistics partners, oil or product suppliers, consultants, contractors, distributors, and agents (“Associated Persons”).

3. Meaning of Sanctions and How to Comply

Sanctions are laws and regulations enacted by governments, such as the government of the United States (“U.S.”) or the United Kingdom (“U.K.”), international organisations (such as the United Nations (“U.N.”) and supranational bodies (such as the European Union (“E.U.”) to promote foreign policy and other objectives, including:

- limiting the adverse consequences of a situation of international concern;
- seeking to influence other persons or governments to modify their behaviour; and
- penalizing other persons or entities (for example, by blocking or “freezing” their assets, or denying access to international travel or to the international financial system).

Sanctions may also be imposed by the countries where IKON principally operates, namely the United Arab Emirates (“U.A.E.”) and Iraq, from time to time.

Sanctions are intended to deter a range of activities, which may include political or military aggression, providing sanctuary for criminals and terrorists, developing nuclear or other weapons programs, and abusing human rights.

Sanctions are implemented largely by prohibiting companies and individuals from doing business with persons, entities, countries, and governments that are the targets of the Sanctions. Such restrictions may include:

- export and import bans on certain products (including oil and products) and prohibitions on the provision of certain specified services;
- prohibition of certain commercial activities (such as joint ventures and other investment);
- barring the transfer of funds to and from a sanctioned country;
- targeted financial Sanctions, which include freezing the assets of and prohibiting any dealings with, a government, country, or territory, designated entities and individuals; travel bans; and other financial restrictions.

One key method of imposing Sanctions is to designate a country, territory, government, individual or entity as a target of Sanctions (a “Sanctions Target”). For example, the United States publishes a list of Specially Designated Nationals (or “SDNs”), which includes individuals and entities. In general, persons subject to U.S. jurisdiction must block (or freeze) any assets of an SDN within the U.S. person’s possession or control, and may not have any dealings with, or provide any services to, an SDN. The United States also imposes economic sanctions and embargoes that target geographic regions and governments. Some programs are comprehensive in nature and block the government and include broad-based trade restrictions, while others target specific individuals and entities. In non-comprehensive programs, there may be broad prohibitions on dealings with countries or specific named individuals and entities.

Most Sanctions regimes prohibit actions taken to circumvent applicable Sanctions or to facilitate activities by another person or entity that would violate Sanctions if undertaken directly. Employees and Associated Persons should be careful not to inadvertently violate Sanctions by facilitating or brokering a transaction that would be prohibited if conducted by IKON. Employees and Associated Persons cannot facilitate, swap, approve, finance, or broker any transaction or activity if such transaction or activity would be prohibited if performed by IKON. This prohibition also includes referrals to a foreign person of business opportunities involving any nation subject to comprehensive Sanctions or any persons designated as a Sanctions Target or on an SDN list. Example: if an Employee or Associated Person introduces a person from a Sanctioned country (with whom no business can be made as per applicable Sanctions) to a foreign person for the purpose of facilitating or fostering a business opportunity, then that Employee or Associated Person would be in violation of the “facilitation” clause of the Sanctions.

Moreover, some Sanctions regimes have extraterritorial application, such that they may be extended to persons abroad who cause a domestic person to violate Sanctions, for example, by removing SDN-identifying information from funds transfers or other business records so that a domestic person cannot properly screen the transaction for Sanctions violations.

IKON'S PRINCIPLES AND MEASURES TO COMPLY WITH SANCTIONS AND TO IDENTIFY, MITIGATE, AND MANAGE SANCTIONS RISK

4. Key Principles

The following key principles govern IKON's approach to Sanctions and export controls. All other requirements in this document are to be read in the context of these principles.

- IKON maintains a Sanctions policy to meet obligations under Sanctions regimes of the jurisdictions in which it trades, operates, is registered and/or licensed.
- IKON complies with the requirements of the U.S., U.K., U.N., Swiss, and E.U. Sanctions regimes wherever it operates, and will not undertake any transactions or business that would directly or indirectly breach those Sanctions regimes. In particular, even though IKON is not a U.S. person, it will comply with the U.S. Sanctions regime as if it were a U.S. person.
- In addition to complying with the requirements of the U.S., U.K., U.N., Swiss and E.U. Sanctions regimes, IKON complies with other Sanctions regimes, including the U.A.E. and Iraq when enacted, whenever they apply to particular IKON operations, and will not undertake any business that would breach those Sanctions regimes.
- IKON also considers Sanctions regimes imposed by other jurisdictions where the facts of the transaction make it appropriate to do so.
- IKON may decide not to provide products or services even where it is permitted by law, particularly where the circumstances present reputational risk.
- IKON will not undertake any business that would breach any export laws that apply to it.

5. Measures to Comply with Sanctions

Before engaging in any commercial relationship or transaction (with either suppliers or customers), IKON ensures that these relationships and transactions comply with applicable U.S., U.K., U.N., Swiss and E.U., Sanctions, by carrying out a World-Check screening, which will include the screening of those counterparties against the SDN list, and/or checks against the below lists:

- The Office of Foreign Asset Control's SDN list (covering US Treasury sanctions):
<https://www.treasury.gov/resource-center/sanctions/sdn-list/pages/default.aspx>
- HM Treasury's Office of Financial Sanctions Implementation's consolidated list (covering UK, UN, EU sanctions):
<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>
- The EU's Consolidated Financial Sanctions List:
<https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>

- SECO's sanctions list (Swiss):
https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/exportkontrollen-und-sanktionen/sanktionen-embargos.html

IKON shall also screen its transactions as to potential violations on country specific Sanctions, by carrying out country specific checks with external advisers or online based checks.

In addition, IKON shall screen all counterparties, including customers and suppliers, by:

- Checking the counterparty legal and financial status with its regular banks;
- Exchange of KYC information on the counterparty, including legal status, officers, shareholders and ultimate beneficial owners, and screening such information on World-Check.

Screenings are carried out by IKON Compliance team at Compliance@ikonpetroleum.com and /or Audit@ikonpetroleum.com and approved by the IKON Chief Executive Officer (CEO).

The level of screening and due diligence undertaken depends on the risk profile of the particular relationship or transaction, with enhanced screening and diligence undertaken where the risks are greater. For example, where a relationship or transaction is with an internationally recognized individual e.g. an oil major, or business in a country or countries that are not subject to Sanctions, a lower standard of diligence may be applied. Conversely, where a relationship or transaction is with an individual or business located in a high-risk jurisdiction, enhanced due diligence will be undertaken.

In carrying out such screening, IKON may rely on information provided to it by its customers, suppliers, and business partners unless it is aware or suspects that those customers, suppliers and business partners, or the information provided, is unreliable or dishonest, or relates to a high-risk jurisdiction.

IKON also requires contractual undertakings from its suppliers, customers and business partners to ensure that IKON does not engage in transactions which are in breach of applicable Sanctions or export control laws.

Contracts with Associated Persons must include the following provisions

- representing that the Associated Person is not itself an SDN or otherwise the subject or target of Sanctions;
- requiring compliance with U.S., U.K., U.N., and E.U. Sanctions laws and with this Policy,
- requiring that its Associated Persons do not engage in or facilitate any business activity that would lead IKON to breach any applicable Sanctions obligations;
- indemnifying IKON and permitting IKON to exit the contract if the Associated Person violates its contract with IKON or this Policy or becomes an SDN and/or Sanctions Target or otherwise the subject or target of Sanctions.

Customer terms included in oil trading transactions shall be based on terms including appropriate and adequate Sanctions compliance and end-user undertakings.

Neither IKON nor any Employee shall engage in any commercial relationship or transaction that directly or indirectly involve:

- countries that are subjects or targets of Sanctions ("Sanctioned Countries"); or
- nationals of Sanctioned Countries.

From time to time, relevant Employees shall be informed by IKON of the Sanctioned Countries. Because Sanction programs are dynamic and constantly changing, the countries that are Sanctioned Countries may change quickly; IKON regularly reviews the U.S., U.K., U.N., Swiss and E.U. Sanctions regimes, and may update the list of Sanctioned Countries at any time.

Associated Persons shall also ensure that they do not engage in any commercial relationship or transaction that directly or indirectly involve Sanctioned Countries and/or SDNs and nationals of such countries. Associated Persons shall at all times have in place systems, processes, policies and procedures to ensure compliance with this limitation. If in doubt as to whether any commercial relationship or transaction conducted by an Associated Person violates this policy, the Associated Person shall notify Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com as soon as practicable.

Employees and Associated Persons must not facilitate activities by any persons, including customers and suppliers, that involve Sanctioned Countries or nationals of Sanctioned Countries, including by referring such business to other persons or entities.

If any Employee or Associated Person becomes aware of an actual or potential breach or a Sanctions regime, then he/she must notify the IKON Chief Executive Officer (CEO), or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com immediately. IKON will then assess any notifications so received in the light of, amongst other things, any applicable reporting legal obligations binding IKON.

6.Obligations of Employees and Associated Persons

Employees and Associated Persons must read and apply this Policy and must ensure compliance with this Policy.

The relevant IKON units/departments dealing with customers, suppliers and other business partners/counterparties shall screen and perform due diligence on each prospective customer, suppliers and potential business partner/counterparty as outlined above. If there is any doubt whether screening and due diligence has been conducted with respect to any such person or entity, the IKON Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com must be contacted immediately

Under no circumstances may an Employee or Associated Person act to avoid Sanctions obligations or detection of a relationship or transaction that would breach this Policy. IKON and Employees and Associated Persons cannot advise customers, suppliers or others as to how transactions may be structured or presented to evade applicable Sanctions or this Policy. This includes, but is not limited to, advising customers, suppliers and others to amend any information or documents to include false or misleading information, to omit accurate information, or changing, removing or omitting information from a transaction or any business record that would otherwise lead to detection of a Sanctions issue.

Employees and Associated Persons may be subject to the Sanctions not only of the country or countries in which they live and work, but also of the country or countries of which they are a citizen, permanent resident, or visa holder. In addition, mere presence in a country, even on a transitory basis, generally will make the Employee or Associated Person subject to the laws of that country while they are within or transiting through it.

It is the responsibility of each Employee and Associated Person to understand and meet their Sanctions obligations as a citizen of a particular country or as a result of their presence in a particular country. Questions about particular circumstances should be directed to the IKON Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and /or Audit@ikonpetroleum.com. Depending on such circumstances, IKON may require the Employee or Associated Person to adhere to certain practices to ensure that IKON and the individual Employee or Associated Person comply with all applicable Sanctions requirements.

7. Consequences of Failure to Comply

Failure to comply with relevant Sanctions laws would constitute a breach of legal and/or regulatory requirements, and can expose IKON to significant reputational damage, legal and regulatory actions, and financial loss, and can expose individual Employees or Associated Persons involved in any violation to substantial fines and imprisonment.

IKON has a zero-tolerance approach to intentional violations of this Policy or applicable Sanctions regimes. If an Employee fails to comply with this Policy, then he/she may be subject to disciplinary action that may include dismissal from employment. Disciplinary measures will depend on the circumstances of the violation and will be applied in a manner consistent with IKON's policies. In addition, Employees who violate the law during the course of their employment may also be subject to criminal and civil action.

IKON may terminate a business relationship with any Associated Person (including terminating all contracts and agreements in force between IKON and any such Associated Person) by means of written notice to the Associated Person, with immediate effect, without need of judicial recourse, and without liability for compensation or damages (whether direct and/or indirect) of any type or nature in favour of the said Associated Person, in the event that:

- the Associated Person fails to comply with any provision in this Policy and fails to remedy (if such a failure is remediable) that failure within 10 days of the Associated Person being notified in writing of the failure; or,
- the Associated Person becomes a SDN or the subject or target of Sanctions.

8. Training

All IKON Employees will receive training. New joiners will receive training as part of the induction process. Further training will be provided at least every year, or whenever there is a substantial change in the law or our policy and procedure.

Training will cover:

- The laws relating to the Sanctions regimes; and
- This Policy and IKON's Sanctions procedures.

9. Audits

Each Associated Person shall, without expense to IKON, provide access (with appropriate prior notice from IKON) to all relevant documents, records, systems, processes, policies and procedures in order to enable IKON (or its third party professional representatives) to audit and verify compliance by the Associated Person with this Policy. If an audit shows that an Associated Person is in breach of this Policy

then the Associated Person shall, without delay, implement the necessary corrective action (if the breach can be corrected) determined by IKON.

10. Contracts and Policy Applicability

As a condition of doing business with IKON, IKON will require each Associated Person to accept that this Policy, or equivalent conditions approved by IKON Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com, be incorporated into the contract entered into between the Associated Person and IKON.

Contracts and agreements executed between IKON and Associated Persons may contain more specific provisions addressing some of the issues set out in this Policy. Nothing in this Policy is meant to supersede any more specific provision in a particular contract or agreement executed between IKON and an Associated Person, and to the extent there is any inconsistency between this Policy and any other provision of a particular contract or agreement, the provision in the contract or agreement will prevail.

This Policy is intended to supplement and not replace other IKON codes of conduct, policies, rules and procedures that are applicable to Employees and Associated Persons from time to time including those on <http://www.ikonpetroleum.com/compliance.html>

If any Employee or Associated Person has any doubt as to the codes, policies, rules and procedures applicable in a given situation, or if any Employee or Associated Person perceives any conflict or inconsistency between this Policy and any other IKON code of conduct or any other IKON policies, rules or procedures, then he/she should raise the issue with, and seek direction from the IKON Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com.

This Policy is a statement of principles and expectations for individual and business conduct. It is not intended to and does not in any way constitute a contract, an employment contract, and does not create any right in any Employee or Associated Person. The enforcement and interpretation of this Policy rests solely with IKON. This Policy only creates rights in favour of IKON. The headings contained in this Policy are for convenience only and shall not be interpreted to limit or otherwise affect the provisions of this Policy. In the event of any conflict between this Policy and applicable mandatory law, the applicable mandatory law shall prevail.

11. Revisions and Enquiries

IKON will unilaterally review this Policy on an annual basis and will introduce revisions where necessary or appropriate. IKON may also issue addenda, guidelines and memoranda from time to time to supplement this Policy, including the lists of Sanctioned Countries. The latest version of this Policy and of any addenda, guidelines and memoranda will always be available online at: <http://www.ikonpetroleum.com/compliance.html>.

It is the responsibility of Employees and Associated Persons to access this Policy online and view the latest version of this Policy and/or any addenda, guidelines and memoranda, from time to time. Because Sanctions regimes can change quickly and without notice, IKON may update this Policy at any time.

For enquires or any other matter relating to this Policy, please contact the IKON Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com

12. Reporting of Violations

IKON is fully committed to developing an open culture – Employees and Associated Persons should not be afraid to speak up if they think that something is wrong or needs to be fixed. Employees and Associated Persons should at all times feel comfortable sharing their views, asking questions, flagging anomalies, expressing concerns, or reporting perceived violations of this Policy. If an Employee or Associated Person becomes aware of any suspected or known violations of this Policy or she/he realises that IKON or an Associated Person performed a transaction prohibited by Sanctions, then he/she has a duty to promptly report such concerns to the IKON Chief Executive Officer (CEO) or IKON Compliance team at Compliance@ikonpetroleum.com and/or Audit@ikonpetroleum.com

13. Confirmation

Employees and Associated Persons shall periodically, whenever requested by IKON, individually confirm in writing to IKON that he/she/it has read this Policy and agrees to comply herewith.