

Re : Sanctions Compliance Policy

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INTRODUCTION

This Sanction Compliance Policy sets out the approach taken by the Kairos Group of Companies to ensure compliance with applicable sanctions so as to mitigate the risks of failure to comply. This policy applies to all employees, directors and officers, as well as contractors under Kairos' direct supervision.

The very nature of oil trading is global and that means transactions we engage in may be subject to laws and regulations of various different countries, in particular sanctions imposed by other jurisdictions. Sanctions are imposed by government authorities or international organisations (such as the United Nations (UN) and supranational bodies (such as the European Union (EU)) for a variety of national security and foreign policy reasons, either unilaterally, based on UN Security Council resolutions, or other multilateral policy initiatives. 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 programmes and abusing human rights.

We need to understand the importance of sanctions and the consequences of violation of sanctions applicable to us or to our business transactions. Failure to address the risk of sanctions violations may undermine our reputation and lead to investigations, fines and/or other penalties for Kairos as a company and/or individuals.

OUR COMMITMENTS

We are committed to :-

1. Adhere strictly with all sanctions applicable to our business activities and take a conservative and diligent approach to sanctions compliance.
2. Adopt a zero tolerance approach to violations of this Policy or applicable sanctions.
3. Not participating in transactions or engaging in conduct designed or intended to evade or facilitate a breach of applicable sanctions.

4. Not conducting business in, or involving any,embargoed territory or sanctions targets.
5. Not conducting business that would violate any applicable trade controls or anti-boycott laws.
6. Not engaging in any sanctionable activity that could result in the designation of Kairos as a sanctions target.
7. Not conducting business with any SSI entities which is prohibited by sanctions. SSI refers to any entity that is subject to sectoral sanctions, and any entity that is 50% or more controlled by any such entity.

In order to manage our sanctions risk exposure and ensure compliance, we undertake to implement appropriate controls and processes including screening and due diligence on our counterparties and vessels involved in transactions into which we enter. Counterparty and Vessel screening includes checks using Lloyd's Seasearcher or other screening software as well as checks performed by shipbrokers. Port calling data for the most recent 90 days will be checked for any sanctioned jurisdiction. Any counterparty and vessel flagged as sanctioned during the screening process will not be accepted.

We also implement controls in respect of our payments, using a risk-based approach to ensure that they are consistent with the requirements of this policy. We require employees to be alert to sanctions risk and to report any sanctions issues.

We shall be transparent with our banks in relation to our business risk and to report any sanctions issues.

WHO TO CONTACT

We require every employee of the company to be aware of this policy and encourage reporting of all potential sanction risks to the Chief Executive Officer and Chief Finance Officer.