Financial Sanctions Policy Statement

The 'Company' is any company within the Keltbray Group.

INTRODUCTION AND CONTEXT

Financial sanctions are restrictions on dealing with the funds and assets of certain individuals and entities. They are put in place by the UK, US, EU, United Nations, and other countries because of threats to international peace and security, human rights abuses, other criminal conduct, and/or to help combat terrorism ("Financial Sanctions").

It is a criminal offence to deal with a person or business who is the target of UK Financial Sanctions where it ought to be known that they are the target of sanctions because either they are listed on sanctions list, or they are owned or controlled by a person or entity that is listed on sanctions list.

There may be circumstances where the Company also needs to comply with US Financial Sanctions. Some US laws are subject to UK laws which prohibit compliance with US Financial Sanctions so please contact the Legal Counsel in these circumstances.

1. SCOPE OF THE POLICY

1.1 Purpose of the Policy

The purpose of the Policy is to help prevent breaches of UK Financial Sanctions laws and to provide guidance on UK Financial Sanctions.

1.2 What is covered by the Policy

This Policy:

- sets out the principles that all staff, business partners and contractors must follow; and
- provides further guidance on UK Financial Sanctions.

1.3 Who is covered by the Policy

All staff, joint venture and business partners to the Company must comply with the Policy. The Policy does not form part of any employee's contract of employment and may be amended at any time.

1.4 Breach of this Policy

Any breach of this Policy and its associated procedures by staff will be investigated in accordance with the Company's disciplinary procedure. A serious breach may amount to gross misconduct and could therefore result in summary dismissal. A breach of Financial Sanctions may also result in the staff member being reported by the Company to the Office for Financial Sanctions Implementation ('OFSI'). Any breach of this Policy and its associated procedures by business partners will be investigated and any breach may result in relevant contracts being terminated and the third party being reported by the Company to OFSI.

1.5 Policy Ownership

The Executive has approved this Policy. The Chief Operating Officer is the Executive sponsor, and the Legal Counsel is the officer responsible for the Policy. Any questions about the operation of this Policy or any concerns that the Policy has not been followed should be referred in the first instance to the Legal Counsel.

2. THE POLICY STATEMENT

The Company is committed to complying with UK Financial Sanctions.

The Company will also consider and comply with other Financial Sanctions regimes where we are required, or it is appropriate for us, to do so including, for example, EU Financial Sanctions.

The Company will carry out risk based Financial Sanctions list screening of third parties including suppliers and prospective clients (as required) as part of our on-boarding procedures.

Any suspected dealings with a target of Financial Sanctions must be reported to the Legal Counsel and the Chief Financial Officer.

3. DEFINITIONS

The terms set out in this section 3 apply to this Policy.

asset freeze applies to companies, trusts, other entities owned or controlled by a designated person and to persons who act on behalf of the designated person (for example, family members when acting for the designated person).

designated persons are individuals and entities (some of whom are resident or based in the UK) that are targeted by the UK Government with the aim of freezing their assets.

Economic resources are assets of any kind (tangible or intangible, movable or immovable), which are not funds, but which can be used to obtain funds, goods or services. Financial Sanctions are restrictions on dealing and transacting with particular persons, entities, and groups.

Financial Sanctions are put in place by international organisations (mainly the UN and EU) and countries, including the UK and USA, because of threats to international peace and security, human rights abuses, other criminal conduct, and/or to help combat terrorism.

OFSI is the Office of Financial Sanctions Implementation.

4. FINANCIAL SANCTIONS

4.1 The Offences

The most common type of Financial Sanction is an asset freeze of designated persons and includes essentially three prohibitions:

- making funds available, directly or indirectly, to or for the benefit of, a designated person;
- dealing with funds owned or controlled by a designated person, or a person acting on behalf of a designated person; and
- making economic resources available to a designated person or dealing with the economic resources of a designated person.
- It is also a criminal offence for the Company to:
- knowingly participate in activities that directly or indirectly circumvent the prohibitions on making funds available and dealing with funds; and
- facilitate the commission of any of the offences.

4.2 Consequences of breach of UK Financial Sanctions

A breach of the law occurs if the Company had knowledge or reasonable cause to suspect that it was conducting business contrary to Financial Sanctions. Reasonable cause to suspect refers to an objective test that asks whether there were factual circumstances from which an honest and reasonable person should have inferred knowledge or formed the suspicion.

A principle of most sanctions regimes is the prohibition on knowingly and intentionally participating in activities which have the object or effect of circumventing any sanctions laws. It is extremely important that steps are not taken to "get around" Financial Sanctions. For example, entering into an arrangement with a third party who is not themselves a sanctions target but who is known or suspected of being connected to a designated person could amount to circumvention.

The potential consequences for breaching sanctions laws are severe, including civil penalties; unlimited criminal fines; periods of imprisonment of up to 7 years for individuals; the disgorgement of any profits; and reputational damage. Currently, most sanctions breaches are enforced by way of a civil penalty regime. The value of a monetary penalty may range from 50% of the total breach or up to £1m – whichever is the greater value.

5. SCREENING

Sanctions list checks and additional due diligence must always be undertaken by the on-boarding and Work Winning teams in the following higher risk situations (as determined by HM Government):

Risk Rating	Methodology for known or suspected dealings involving the relevant countries	Countries
High Risk	transactions connected with individuals or entities located in the next column.	Crimea and Sevastopol, Cuba, Iran, North Korea (Democratic People's Republic of Korea), Syria, Russia and Venezuela
High Risk	where payment is to be made by a third-party company or a non-family member from a bank account outside of the UK, EU member state or US	Outside UK/EU/US
High Risk	where a bank account has declined payment and refuses to explain the reason for doing so	N/A
Medium Risk	Transactions connected with or individuals or entities located in the next column.	Afghanistan, Belarus, Burma/Myanmar, Central African Republic, China, Columbia, Democratic Republic of the Congo, Hong Kong, Iraq, Lebanon, Libya, Mexico, Pakistan, Somalia, Sudan, South Sudan, Tunisia, United Arab Emirates, Ukraine, Zimbabwe

Financial sanctions/an asset freeze also applies to businesses and other organisations owned or controlled by a designated person and as such additional due diligence may be needed; and before declining to engage with a person on the US sanctions list, legal advice must be taken to review the application of any UK blocking laws.

More generally, if any member of staff is concerned that person or entity may be subject to Financial Sanctions, they should take advice from the Legal Counsel.

Sanctions list screening will be undertaken using the relevant published lists. People and entities subject to UK Financial Sanctions are listed on one of two lists:

UK Sanctions list (Human Rights) - https://www.gov.uk/government/publications/the-uksanctions-list

Consolidated List https://www.gov.uk/government/publications/financial-sanctionsconsolidated-list-of-targets/consolidated-list-of-targets

The Consolidated List can be searched using the following tool: https://sanctionssearch.ofsi.hmtreasury.gov.uk/ and the equivalent US sanctions list can be searched using the following tool: https://sanctionssearch.ofac.treas.gov/.

6. AUTHORISATION

Prohibited transactions i.e. transactions with a designated person may be permitted under a licence issued by OFSI. Grounds for obtaining a licence include receiving payments under a pre-existing contract or providing funds to a designated person for their basic needs.

Any application for such a licence will require the prior written consent of the Executive Board and the endorsement of the Main Board.

7. REPORTING

If the Company holds or control funds or economic resources belonging to, owned, held or controlled by a designated person, it must make a report to OFSI.



Peter Burnside
Chief Executive Officer

Last review date: June 2026
Next review date: June 2027