

# ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING POLICY

## OBJECTIVE

The objective of this procedure is to emphasize KALIOS COMMODITIES FZCO's commitment to conducting business with honesty and integrity in the principal countries where KALIOS COMMODITIES FZCO operates, and to explain the specific requirements and prohibitions regarding (i) offering, promising, or giving payments, gifts, or other things of value to Government Officials, Commercial Clients, or Commercial Competitors, and (ii) requesting, agreeing to receive, or accepting certain financial or other advantages.

## GENERAL POLICY

KALIOS COMMODITIES FZCO, including its directors, employees, Local Partners, and Project Partners may not (i) offer, promise, or give payments, gifts, or anything of value to Government Officials, Commercial Clients, or other persons, or (ii) request, agree to receive, or accept any financial or other advantages, if such actions would violate KALIOS COMMODITIES FZCO's Code of Conduct or Applicable Anti-Corruption & Anti-Money Laundering Laws, or which would otherwise constitute a Prohibited Payment or a Prohibited Receipt.

## DEFINITIONS

"Applicable Anti-Corruption & Anti-Money Laundering Laws" -- Applicable international anti-corruption laws include (i) the United States Foreign Corrupt Practices Act ("FCPA"); (ii) the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (including as implemented by its member nations) ("OECD Convention"); (iii) the United Kingdom Bribery Act 2010 ("Bribery Act"); (iv) the U.K. Anti-Terrorism, Crime and Security Act 2001, (v) the Money Laundering Regulation 2007; (vi) the Proceeds of Crime Act 2002 and (vii) similar laws that prohibit bribery in the countries in which KALIOS COMMODITIES FZCO conducts business.

- **Commercial Client:** Any entity (including any owner, director, manager, or employee thereof) for whom KALIOS COMMODITIES FZCO, or any of its partners, or clients currently provides or contemplates providing services pursuant to a commercial contract.
- **Commercial Competitor:** Any entity (including any owner, director, manager, or employee thereof) with which KALIOS COMMODITIES FZCO, or any of its partners, or clients, may compete for the award of a commercial contract or other business advantage.
- **Government Official:** A broad term that includes any government official or government employee (including officers, directors and employees of state-owned companies, including state-owned oil and gas companies and joint ventures with participation by state-owned oil and gas companies), political parties and candidates for political office, and any officer or employee of a public international organization such as the United Nations or Red Cross.
- **Local Partner:** An individual or entity with whom KALIOS COMMODITIES FZCO forms a joint venture or other arrangement within a particular country in order to help (i) obtain information about business and regulatory climate of the country, (ii) establish itself as a local entity within the country, (iii) develop and expand KALIOS COMMODITIES FZCO's business, (iv) assist with operational activities, and/or (v) invest in the local company.



- **Prohibited Payments:** The offering, promising, or giving of a payment, gift, or anything of value, either directly or indirectly, to a Government Official, Commercial Client, or Commercial Competitor for the purpose of (i) influencing any act or decision of the Government Official, Commercial Client, or Commercial Competitor or inducing the Government Official to affect or influence any act or decision of the government, a government agency, or a state-owned company; (ii) assisting KALIOS COMMODITIES FZCO or any of its partners or clients to obtain or retain business or direct business to KALIOS COMMODITIES FZCO or a partner or client; or (iii) securing any improper advantage (such as reducing customs duties or income taxes, or obtaining proprietary or confidential information regarding Commercial Clients or competitors).
- **Prohibited Receipt:** The requesting, agreeing to receive, or accepting of a payment, gift, or anything of value with the intention of, or as a reward for, improperly performing any KALIOS COMMODITIES FZCO function or activity.
- **Project Partner:** An entity with whom KALIOS COMMODITIES FZCO forms a joint venture, consortium, or other type of arrangement to bid or perform a certain trade transaction or group of trade transactions.

## RESPONSIBILITY

It is the responsibility of every KALIOS COMMODITIES FZCO director, employee, Local Partner, and Project Partner whose duties are likely to lead to involvement in or exposure to any of the areas covered by Applicable AntiCorruption & AntiMoney Laundering Laws to ensure compliance with this policy. This is underlined by KALIOS COMMODITIES FZCO's adherence to these principles: (i) having anti-bribery procedures in place which are proportionate but effective, (ii) showing a top level commitment to prevention of bribery, (iii) risk assessment of KALIOS COMMODITIES FZCO's activities and areas of operation, (iv) due diligence in all KALIOS COMMODITIES FZCO does or done in KALIOS COMMODITIES FZCO's name, (v) communication and training in anti-corruption laws, and (vi) monitoring and reviewing KALIOS COMMODITIES FZCO's procedures and processes.

## PROCEDURES

### 1- BACKGROUND

International anti-corruption laws are generally broad in their content and application, prohibiting many things in addition to cash payments. The United States, for example, has very strict rules and criminal sanctions prohibiting or restricting the provision or promise of gifts, entertainment, meals, tips, favors or anything of value to both domestic and foreign officials, including employees of government-owned or controlled customers, political party officials and candidates for political office or political parties.

The Bribery Act makes it illegal for persons or companies to offer, promise, or give a financial or other advantage to any person (including Government Officials, Commercial Clients, and Commercial Competitors) in order to induce a person to perform, or reward a person for performing, any improper business activity. Employees who consent to the offence may also be held personally guilty. The Bribery Act also creates a separate strict liability offence for companies that fail to prevent bribery. Under this provision, a company may be guilty if its employees, Local Partners, or Project Partners bribe a Government Official, Commercial Client, or Commercial Competitor, directly or indirectly, to obtain or retain business or secure a business advantage. An affirmative defence to this offence exists only where the company can show it had in place "adequate procedures" to prevent bribery.

The jurisdiction of the FCPA and Bribery Act extends beyond the shores of the United States and the United Kingdom. KALIOS COMMODITIES FZCO employees should assume that these laws apply worldwide, including in the principal countries where KALIOS COMMODITIES FZCO operates.



KALIOS COMMODITIES FZCO's policy is to comply fully with all Applicable Anti-Corruption & Anti-Money Laundering Laws. Accordingly, KALIOS COMMODITIES FZCO prohibits you from (i) offering, promising, or giving anything of value to any Government Official, Commercial Client, or Commercial Client in an effort to influence that (or another) person or entity to secure any improper business advantage, and (ii) requesting, agreeing to receive, or accepting anything of value with the intention of, or as a reward for, improperly performing any KALIOS COMMODITIES FZCO function or activity. Many in-kind gifts, payments, and promises, including with respect to gifts, meals, entertainment or travel can run afoul of Applicable Anti-Corruption & Anti-Money Laundering Laws unless they are carefully undertaken consistent with this policy. The provision or receipt of such gifts, payments, or promises will not be tolerated if not permitted by an express provision within these procedures.

The procedures set forth below are designed to ensure that KALIOS COMMODITIES FZCO's directors, employees, contractors, Local Partners, and Project Partners avoid corruption in all its forms, including with respect to Prohibited Payments and Prohibited Receipts. Each KALIOS COMMODITIES FZCO director, employee, contractor, Local Partner, and Project Partner who is involved with business transactions must become familiar with the Applicable Anti-Corruption & Anti-Money Laundering Laws and KALIOS COMMODITIES FZCO's policies and procedures. To that end, KALIOS COMMODITIES FZCO requires you to read these procedures and retain them for future reference.

## 2-GENERAL PROHIBITIONS

### 2.1 OVERVIEW

It is the policy of KALIOS COMMODITIES FZCO to strictly comply with Applicable Anti-Corruption & Anti-Money Laundering Laws. Accordingly, KALIOS COMMODITIES FZCO directors, employees, contractors, Local Partners, and Project Partners are strictly prohibited from offering, promising, or making any Prohibited Payments or requesting, agreeing to receive, or accepting any Prohibited Receipts.

Even if a payment, gift, or promise only constitutes a Prohibited Payment indirectly, you will violate Applicable Anti-Corruption & Anti-Money Laundering Laws if you make that payment, gift, or promise to an individual or entity and you know, should know, believe, or are aware that there is a likelihood that, the individual or entity intends to use all or a portion of that amount to make a Prohibited Payment. In this context, the initial payment, gift, or promise to the individual or entity who is not a Government Official, Commercial Client, or Commercial Competitor would also constitute a Prohibited Payment.

As detailed below, Applicable Anti-Corruption & Anti-Money Laundering Laws are broad in scope and generally prohibit (i) the offer, promise, or payment of anything of value, tangible or intangible, for the purpose of securing any improper advantage or (ii) the request, agreement to receive, or acceptance of any financial or other advantage relating to the improper performance of any function or activity

### 2.2 ANYTHING OF VALUE

"Anything of value" is very broadly defined, and includes more than kickbacks or bribes. Prohibited acts that involve "anything of value" include the following:

- Offering, making, promising or authorizing any direct or indirect payment, gift or thing of value to any Government Official, Commercial Client, or Commercial Competitor, or to any other individual or entity with the expectation or understanding that such payment, gift or thing of value will ultimately be provided to a Government Official, Commercial Client, or Commercial Competitor;
- Requesting, agreeing to receive, or accepting any financial or other thing of value (other than from KALIOS COMMODITIES FZCO itself) in connection with the performance of any KALIOS COMMODITIES FZCO function or activity;



- Retaining, employing, or causing to be employed by KALIOS COMMODITIES FZCO, the family member of a Government Official, Commercial Client, or Commercial Competitor;
- Paying, reimbursing or agreeing or promising to pay or reimburse a Government Official, Commercial Client, or Commercial Competitor for travel or meeting expenses;
- Making a charitable donation or social contribution;
- Making political contributions; and
- Making, promising, or offering any gifts to Government Officials, Commercial Clients, or Commercial Competitors, or to their family members or agents, other than small mementos or gifts.

The acts described above may be permitted under the strict circumstances as set out in Section 3 below, and in all cases must be reasonable based on the circumstances.

## **2.3 ANY IMPROPER ADVANTAGE**

As a practical matter, past enforcement actions have shown that the prohibition against improper payments to “obtain or retain business” or to “secure any other improper advantage” covers virtually any improper payment made in a business context. For example, KALIOS COMMODITIES FZCO directors, employees, contractors, Local Partners, and Project Partners may not offer, promise, or give any things of value to any individuals, directly or indirectly, in connection with obtaining any of the following:

- A license or a contract.
- Customs or importation licenses or permits.
- Reduction of duties, taxes, or fines. • Cancellation of a contract.
- Confidential information about bids, business opportunities, or the activities of Commercial Clients or Commercial Competitors; or
- Resolution of disputes or litigation in foreign courts.

## **3-GUIDELINES ON PAYMENTS**

The following guidelines are provided to assist you in complying with this policy

### **3.1 PAYMENT OR REIMBURSEMENT OF TRAVEL EXPENSES**

The payment or reimbursement of bona fide expenses for the travel, meals and lodging of a Government Official or Commercial Clients related to (i) the promotion or marketing of KALIOS COMMODITIES FZCO’s or its clients’ expertise, (ii) discussions regarding KALIOS COMMODITIES FZCO or client operations, or (iii) contract negotiations, is permissible if there is a clear and justifiable business reason for each item of expense, and the expenses are reasonable.

Such expenditures must also be given in good faith and permitted under local laws and customs. Such travel expenses, however, may be paid or reimbursed only if cleared in advance with the Compliance Officer. When seeking approval for such expenses, please keep in mind:

- KALIOS COMMODITIES FZCO cannot pay any travel expenses for spouses or other family members of Government Officials or Commercial Clients



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- Payments to cover expenses of Government Officials or Commercial Clients should, whenever possible, be paid directly to vendors (e.g., hotels, airlines and restaurants). If direct payment is not possible, reimbursement (i) may be made only for expenses for which receipts from the Government Official or Commercial Clients are obtained, and (ii) should be made to the Government Official or Commercial Client's employer rather than to the individual.
- KALIOS COMMODITIES FZCO cannot both cover travel expenses and provide a per diem (e.g., if KALIOS COMMODITIES FZCO pays for or reimburses the meals and lodging of a Government Official it cannot, in addition, provide a per diem for "incidentals").
- Payments and reimbursements for a Government Official or Commercial Client's travel are permissible only for the period directly related to KALIOS COMMODITIES FZCO or client business.
- Travel expenses will not be approved if they are requested too frequently for the same individual, or if they go beyond what is necessary for a business purpose. It is not necessary for the Compliance Officer to approve instances of local travel (e.g., taxi rides), so long as such expenditures do not become excessive.
- In all cases where travel is approved, it must be supported by receipts and accurately reported in KALIOS COMMODITIES FZCO's books and records.

### **3.2 ENTERTAINMENT AND GIFTS**

Executives may be reimbursed for reasonable business entertainment expenses and gifts under certain circumstances. Small gifts or mementos may be given to Government Officials, Commercial Clients, or Commercial Competitors if they are of nominal value, given in a direct, transparent, and bona-fide manner, and would reasonably be viewed as appropriate under the circumstances. Whenever possible, such small gifts and mementos should include KALIOS COMMODITIES FZCO or its client's logo.

For all other gifts and all entertainment to be provided to a Government Official, Commercial Client, or Commercial Competitors, executives must seek the approval of the Compliance Officer in advance. Entertainment or gifts given with the intent of influencing a Government Official, Commercial Client, or Commercial Competitor's objectivity in making decisions involving KALIOS COMMODITIES FZCO or a KALIOS COMMODITIES FZCO client, subcontractor, or jointventure partner is not permissible, regardless of the amount. When seeking approval for such expenses, please keep in mind:

- The costs must be reasonable.
- The expense must avoid the appearance of impropriety -- it should be modest and infrequent.
- The expense must be in line with local customs and comply with any local laws that may apply to the Government Official, Commercial Client, or Commercial Competitor.
- You may not pay for gifts or entertainment personally to avoid having to report it or seek approval.

### **3.3 CHARITABLE DONATIONS AND SOCIAL PROGRAMS**

KALIOS COMMODITIES FZCO believes in contributing to the communities in which it does business and permits reasonable donations to charities. Similarly, certain contractual agreements may require KALIOS COMMODITIES FZCO to make payments to assist in the development of a country (for example, to build schools, roads, etc.). In both instances, however, KALIOS COMMODITIES FZCO must take care to ensure that donations or payments are not disguised illegal payments to Government Officials or Commercial Clients in violation of Applicable



AntiCorruption & Anti-Money Laundering Laws. KALIOS COMMODITIES FZCO must also confirm that the charity or social program does not act as a conduit to fund illegal activities in violation of the laws of the countries in which it does business.

Keep in mind that donations or payments must never be given, directly or indirectly, to an individual Government Official, Commercial Client, or Commercial Competitor. Donations to charities proposed by a Government Official or Commercial Client or owned or operated by such an individual or entity, must be reviewed with caution.

Information about the proposed recipient (including various affiliations) and details regarding the use of the funds or donation must be provided to the Compliance Officer for approval in advance.

All documentation relating to the donation or payment must be forwarded to the Accounting Department so that the payment or expense is accurately described and recorded in books and records.

### **3.4 POLITICAL CONTRIBUTIONS**

As discussed above, any payment, gift, or promise of anything of value to a political party or candidate for political office, made or given with the intent to secure any improper advantage, constitutes a Prohibited Payment and is strictly forbidden. Due to the sensitivity with which enforcement agencies view such payments, KALIOS COMMODITIES FZCO must carefully consider the propriety of making any political contribution with caution. Accordingly, any proposed political contribution must be approved in advance by the Compliance Officer or Legal Counsel

## **4- TRAINING**

To help communicate KALIOS COMMODITIES FZCO's compliance policies, standards and procedures regarding Applicable AntiCorruption & Anti-Money Laundering Laws, the Human Resources Department and/or other selected KALIOS COMMODITIES FZCO employees will from time to time conduct various training programs aimed at sharing best international business practices on the basis of KALIOS COMMODITIES FZCO's policies and procedures and Applicable

Anti-Corruption & Anti-Money Laundering Laws and ensuring that any change in the risks that KALIOS COMMODITIES FZCO faces are addressed. Every employee will be required to undertake the arranged training concerning KALIOS COMMODITIES FZCO's compliance requirements and certify his or her compliance with Applicable Anti-Corruption & Anti-Money Laundering Laws where appropriate and required by the Company.

Where appropriate, KALIOS COMMODITIES FZCO may also require its Local Partners, and Project Partners to undergo compliance training as well.

## **5- DISCIPLINARY PROCEEDINGS**

Any employee who violates KALIOS COMMODITIES FZCO's policies relating to Applicable Anti-Corruption & AntiMoney Laundering Laws will be subject to appropriate disciplinary action by KALIOS COMMODITIES FZCO, which may include termination of employment with immediate effect.

Any violations of KALIOS COMMODITIES FZCO's policies relating to Applicable Anti-Corruption & Anti-Money Laundering Laws by a Local Partner will constitute a breach of the respective agreement and will entitle KALIOS COMMODITIES FZCO to terminate that relationship with immediate effect.

## **6- CONTACT INFORMATION**

If at any time you have any question about whether a payment, gift, or promise would constitute a Prohibited Payment, you may consult the Human Resources Department.

