

SANCTIONS COMPLIANCE POLICY



WERCOTRADE

A. INTRODUCTION

The global nature of Werco Trade AG's (**Werco Trade**) business exposes it to Sanctions imposed by multiple government authorities. This includes those of Switzerland, the European Union (EU), the United States of America (USA), and the United Nations (UN), amongst others.

This Sanctions Compliance Policy (this **Sanctions Compliance Policy**) defines the framework and core principles through which Werco Trade ensures compliance with Sanctions laws and regulations through a risk-based approach.

This Sanctions Compliance Policy builds on the Code of Business Conduct that sets out the standards of responsible and ethical behavior required for all persons within the company, which is made publicly available on Werco Trade's website.

1. SCOPE OF APPLICATION

This Sanctions Compliance Policy applies to all Members of the Board of Directors, Members of the Executive Management, Employees, and third parties performing services for or on behalf of Werco Trade (such as service providers), wherever located, with respect to their activities for or on behalf of Werco Trade or otherwise in connection with Werco Trade activities (the **Relevant Persons**). All Relevant Persons are responsible for following the guidelines contained herein.

Werco Trade is committed to operating in an ethical manner and in compliance with applicable Sanctions laws and regulations in Switzerland and other jurisdictions in which it operates. This Sanctions Compliance Policy applies globally, subject to mandatory local laws, regulations, regulatory guidance, etc. in Switzerland and other jurisdictions in which Werco Trade is active. This Sanctions Compliance Policy applies even if the respective local laws and regulations are more lenient. Therefore, Werco Trade reserves the right, in certain circumstances, to determine that specific Sanctions will be applied beyond the immediate local jurisdiction, i.e., that they will be applied on a global basis.

In addition to Sanctions applicable to Werco Trade, all Relevant Persons may be required to comply with sanctions laws imposed by their country of nationality, in particular, if that is the USA or any EU Member State, and the country in which the Relevant Person is located.

2. WERCO TRADE

Werco Trade trades in physical commodities, predominantly in copper, involving the purchase, sale, storage, and transportation of physical commodities. The company maintains an operation in South Korea where copper is accumulated, blended, and stockpiled for subsequent delivery to China. Werco Trade does not own any further overseas facilities or any direct or indirect stakes in any sourcing or processing facilities.

3. DEFINITIONS

Connected Party: The Entities or individuals connected to a Counterparty, including the shareholders, ultimate beneficial owners, subsidiaries and parent companies, members of the board of directors, members of the executive management.

Counterparty: An individual or an Entity subject to an actual or potential legal agreement or business transaction with Werco Trade.

Entity: A legal entity, an unincorporated entity, a collection of entities, government, group, or terrorist organization.

Politically Exposed Person (PEP): An individual who is or has been entrusted with prominent public functions, for example heads of state or heads of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials, etc. This definition includes anyone who is identified as being a close family member of, or closely associated with, such an individual.

Red Flag: Indications, conducts or facts that signify that a transaction violates or has the potential to violate Sanctions.

Sanctioned Target: Any individual or Entity that is a designated target of, or that is otherwise the subject of, Sanctions.

Sanctions: The economic or financial sanctions laws, regulations, trade embargoes (import embargoes and export embargoes) or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented and/or enforced from time to time by or under (i) the European Union (EU), (ii) the United Nations (UN), (iii) the United States Department of the Treasury Office of Foreign Asset Control (OFAC), (iv) the

United States Department of State and/or the United States Department of Commerce, (v) Switzerland, (vi) the United Kingdom, as well as any agency or person which is duly appointed, empowered or authorized by each of the European Union (EU), the United Nations (UN), Switzerland, or the United Kingdom, to enact, administer, implement and/or enforce Sanctions.

Sanction Screening: A research and control process completed prior to or during a transaction in which potential and existing Counterparties that have any stake or interest in the transaction are reviewed against internal and external data bases.



B. COMPLIANCE WITH SANCTIONS

Werco Trade is committed to complying with the applicable Sanctions laws and regulations, and to complying with Sanctions, embargoes (import embargoes and export embargoes), import and export controls legislations, and government orders or policies that affect trade applicable to Werco Trade's business activities.

Werco Trade reserves the right to terminate immediately any business relationship that violates or presents the risk of violating this Sanctions Compliance Policy or any sanctions laws or regulations.

To comply with this Sanctions Compliance Policy, all Relevant Persons must:

- Contact Compliance to initiate the Sanction Screening process (as described below) before entering into any legal agreement or undertaking any commercial transaction with a Counterparty or in relation to a vessel,
- consult with Compliance and/or Legal to include or review Sanctions wording in legal agreements and contracts, including letters of credit,
- seek to identify relevant Sanctions, Sanctioned Targets, and potential Red Flags, before entering into and during any legal agreements and business transactions,
- immediately report to Compliance any actual, suspected, or potential Sanctions breaches or violations to this Sanctions Compliance Policy,
- immediately suspend all activities and negotiations in progress in relation to any Counterparty or vessel whenever there are Red Flags as to the possibility of a violation of Sanctions, and immediately forward the matter to Compliance,
- not undertake any business trips to meet with Sanctioned Targets.

Violations of this Sanctions Compliance Policy can have serious legal and reputational consequences for Werco Trade and Relevant Persons. Any actual, potential, or suspected violations or breaches of this Sanctions Compliance Policy must be immediately reported to Compliance. Where evidence of a breach of this Sanctions Compliance Policy is discovered, Werco Trade may take disciplinary action, including termination of employment, and there may be further consequences under labor law and criminal law.

C. SANCTIONS COMPLIANCE MANAGEMENT SYSTEM

1. SANCTION SCREENING

As part of its Know-Your-Customer (KYC) due diligence process, Werco Trade conducts Sanction Screening on existing and potential Counterparties, Connected Parties, and vessels for the purpose of verifying their identity, finding Red Flags, and identifying Sanctioned Targets.

Sanction Screening must be conducted:

- whenever a new potential Counterparty or vessel is added,
- whenever a Relevant Person identifies any Red Flags in relation to a Counterparty, Connected Party, or vessel, and
- annually for all existing Counterparties, Connected Parties, and vessels.

Compliance conducts the Sanction Screening, which consists of the following steps:

1. Obtaining the completed Werco Trade Know-Your-Customer (KYC) Questionnaire for Customers/Suppliers/other Counterparties, other than Entities listed on a public stock exchange or government-controlled Entities or government-owned Entities,
2. screening of Counterparty, Connected Parties, or vessel with the Refinitiv World-Check database,
3. screening of Counterparty, Connected Parties, or vessel with internet searches (e.g. Google),
4. screening of Counterparty, Connected Parties, or vessel with the Switzerland State Secretariat for Economic Affairs (SECO) Subjects of sanctions database,
5. screening of Counterparty, Connected Parties, or vessel with the United States Office for Foreign Asset Control (OFAC) Sanctions List Search database,
6. conducting an enhanced due diligence through deeper investigation, additional research and analysis and validation of information in the case of higher risks, such as connections to sensitive countries or involvement of Politically Exposed Persons (PEP),

7. investigating any positive match or potential match or Red Flag identified through the Sanction Screening, and
8. informing the Executive Management of any positive match or potential match or Red Flag identified through the Sanction Screening.

The Executive Management is responsible for determining whether to establish, terminate, or continue any high-risk business relationship, and whether to terminate negotiations, legal agreements, and business transactions with Sanctioned Targets, or in the case of Red Flags or positive matches, and for communicating this decision.

2. RISK ASSESSMENT

Werco Trade's Sanctions Compliance program takes a risk-based approach to identify potential risks that may cause Sanctions violations to occur and to prevent or extremely limit any potential violations from occurring. The measures taken are proportionate to the risks Werco Trade faces.



D. ORGANIZATION AND IMPLEMENTATION

Wercotrade has established the following organizational measures to implement this Sanctions Compliance Policy:

Records Management: Relevant Persons must ensure that corporate books and records accurately and fairly reflect all transactions agreements. Where approvals are required under this Sanctions Compliance Policy, appropriate records of those approvals must also be retained. Compliance will maintain records of Sanction Screenings.

Training: The Relevant Persons attend regular Sanctions Compliance training sessions based on this Sanctions Compliance Policy. Compliance is responsible for developing and implementing the training sessions, which cover key risks as well applicable Sanctions laws and regulations.

Monitoring: The Executive Management and Compliance monitor, evaluate and develop the Sanctions Compliance Management System on an ongoing basis. Monitoring aims to identify the effectiveness, regularity, and frequency of controls and reduces the risk of breaches of laws, regulations, or policies and procedures. If monitoring or audits detect a weakness, the appropriate corrective measures are taken immediately.

Breaches: Violations of this Sanctions Compliance Policy can have serious legal and reputational consequences for Wercotrade and Relevant Persons. Any actual, potential, or suspected violations or breaches of this Sanctions Compliance Policy must be immediately reported to Compliance. Where evidence of a breach of this Sanctions Compliance Policy is discovered, Wercotrade may take disciplinary action, including termination of employment, and there may be further consequences under labor law and criminal law.

Questions and Concerns: Any questions and concerns in relation to this Sanctions Compliance Policy should be directed to Compliance.

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WE TRADE WITH PASSION

Werco Trade AG
Bahnhofstrasse 7
6003 Luzern
Switzerland

wercotrade.com