



Sanctions and Trade Control Policy

Introduction

This Sanctions and Trade Controls Policy (the **Policy**) applies to all Employees and Associated Persons (each as defined below).

Modulaire is committed to complying with all international Sanctions and Trade Controls that apply to its business. This Policy sets out in greater detail Modulaire's policy for managing Sanctions and Trade Controls risks and establishes standards which all Employees and Associated Persons must comply with in the conduct of their day-to-day business.

Definitions

"Associated Persons" means agents, advisers, brokers, consultants, contractors or other third parties who perform services for or on behalf of Modulaire.

"Controlled Item" means an Item that is controlled for the purposes of applicable laws, rules or regulations, (for example, the Item requires a licence or authorisation from the applicable government(s) prior to export, re-export, transfer, or re-transfer).

"Counterparty" means a third party with whom Modulaire transacts, such as a customer, end-user, agent, supplier and any other Associated Person.

"Dual-Use Items" means any Items which can be used for both civil and military purposes.

"Employees" means employees (whether fixed term, permanent or temporary) directors, officers and other individuals working for Modulaire, such as contractors and agency workers

"Item(s)" means any goods, part, product, component, software, technology, or related technical data.

"Sanctioned Countries" means countries and/or territories that are (from time to time) subject to comprehensive country- and/or territory-wide Sanctions. As at the date of this Policy, this covers the following countries and territories: Cuba, Crimea, Donetsk, Luhansk, Iran, North Korea and Syria.

"Sanctioned Persons" means persons, entities or any other parties (a) located, domiciled, resident, or organised in a Sanctioned Country; (b) targeted by any Sanctions administered by the United Nations, the European Union, the US, the UK, and/or any other applicable country; and/or (c) owned or controlled by or affiliated with persons, entities, or any other parties as referred to in (a) and (b).

“Sanctions” means any international economic, financial or trade sanctions laws, regulations, orders or embargoes or measures having similar effect, in each case, adopted, administered, enacted or enforced from time to time by countries and countries’ bodies, agencies and institutions.

“Trade Controls” means any prohibitions or restrictions on the trade or movement of goods, products or services from, to, from or through a particular country, imposed by the government or relevant authority of a country. Restrictions may be imposed over direct and indirect imports, exports, reexports, transfers, and re-transfers in respect of (a) particular kinds of goods, products or services; (b) the exporting or destination country or geographic territory; and/or (c) the identity of the exporter or recipient.

Policy Statements

Modulaire is committed to compliance with applicable Sanctions and Trade Controls and ensuring that our Employees and Associated Persons do likewise when carrying on business anywhere in the world.

We recognise that a failure to comply with applicable Sanctions and Trade Controls, or to prevent or manage this risk, would not only constitute a breach of legal and/or regulatory requirements, but could carry significant reputational damage, legal and regulatory action and financial loss for Modulaire.

This Policy sets out Modulaire’s minimum standards and expectations to ensure compliance with applicable Sanctions and Trade Controls as well as its approach to identifying, mitigating and managing Sanctions and Trade Controls compliance risks. Where local laws are more stringent than the standards contained herein, such local law requirements should be applied in addition to the standards set out in this Policy.

Roles and Responsibilities

You must:

- read, understand and comply with this Policy and any other documents aimed at its implementation;
- demonstrate ethics, integrity and accountability at all times and expect the same from others;
- ensure that you comply with all applicable Sanctions, including those of the country or jurisdiction where you may be working, and laws of your country or countries of citizenship;
- comply with the sanctions screening and due diligence requirements set out in this Policy;
- understand the Trade Controls relevant to any Items that you deal with as part of your role and comply with them;
- remain vigilant to ensure compliance with this Policy and applicable Sanctions and report potential breaches;
- not act in a way which is intended to avoid or evade applicable Sanctions obligations or conceal detection of a transaction which would otherwise breach this Policy; and
- notify the Group General Counsel if you become a target of any Sanctions.

Sanctions

We must ensure that we are aware if the people, companies, and countries that we are doing business with are Sanctioned Persons or Sanctioned Countries. This is because Sanctions can restrict the provision of money, goods, and services to Sanctioned Persons and Sanctioned Countries.

There are many different types of Sanctions, including:

- targeted financial restrictions on people, companies, governments, and countries, such as asset freezes or “blocking” sanctions;
- economic sanctions that restrict the financing or provision of financial services in relation to certain goods, services, or financial products;
- trade-related restrictions that stop or limit the provision of certain goods and services in relation to targeted people, companies, governments, and countries;
- travel bans on named individuals; and
- anti-boycott regimes.

Sanctions can target either specific individuals or entities, or may target industry sectors or entire countries/territories. Sanctioned Persons can be anywhere in the world.

To ensure compliance, Modulaire should undertake the sanctions screening and due diligence process described below. We also expect our Associated Persons to conduct similar levels of checks and diligence when conducting business for or on behalf of Modulaire.

Sanctions Screening

If a Counterparty falls under Category 1, Category 2 or Category 3 below, it will be necessary to carry out Sanctions screening on such Counterparty prior to engaging them.

Category 1 - Counterparties who are located in, resident in, or incorporated under the laws of, any Tier 1 Country/Territory (see Part A of the Appendix).

Category 2 - Counterparties who are located in, resident in, or incorporated under the laws of, any Tier 2 Country/Territory (see Part A of the Appendix), which also operate in a Relevant Sector (see Part B of the Appendix).

Category 3 - Counterparties who do not fall in Category 1 or Category 2 but in respect of whom there are red flags or other concerns. Such red flags could include, for example, Counterparties who have suspected connections with Tier 1 or Tier 2 Countries, are owned by a Politically Exposed Person or who deal in certain high-risk products (e.g. dual-use or military technology).

Sanctions screening involves checking whether the potential Counterparty has any links to a Sanctioned Country and/or whether they are listed in any of the following lists:

- the United Nations Security Council Consolidated List;¹

¹ <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

- OFAC's Specially Designated Nationals and Blocked Persons list and Consolidated Sanctions List;¹
- the EU's Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions;²
- the UK's Consolidated List of Financial Sanctions Targets; and³
- equivalent lists of other relevant countries.

Sanctions screening should also be performed, where possible, on any other persons who are known to be connected to the proposed transaction. This will need to be judged on a case-by-case basis.

Sanctions screening should be carried out by or on behalf of the Group General Counsel who will conduct the screening through a third party screening tool available to Modulaire. Basic internet searches may also be carried out.

If any "hits" against any of these sanctions lists are identified, the Group General Counsel will confirm whether the proposed transaction or activity can go ahead or whether further enhanced sanctions due diligence is required.

Enhanced Sanctions Due Diligence

Enhanced sanctions due diligence must be carried out if following the sanctions screening (i) the Group General Counsel determines that a proposed transaction with a Counterparty carries a Sanctions risk and/or (ii) if a proposed Counterparty is located in, resident in or incorporated under the laws of, a Sanctioned Country and/or (iii) if there are any other material red flags from the information available.

If the enhanced due diligence raises any Sanctions-related concerns, the Group General Counsel must provide prior written approval before proceeding with the transaction.

The Group General Counsel will also advise on what further steps you should take to ensure that the relationship does not give rise to any Sanctions risks to Modulaire. This may include incorporating specific language in the relevant contractual documents in order to provide adequate contractual protection against Sanctions-related risks and on-going monitoring.

Trade Controls

Many countries impose Trade Controls on the export, import, transfer, re-export, and re-transfer of military goods, certain critical or sensitive technologies and Dual-Use Items. Broadly, Dual-Use Items are items that are capable of a military and civilian use. The rules are complex and can capture the transfer of technical data, as well as the movement of physical goods. Often the controls are related to the identity of the country of destination, the exporter, or the recipient of the Items and can extend upon Dual-Use Items.

¹ <https://sanctionssearch.ofac.treas.gov/>

² https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictivemeasures-sanctions_en

³ <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-listof-targets>.

You must obtain the necessary approvals in accordance with Modulaire's Delegation of Authority before you export any goods.

Reporting and investigating issues

Reporting actual or suspected issues

Internal reporting is critical to the company's success, and it is both expected and valued. You are required to be proactive and promptly report any suspected violations of this Policy. The confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to applicable law. No retribution or retaliation will be taken against any person who has filed a report based on the reasonable good faith belief that a violation of the Policy has occurred or may in the future occur. This rule is applicable even if it is later discovered that they had been mistaken about the concern raised

Employees may report actual or potential misconduct or violations of the Policy to their supervisor or human resources representative in the first instance. The supervisor must judge whether the issue or allegations are material. If so, they must immediately report the issue to the Group General Counsel.

Alternatively, if employees feel they need to raise their issue outside of their immediate working environment, they should promptly report their issue to their Ethics and Compliance Advisor (ECA) or anonymously via the Modulaire Global Helpline <http://modulairegroup.ethicspoint.com>. See Modulaire's Speak-Up Policy for contact information on our reporting hotline, which is managed by a third party and allows for anonymous reporting of suspected violations.

Associated Persons may report actual or potential misconduct or violations of the Policy to their Modulaire contact or via the Modulaire Global Helpline <http://modulairegroup.ethicspoint.com>.

Investigating actual or potential incidents

Any reports of known or suspected violations of this Policy or applicable Sanctions and Trade Controls must be promptly and appropriately investigated by the Group General Counsel. Precisely how the investigation must proceed should be considered on a case-by-case basis.

Communications with governments and regulators

You must obtain approval from the Group General Counsel prior to entering into any communications with a government or regulator regarding Sanctions. Such communications could involve potential or actual breaches of law, disclosures, audits, information requests, or the start of an investigation.

Breaches of this policy

Modulaire takes its responsibilities with regard to Sanctions issues very seriously. Proven violations of this Policy may lead to severe disciplinary action, which could involve:

- a formal reprimand;
- suspension;
- restitution; and/or
- termination of employment and/or Associated Persons and other contracts.

These penalties may be imposed over and above any separate penalties that may arise from action taken by regulatory or prosecution authorities. Employees may also be subject to disciplinary action for failing to assist with the implementation of this Policy.

Key Contacts

If you have any questions on this Policy, please contact:

Group General Counsel

James Odom

Telephone: +44 (0)2039 610 922

Email: JamesOdom@modulairegroup.com

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Appendix

Part A

Tier 1 Countries/Territories

Afghanistan
Belarus
Burundi
Central African Republic
Cuba
Democratic Republic of Congo
Ethiopia
Republic of Guinea
Republic of Guinea-Bissau
Iran
Iraq
Ivory Coast
Lebanon
Liberia
Libya
Myanmar
Nicaragua
North Korea
Russia
Somalia
South Sudan
Sudan
Syria
Ukraine
Venezuela
Yemen
Zimbabwe

Tier 2 Countries/Territories

Bosnia and Herzegovina
China
Egypt
Eritrea
Haiti
Republic of Maldives
Republic of Mali
Moldova
Serbia and Montenegro

Tunisia
Turkey

Part B

The following sectors are considered “Relevant Sectors” for the purposes of this Policy:

- Metal industries, for example steel and aluminium
- Military and Defence
- Mining
- Oil and Gas
- Critical Infrastructure
- Telecommunications
- Energy
- Transport