



CORPORATE POLICY

INKIA NICARAGUA SANCTIONS COMPLIANCE PROGRAM

Document N° Inkia Energy– P – 17

Version	Effective Date	Prepared by:	Reviewed by:	Approved by :
1	05/Jan/2022	Morrison & Foerster	Gino Sangalli, María Vera	María Vera

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1. PURPOSE

Inkia Energy holds itself, its employees, and its contractors to the highest standards of ethics and corporate citizenship. In accordance with this standard, given the U.S. Government’s sanctions in effect against Nicaragua, this Sanctions Compliance Program (“Sanctions Program”) explains the responsibilities and procedures to ensure compliance with laws and regulations governing sanctions with respect to Inkia Nicaragua, S.A. (“Inkia Nicaragua”) and its parent entities.

2. SCOPE AND APPLICATION

Inkia Nicaragua, S.A. (“Inkia Nicaragua”) and its parent entities are required to implement and comply with all the existing policies and guidelines.

Likewise, contractors of the Group companies are required to maintain the same spirit and intention of those policies and guidelines by complying with the provisions applicable to them according to the nature of their contract.

3. DEFINITIONS

TÉRMINO	DEFINICIÓN
OFAC	Office of Foreign Assets Control (of the U.S. Department of the Treasury), the agency primarily responsible for the enforcement of U.S. sanctions.
SDN	Specially Designated National or Blocked Person, as identified by OFAC.
U.S. nexus	Any activity that involves a jurisdictional or other transactional nexus with the United States or a U.S. person, including any transaction involving U.S. origin goods or services, the use of U.S. dollars or the U.S. financial system.
U.S. person	The term U.S. person is generally defined by OFAC to cover: (i) U.S. citizens and permanent resident aliens (so-called “green card” holders) wherever located; (ii) U.S. legal entities and their foreign branches; and (iii) Individuals physically located in the United States.

4. POLICY STATEMENT

This policy must be read together with the corresponding sections of the P-18 Inkia Nicaragua Sanctions Compliance Policy.

Consistent with its corporate governance and ethical standards, Inkia Energy seeks to ensure we comply with the laws of all the countries in which we operate. Inkia Energy is committed to ensuring our activities comply with all applicable economic sanctions laws and do not support terrorism, narcotics trafficking, human rights abuses, corrupt business practices, the proliferation of weapons of mass destruction, or other malign activities.

Although none of Inkia Nicaragua or any of its parent entities are a U.S. person, Inkia Nicaragua and its parent entities do have U.S. persons that serve as directors, officers, or employees of the company, and may have activities with a U.S. nexus. Accordingly, Inkia Nicaragua expects all our employees, contractors, and other staff to dedicate themselves to ensuring Inkia Nicaragua and its parent entities are fully compliant with applicable sanctions laws. All relevant employees of Inkia Nicaragua and its parent entities must be familiar with the Sanctions Program that establishes the policy and procedures designed to ensure its activities comply with U.S. sanctions.

Compliance with these rules is mandatory, not voluntary. No employee has the authority to act contrary to this Sanctions Program, nor direct, authorize, or condone violations of this Sanctions Program by any other employee. Any employee who violates this Sanctions Program or any applicable economic sanctions laws, or who knowingly permits a subordinate to do so, will be subject to appropriate disciplinary action, up to and including termination.

4.1. OVERVIEW OF ECONOMIC SANCTIONS

4.1.1. SUMMARY

Economic sanctions refer to legal restrictions that governments impose on transactions with specific parties or entire jurisdictions (*i.e.*, embargoes) to change the behavior of individuals, countries, or regimes, to discourage politically undesirable outcomes such as terrorist attacks, human rights abuses, narcotics trafficking, and the proliferation of weapons of mass destruction. The United States maintains sanctions that prohibit or restrict specific activities by U.S. persons or where there is a U.S. nexus. These may include prohibitions on doing business or engaging in specified transactions with particular businesses, industry sectors, individuals, governments, or regimes. Sometimes sanctions are comprehensive, meaning they prohibit all trade activities between countries, without making any distinction in the type of transactions or counterparties involved.

As a non-U.S. company, Inkia Nicaragua is generally not required to comply with U.S. sanctions laws. However, U.S. sanctions are applicable to U.S. persons. Thus, U.S. person directors, managers, and employees are subject to OFAC's sanctions in effect against Nicaragua (and other OFAC sanctions programs), and subject to the Inkia Energy U.S. Person Sanctions Recusal Policy (the "**Recusal Policy**") provided at the section four of the P-17 Inkia Nicaragua Sanctions Compliance Policy.

4.1.2. LIST-BASED SANCTIONS AND SANCTIONED PARTIES

The most common type of sanctions are "list-based" sanctions. List-based sanctions generally involve a government specifying criteria describing behavior the government wants to discourage (*e.g.*, "government officials misappropriating state assets" or "persons engaging in cyber-enabled activities to undermine election processes"). When such persons are identified, the government may "designate" them by publicly identifying such persons on a sanctions list.

Different sanctions lists carry different restrictions. The most common type of sanctioned person under U.S. law is called a "Specially Designated National" or "**SDN.**" Parties on the SDN List are cut off from the U.S. financial system and lose access to any assets they have in the United States. OFAC provides a free sanctions list search tool on its website at <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>. Under most sanctions regimes, any person that is owned 50% or more by one or more SDNs must also be treated as an SDN. In general, U.S. persons cannot engage in or facilitate any transactions or other dealing in which an SDN has an interest.

OFAC has designated certain Nicaraguan government officials and government owned entities as SDNs. They include the National Police and the Public Ministry (the federal public prosecutor's office). Under OFAC's 50% rule noted above, all entities in which a sanctioned entity holds a 50% or greater interest are also SDNs.

It is prohibited under the Sanctions Program for any U.S. person to be involved in or facilitate any transaction in which an SDN has an interest. Any such U.S. person must be recused from such activity pursuant to the Recusal Policy.

The U.S. government can also impose "secondary" or "extraterritorial" sanctions whereby OFAC can sanction certain specified conduct even if there is no U.S. nexus to the transaction. As present, there are no secondary sanctions in effect against Nicaragua. The Responsible Officer shall update this Sanctions Program as needed to reflect any changes to the sanctions in effect against Nicaragua.

4.1.3. COMPREHENSIVE JURISDICTIONAL SANCTIONS

In addition to list-based sanctions, there are also comprehensive sanctions. Comprehensive sanctions, often referred to as embargos, ban virtually all trade with sanctioned jurisdictions without government authorization. Currently, OFAC has in effect comprehensive sanctions against Cuba, Iran, North Korea, Syria, and Crimea.

Nicaragua is not currently considered as a jurisdiction subject to comprehensive sanctions. Nonetheless, the Responsible Officer shall update this Sanctions Program as needed to reflect any changes that might be necessary if Nicaragua becomes subject to comprehensive sanctions or the scope of sanctions against Nicaragua changes.

4.1.4. WHY IS COMPLIANCE WITH SANCTIONS IMPORTANT?

Sanctions are usually implemented under the national security authorities of the issuing government. These authorities are often “strict liability” meaning that even accidental violations may result in liability for Inkia Nicaragua, and potentially its employees in their individual capacity. This liability can be severe. The fines for the most common sanctions programs are over \$300,000 per violation, or twice the value of the transactions, *whichever is greater*. Willful violations of these rules may result in fines of up to \$1,000,000 or 20 years in prison, *or both*. Therefore, it is essential each U.S. person employee complies with these rules, and that its non-U.S. employees are aware of these prohibitions.

4.2. INKIA SANCTIONS SCREENING AND U.S. NEXUS

Inkia Nicaragua shall undertake counterparty sanctions screening with respect to any transaction that has a “U.S. nexus,” that is: (i) involves a U.S. person director, officer, employee, or agent of Inkia Nicaragua, (ii) is denominated in U.S. dollars, or (iii) otherwise involves U.S. origin goods or services (including use of the U.S. financial system). Screening shall be conducted against the SDN list (see <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>). Such SDN screening shall also be undertaken with respect to any Nicaraguan governmental representatives.

Recognizing that the sanctions risk of engaging in a transaction with a bona fide U.S. based commercial enterprise is low, the Responsible Officer may determine on a risk based approach to not undertake sanctions screening of such U.S. entities.

The Responsible Officer shall determine whether the activities of Inkia Nicaragua warrant screening against other governmental sanctions lists.

4.3. THIRD PARTY DUE DILIGENCE**4.3.1. SUMMARY**

The most important component of sanctions compliance is undertaking appropriate counter party diligence. If Inkia Nicaragua is considering whether to enter into a contractual relationship with a counterparty and the transaction has a U.S. nexus, Inkia Nicaragua must obtain the information necessary to determine whether Inkia Nicaragua may engage with a counterparty without violating applicable sanctions. This process includes identifying and following up on “red flags” that suggest a party is sanctioned. Regardless of the outcome of sanctions screening, Inkia Nicaragua must ensure it keeps records of all due diligence it performs.

The following information is relevant to the sanctions screening process:

- For legal entities, to the extent available, information indicating the entity’s directors, officers, and beneficial owners;
- Whether the counterparty has any ties to government officials and who those officials are;
- The jurisdiction under which the counterparty is incorporated (if an entity);
- Where the counterparty primarily operates; and
- The economic sector the counterparty operates in.

4.3.2. SANCTIONS SCREENING RESOLUTION

In the event the due diligence or sanctions screening identifies a potential sanctions concern (or any other potential red flags or reputational concerns), the Responsible Officer shall undertake further investigations and may, in his/her sole discretion, determine whether to move forward with the proposed relationship or transaction. To the extent the Responsible Officer determines a proposed transaction does not pose a sanctions risk, the Responsible Officer shall approve the proposed transaction, but may impose conditions, such as overseeing that the screened party is monitored going forward.

To the extent the Responsible Officer determines the proposed transaction does pose an actual or potential sanctions risk, the Responsible Officer shall analyze and consider whether such risk can be mitigated by any potential mitigating factors, such as recusing U.S. persons from such transaction.

4.4. U.S. PERSON SPECIFIC PROCEDURES**4.4.1. IDENTIFYING U.S. PERSONS**

The Responsible Officer, in consultation with the Human Resources Department, shall be responsible for identifying management and employees that may be U.S. persons. To the extent any such U.S. person employee may be involved in transactions with SDNs, the Responsible Officer shall ensure that the matter is presented to a non-U.S. person for

resolution consistent with the Recusal Policy provided at the section four of the P-17 Inkia Nicaragua Sanctions Compliance Policy.

These executives cannot be involved in or facilitate matters in which SDNs have an interest, except as expressly authorized by an OFAC general license (as discussed in the section below), or a specific license obtained from OFAC.

4.4.2. GENERAL LICENSES TO ENGAGE IN SDN TRANSACTIONS

OFAC has authority to issue general licenses authorizing U.S. persons to engage in activity with an SDN that is otherwise prohibited. For example, OFAC issued a general license authorizing U.S. persons to engage in activities involving the Nicaraguan National Police for two months following its designation as a SDN to unwind any ongoing transactions.

The Responsible Officer shall monitor the developments of OFAC sanctions to identify any OFAC general license that may be applicable to the operations of Inkia Nicaragua.

4.4.3. U.S. PERSON RECUSAL

In the event it becomes apparent in the context of discussions with a SDN with respect to a matter that may require the involvement of a U.S. person that is not authorized by OFAC, such U.S. person shall recuse themselves from the discussion in accordance with the Recusal Policy.

4.5. EMPLOYEE TRAINING

4.5.1. IMPORTANCE OF TRAINING

Inkia Energy understands that its employees, contractors, and other persons acting on its behalf are the first line of defense in preventing sanctions violations. To ensure employees or others acting on behalf of Inkia Nicaragua understand their sanctions obligations, Inkia Energy requires all employees of Inkia Nicaragua and its parent entities that may be involved in transactions that have a U.S. nexus receive sanctions training both at onboarding and annually thereafter.

4.5.2. TRAINING REQUIREMENTS

When Inkia Nicaragua onboards any new employee, contractor, or other person acting on its behalf, the Responsible Office (or designee) shall train that person on the requirements of this Sanctions Program. Such training may be an in-person briefing or discussion or a more formal presentation as the Responsible Officer deems appropriate. The Responsible Office shall also provide such training to all its relevant employees, contractors, or other staff on an annual basis to ensure they know how to spot sanctions issues. Both the onboarding and the annual trainings shall be the responsibility of the Responsible Officer or designee.

4.5.3. DOCUMENTATION

All training sessions will be documented, including a list of attendees, training date(s), materials provided, and topics covered in a training log. The Responsible Officer or their designee will maintain copies and logs of training materials, attendance, and other relevant documentation.

5. RESPONSIBILITIES

5.1. PERSONNEL RESPONSIBLE FOR THE SANCTIONS PROGRAM

Inkia Nicaragua shall designate the Responsible Officer for this Sanctions Program.

Any questions regarding this Sanctions Program should be addressed in the first instance to the Responsible Officer, to the Inkia Energy Legal or the Ethics & Compliance Department.

DUTIES OF THE RESPONSIBLE OFFICER

The duties and responsibilities of the Responsible Officer include:

- Implementing, maintaining, and updating this Sanctions Program;
- Training relevant new and current Inkia Nicaragua personnel on this Sanctions Program;
- Resolving licensing issues and communicating with licensing authorities;
- Reviewing and implementing all terms and conditions of authorizations issued by a governmental authority;

- Screening applicable sanctions lists, evaluating and documenting results, and making appropriate decisions about the results;
- Maintaining company records related to this Sanctions Program;
- Investigating and authoring disclosures as needed;
- Evaluating the effectiveness of this Sanctions Program via Annual Audits; and
- Serving as the point of contact for all questions or inquiries from counterparties or governmental authorities related to Inkia Nicaragua's compliance with economic sanctions.

6. CONTROL AND COMPLIANCE

6.1. RECORDKEEPING AND REPORTING

6.1.1. RECORDKEEPING RESPONSIBILITIES

The Responsible Officer is responsible for ensuring the maintenance of records related to economic sanctions and third party due diligence, in accordance with this Sanctions Program. These records will generally include:

- All documents and records associated with counterparty diligence and sanctions screening;
- Any government authorizations or licenses;
- Any reports or disclosures filed with any governmental authorities; and
- Whistleblower reports.

This Sanctions Program is designed to help Inkia Nicaragua comply with all applicable sanctions rules. Inkia Nicaragua may be called on to demonstrate compliance with applicable sanctions rules. Therefore, Inkia Nicaragua must ensure it keeps appropriate records as set forth in this Sanctions Program, including government licenses and authorizations it relies on. Inkia Nicaragua must also ensure it keeps records demonstrating compliance with this Sanctions Program, including whistleblower reports, reports of suspected sanctions violations, trainings, audits, and risk assessments.

6.1.2. GOVERNMENT REQUESTS FOR DOCUMENTS

If OFAC, or any other governmental agency, makes a formal or informal request for any of records of Inkia Nicaragua or its affiliates, the Inkia Nicaragua employee receiving such request shall immediately notify the Responsible Officer. Documents pertaining to the requested records may not be destroyed or disposed of without the written authorization of the Responsible Officer.

6.1.3. RETENTION PERIOD

The Responsible Officer shall ensure all records related to this Sanctions Program are retained for a period of at least five (5) years.

6.2. TESTING AND AUDITING

6.2.1. SUMMARY

Sanctions rules are dynamic and subject to change. To ensure this Sanctions Program responds to the changing sanctions landscape, the Responsible Officer shall perform Annual Audits of its compliance processes to identify deficiencies. The Responsible Officer shall also perform annual Risk Assessments to review whether changes to sanctions rules require Inkia Nicaragua to change its procedures. Finally, to the extent the Annual Audit and/or Risk Assessment uncover deficiencies in this Sanctions Program, the Responsible Officer shall update this Sanctions Program to cure those deficiencies.

6.2.2. ANNUAL AUDIT

The Responsible Officer may commence an internal audit or designate an independent auditor to test compliance with this Sanctions Program. Such an audit may be accomplished by selecting an appropriate sample of transactions with a U.S. nexus for review to ensure that the transactions have been processed in accordance with the provisions of this Sanctions Program. As part of the audit, the auditor shall also verify that records are retained in accordance with this Sanctions Program and applicable laws. If systemic problems are identified, the review will be expanded to determine the extent of the problem.

The auditor or the Responsible Officer will prepare a written report detailing the review. The report should, at a minimum, contain a list of the transactions reviewed and the results of the review. The Responsible Officer will take appropriate action to correct any problems identified during the review.

6.2.3. RISK ASSESSMENT

After performing the Annual Audit, the Responsible Officer shall annually review operations to determine the sanctions risks it faces. These risks may not change from year to year, but when Inkia Energy deploys its products and services in new locations, the Responsible Officer shall ensure any new risks related to those locations are adequately mitigated by this Sanctions Program. This risk assessment may be performed in conjunction with the risk assessment required by other Inkia Energy's compliance policies.

6.2.4. SANCTIONS PROGRAM UPDATES

The Responsible Officer shall update this Sanctions Program as appropriate to reflect changes in applicable sanctions laws.

In addition, after performing its Annual Audit and Risk Assessment, the Responsible Officer shall update this Sanctions Program as necessary to ensure it reasonably addresses all identified risks.

7. CONSEQUENCES OF NON-COMPLIANCE

7.1. SUSPECTED VIOLATION REPORTING

7.1.1. POLICY

Any employee or contractor who has reason to believe they, Inkia Nicaragua or any of its affiliates, or affiliate employee or contractor may have violated this Sanctions Program, or any other law, whether intentional or accidental, must report the matter promptly to the Responsible Officer, their designee, or the employee or contractor's immediate supervisor. Similarly, if an Inkia Nicaragua employee is asked to participate in a transaction that the employee believes may be a violation of this Sanctions Program or any other law, or becomes aware of such a transaction, the employee must notify the Responsible Officer promptly.

All matters reported will be dealt with in strict confidence. All suspected violations will be vigorously and promptly investigated, and violations of this Sanctions Program or relevant sanctions laws may result in disciplinary action, termination, or further legal action. Suspected violations may also be reported to the relevant authorities, and such authorities may investigate suspected offenders, who could face civil or criminal fines, penalties, and/or imprisonment as a result.

Inkia Energy will not tolerate retaliation against any individual who submits a good faith report of a suspected violation of law or this Sanctions Program. Any employee who is the target of retaliation should promptly report it to the Responsible Officer. The Responsible Officer or their designee shall ensure that such reports may be made confidentially and that all such reports are thoroughly investigated.

Any reported transaction shall not proceed without the prior written approval of the Responsible Officer and Inkia Energy General Counsel and Chief Compliance Officer.

8. EXCEPTIONS

Any exception to this Policy should be treated in a particular manner and must be duly supported by the OpCo CEO and approved by the General Counsel and the Ethics and Compliance Corporate Director.

CHANGE CONTROL			
Edition	Date	Description	Updated by:
1	23/12/2021	Initial document	Gino Sangalli
2	05/01/2022	Update	María Vera