



Red Mars Capital Limited Sanctions Policy

Red Mars Capital Limited (“the Company”) is a Cyprus Investment Firm (or «CIF») with License No. 396/21 and governed by all applicable EU and local Regulations including European Markets in Financial Instruments Directive II («MiFID II») AND the Cyprus Investment Services and Activities and Regulated Markets of 2017 («Law 87(I)/2017»), as amended.

The Company is supervised and regulated by the Cyprus Securities and Exchange Commission (hereinafter also called «CYSEC» or the «Commission» or the «Regulator») in accordance with the provisions of the law, Directives and Circulars issued by the Commission and legislation governing the roles and responsibilities of the Regulator.

As a person carrying on financial activities, the Company must comply with the provisions of the Applicable Legislation. For the purposes of this Policy the term «Applicable Legislation» shall include the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007-2021 with amendments (hereinafter also called «AML Law»); The Directive for the Prevention and Suppression of Money Laundering and Terrorist Financing as amended issued by the Commission (hereinafter called «AML Directive»), DIRECTIVE (EU) 2018/843 (“AMLD V”) amending Directive (EU) 2015/849 (“AMLD IV”) of the European Parliament and the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (hereinafter called «EU Directive»); ESAs Joint Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on anti-money laundering and countering the financing of terrorism – 'The Risk Factors Guidelines', Directives, Circulars, Reporting Forms and other documents of the Commission which address the issues related to the Anti-Money Laundering procedures and any other legislative act of the European Parliament, MOKAS and the Commission currently in force substituting or amending the above mentioned. Definitions and terms stated in the text of this Manual shall have same meanings as those stated in the Law, applicable Directives, Circulars, Regulations and other documents of European Council, MOKAS and the Commission.

Purpose

This Policy states the Company’s commitment to act in full compliance with, sanctions or restrictive measures imposed on countries, territories, entities, or specific persons and bodies by the UN and the EU, by the governments of the countries that the Company operates in, as well as by the US Department of Treasury’s Office of Foreign Assets Control (“OFAC”).

It also covers important restrictive measures imposed by other US authorities such as the Department of State and Department of Commerce, where a US nexus is established.

UK HM Treasury Sanctions are also monitored, albeit the Company not being legally liable to comply, to ensure completeness and swift cooperation with correspondent banks.

Compliance with sanctions, or restrictive measures, is important for:

- The avoidance of criminal, civil or regulatory action and/or penalties that may be taken against the Company by regulatory or other authorities,
- The protection of the Company's reputation, and
- Cypriot national security and rule of law; the safety and security of other EU Members and countries around the world; the effort to combat terrorist financing and proliferation; and respect for civil society and human rights.

Additionally, the Company ensures the following:

- a) The Company, through the Annual Sanctions Risk Assessment Exercise, identifies sanctions risks and sets out appropriate mitigation measures.

This Policy supports the Anti-Money Laundering Internal Operation Manual (hereinafter also called the Manual) which determines and describes the procedures, policies, regulations and mechanisms which are established, implemented and maintained by the Company in compliance with the Applicable Legislation.

Strict compliance with the provisions of the Manual is obligatory for each officer, employee, Director and other relevant persons of the Company. The Manual is notified to all of the Company's personnel.

This document is designed strictly for internal use of the Company and its relevant persons; this Policy and any part of its contents could be disclosed and/ or made available to other persons, including Auditors and Supervisory Authorities only in cases and on the conditions, which are prescribed by Applicable Legislation.

Policy

General Principles

- Complete abstinence from business relationships or transactions which violate or facilitate the violation of sanctions as defined in this Company Policy.
- Adherence to directives and guidance from regulatory and other authorities relevant to sanctions.

Implementation Guidance Notes

Sanctions can be:

- a) Specific, i.e. relate to specific lists of named individuals, legal entities, organizations, vessels etc. (the US Department of Treasury refers to some of these entities as Specially Designated Nationals),
- b) General, i.e. cover all transactions with certain countries or jurisdictions; certain transactions with countries or jurisdictions such as exports, imports or new investment, or all transactions within a certain area of activity/products (e.g. arms sales to a particular country).
- c) Sectoral, i.e. cover certain parties in specific sectors (OFAC designates parties on a Sectoral Sanctions Identification List or “SSI List”) but only restrict certain transactions of these designated parties.
- d) Focused prohibitions on the export of commercial and dual-use goods, software and technology subject to U.S. jurisdiction under the Export Administration Regulations (“EAR”)

Definitions

High Risk Customer

Customer that may pose a particular risk to the reputation of the Company and who should normally be treated as high risk and be subject to enhanced due diligence measures.

Office of Foreign Assets Control (OFAC)

Office in the US Department of Treasury that administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

Persons connected with a sanctioned country

Persons connected with a sanctioned country are considered those who fall within the definition of:

- a) Persons who are residents in a sanctioned country, and
- b) Persons with a passport from a sanctioned country

Sanctions

Instruments of a diplomatic or economic nature which seek to bring about a change in activities or policies such as violations of international law or human rights, or policies that do not respect the rule of law or democratic principles. Sanctions (or restrictive measures) may target governments, non-state entities and/or individuals (such as terrorist groups and terrorists). They may include arms embargoes, other specific or general trade restrictions (e.g. import and export bans), financial restrictions, restrictions on admissions (e.g. visa and travel bans), or other measures, as appropriate.

Specially Designated Nationals (SDN)

The United States blocks assets and imposes restrictions on dealings with specified individuals, companies and entities. These can be individuals, companies, or entities owned or controlled by, or acting on behalf of a sanctioned country. They can also be individuals, groups, or entities, such

as terrorists and narcotics traffickers, designated under OFAC programs that are not country specific. OFAC maintains a list of these Specially Designated Nationals

Subject to Financial Sanctions (EU)

The European Union maintains asset freezes and bans on investment for parties subject to sanctions. These can include individuals, companies, or entities owned or controlled by, or acting on behalf of a sanctioned country. They can also be individuals, groups, or entities, such as terrorists and narcotics traffickers, designated under EU measures in force that are not country specific. The European Union's External Action Service maintains a list of parties subject to EU financial sanctions.

U.S. Jurisdiction

U.S. sanctions rules apply to U.S. persons anywhere located and U.S. or foreign persons acting in the United States. U.S. persons would include foreign branches of U.S. banks and other U.S.-incorporated entities, as well as U.S. personnel even if working abroad at a non-U.S. company. Sanctions administered by OFAC also apply to property subject to U.S. jurisdiction, which includes property in the possession of a U.S. person, physically in the United States or in some cases where subject to U.S. export controls.

Secondary Sanctions

The United States imposes sanctions measures which authorize penalties against non-U.S. banks for specified activities even where there is no U.S. jurisdiction. These are referred to as "Secondary Sanctions." The penalties must be affirmatively imposed by U.S. policy makers and are not automatic. However, the penalties are serious and include sanctions designations against the non-U.S. bank, prohibiting correspondent and other accounts with U.S. banks, and various other measures which would be of significant concern to the Company. The Company must not engage in any business relationships or transactions relating to parties subject to U.S. Secondary Sanctions or activity which can expose the Company or any of its Entities to U.S. Secondary Sanctions. The Compliance Division will provide periodic updates on U.S. Secondary Sanctions, where deemed necessary.

Appendix 1-A

Current list of countries which are subject to General Sanctions on specific products / services, or Sectoral Sanctions on specific industries and specific types of transactions by OFAC, EU and UN

Treatment of sanctioned entities or transactions subject to sanctions relating to the following countries must be in accordance with specific instructions issued by the relevant Regulation.

Countries with List-Based Sanctions Programs

Iraq Libya Somalia Venezuela

Appendix 1-B

List of countries which are subject to Sanctions / Restrictions related to actions destabilizing the situation in Ukraine:

Belarus

Russia

Notes:

Please refer to the Customer Acceptance Policy, which describe the treatment of customers with a Russian or Belarusian nexus.

Appendix 2

Current list of countries which are subject to **strict** sanctions (on an extended list of products / services and on the government) by OFAC, EU and UN. For Sudan, even though sanctions were lifted, remains on this list due to restrictions imposed by Correspondent Banks.

Countries

Cuba

Syria

Sudan (* North, not including South Sudan)

Appendix 3

Current list of countries which are subject to stricter sanctions (on a comprehensive list of products / services and on the government) by OFAC, UN and EU.

Countries:

- Iran
- Democratic People's Republic of Korea (North Korea)

Territories:

- Crimea/Sevastopol
- Donetsk / Luhansk