

CPI PROPERTY GROUP SANCTIONS AND EXPORT CONTROLS POLICY



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1. INTRODUCTION

- 1.1. The Group operates its business in several European countries and always complies with applicable laws and the Group's Code of Business Ethics and Conduct and other Group's internal rules.
- 1.2. The purpose of this Policy is, in connection and compliance with the Group's Code of Business Ethics and Conduct and other Group's internal rules, to ensure that all business of the Group is always conducted in compliance with the Sanctions, if applicable, and that the Representatives understand the importance of the Sanctions and their related responsibilities.

2. APPLICABILITY

- 2.1 This Policy applies to, and shall be observed by, all companies within the Group and their Representatives. In addition, the Group is committed to communicate this Policy to all Business Partners and Agents and ensure all of its dealings with any Business Partner or Agent to comply with this Policy or with the Sanctions, as the case may be.
- 2.2 The prior written approval of the Board of Directors of CPI Property Group S.A. is required for any deviation from this Policy, provided that such deviation would not breach any applicable laws.

3. DEFINITIONS

- 3.1 Unless in this Policy stated expressly otherwise or unless the context requires otherwise, the capitalized terms used in this Policy shall have the meaning ascribed to them in this Section 3.1 of this Policy:
 - 3.1.1 "**Agent**" means any agent, consultant, contractor, sub-contractor and anyone other, who works on behalf of the Group, and "**Agents**" shall be construed accordingly;
 - 3.1.2 "**Business Partner**" means any existing or prospective business partner of the Group, including tenants, purchasers, suppliers, lenders and joint venture collaborates, and "**Business Partners**" shall be construed accordingly;
 - 3.1.3 "**Group**" means CPI Property Group S.A. and its subsidiaries;
 - 3.1.4 "**Policy**" means this CPI Property Group Sanctions and Export Controls Policy;
 - 3.1.5 "**Representative**" means any officer, director, employee or anyone other directly engaged with, and authorized to act on behalf of, the Group, and "**Representatives**" shall be construed accordingly; and
 - 3.1.6 "**Sanctions**" mean any measures adopted by the international organizations (including United Nations or European Union) or individual states and their respective public authorities (including USA, United Kingdom or Switzerland) that regulate the import and export of goods, services, software and technology, as well as other economic and trade restrictions or prohibitions, export controls, embargoes and international boycotts of any type.

4. MANAGEMENT RESPONSIBILITIES

- 4.1 The overall responsibility for the pursuing of this Policy rests with the Board of Directors of CPI Property Group S.A. that acts through the Compliance Officer of the Group. The Compliance Officer of the Group reports to the Board of Directors of CPI Property Group S.A. on a regular basis.

5. SANCTIONS

5.1 The purpose of the Sanctions is to change the behaviour of the targeted countries, regions, organizations or individuals. The Sanctions may be based on concerns relating to (inter)national security, terrorism, money laundering, human rights violations, development of weapons of mass destruction or other relevant reasons. States and international organizations use the Sanctions to protect society or accomplish desired development without resorting to more interventionist actions.

5.2 The Sanctions may target:

5.2.1 Countries or regions, in which case the Sanctions may prevent the Group from, or restrict the Group in, conducting business in such territories (e.g., the Group or its Representatives may be prohibited from travelling to or making investments or creating joint ventures in such territories, or they may be prohibited from delivery of certain goods to or from such territories).

5.2.2 Organisations or individuals, in which case the Sanctions may prevent the Group from, or restrict the Group in, doing business with such organisations or individuals.

5.2.3 Goods and services, in which case the Sanctions may prevent the Group from, or restrict the Group in, dealing in such goods and providing such services; thus, detailed specification and potential end-use of such goods and services determine, whether they may be dealt in and provided (or exported or imported, as the case may be) at all and if so, whether any license or approval is required.

In respect of the countries, regions, organizations or individuals being subject to the Sanctions, either only limited scope of business activities may be restricted or prohibited, or all or almost all business activities may be restricted or prohibited, which depends on a specification in each individual Sanction.

5.3 The Group complies, in particular, with the Sanctions declared by:

5.3.1 Office of Foreign Assets Control of the US Department of the Treasury;

5.3.2 European Union within the Common Foreign and Security Policy; and

5.3.3 United Nations Security Council.

However, as mentioned below, the Group continuously assesses and analyses, which Sanctions apply to it, and adjusts conducting of its business and related procedures accordingly.

6. COMPLIANCE WITH SANCTIONS

6.1 The Group shall always operate its business in compliance with applicable laws, which also means compliance with the Sanctions. A failure to comply with the Sanctions may constitute a crime and the consequences for non-compliance with the Sanctions could include fines for the Representatives or for the Group, or imprisonment for the Representatives. Also, in case of such failure the Group may be denied the right to participate in foreign trade with the state whose sanction laws were breached. In addition, breach of the Sanctions may lead to the goods being seized or payments being frozen that may have significant adverse consequences for the Group's operations. A failure to comply with the Sanctions further poses to the Group a risk of reputational damage, potentially resulting into reduced trust from the communities, Agents, Business Partners, as well as other Group's stakeholders.

6.2 Compliance with the Sanctions means, in particular, that:

6.2.1 the Group does not:

- a) in countries or territories that are subject to the Sanctions, conduct business activities, as a consequence of which the Sanctions would be breached or circumvented;
- b) provide services to individuals or organisations, or in countries or territories, that are subject to the Sanctions, if the Sanctions would be breached or circumvented by such provision of services;
- c) export and import goods from and to, respectively, countries or territories that are subject to the Sanctions without the required governmental approvals or licenses, if the Sanctions would be breached or circumvented by such unauthorized export or import of goods; and
- d) engage, directly or indirectly, in any other activities that would breach or circumvent the Sanctions;

6.2.2 the Group:

- a) on a regular basis, assesses and analyses, which Sanctions apply to it, monitors risks related to the Sanctions and take into account the potential consequences of its business activities from the Sanctions perspective (taking into account the Group's current business strategies and relevant national and international developments); and
- b) screen the Business Partners and the Agents, as well as potential business transactions with respect to the Sanctions.

7. FINAL PROVISIONS

- 7.1 The Board of Directors of CPI Property Group S.A. shall regularly revisit and reevaluate this Policy in light of relevant national and international developments.
- 7.2 Any violation of this Policy must be immediately reported to the Compliance Officer of the Group or via the Group's whistle-blowing procedure.
- 7.3 The Group will take seriously and investigate all reports of potential violation of this Policy to ensure that proper step or measure is taken.
- 7.4 Violation of this Policy by any Representative may constitute a breach of the terms and conditions of employment or other relationship of such Representative with the Group, and thus such Representative may be subject to disciplinary action, which, depending on the nature of the violation, may range from a warning or reprimand to termination of employment or other relationship and, in appropriate cases, civil legal action or referral for regulatory or criminal prosecution.
- 7.5 This Policy was approved by the Board of Directors of CPI Property Group S.A. on 13 February 2019.