



CORPORATE POLICY

INKIA NICARAGUA SANCTIONS COMPLIANCE POLICY

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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

As detailed in the Sanctions Program, the U.S. sanctions currently in effect against Nicaragua primarily prohibit U.S. persons from engaging in transactions with SDNs, including certain government officials and entities, and any entity 50% or more owned by one or more SDN. U.S. persons are prohibited from engaging in or facilitating transactions in which an SDN has an interest unless such activity is authorized by an OFAC general or specific license.

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 Inkia Nicaragua 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-17 Inkia Nicaragua Sanctions Compliance Program.

4.1. SCOPE OF RECUSAL POLICY

U.S. sanctions may become applicable when U.S. persons are involved in or facilitate any activities involving SDNs or activities that are otherwise prohibited by U.S. sanctions (“**Affected Activity**”) as detailed in the Sanctions Program. It is imperative that Inkia employees are familiar with the provisions of this Recusal Policy and comply fully with all of its requirements to prevent U.S. persons at Inkia Nicaragua and its parent entities from engaging in any Affected Activities.

This Recusal Policy sets the minimum set of compliance standards, and the managers of each business unit have the authority to adopt policies that are more restrictive than this Recusal Policy. Any issues or questions concerning this Recusal Policy should be directed to the Responsible Officer.

4.2. U.S. PERSON RECUSAL PROCEDURES

It is the express policy of Inkia Energy that no U.S. person, wherever located, be involved in or facilitate any Affected Activity.

A. GENERAL PROCEDURES APPLICABLE TO U.S. PERSONS

Except as expressly approved in writing by the Responsible Officer pursuant to Section B, the following procedures shall be applicable in all cases involving any Affected Activity:

- All U.S. persons employees are prohibited from making, advising on, supporting, endorsing, authorizing, or facilitating any decision or recommendation relating to any activity or participating in any discussion, analysis, or planning that involves any Affected Activity.
- All U.S. person employees are also prohibited from referring any Affected Activity to any non-U.S. person, except to confirm that an activity is an Affected Activity with the Responsible Officer, or supporting or advising any non-U.S. person with respect to any Affected Activity.
- Where a U.S. person would, under his or her job description, otherwise be required to make, advise on, support, endorse, authorize, or facilitate any decision or recommendation relating to any Affected Activity, or participate in any discussion, analysis, or planning that involves any Affected Activity, he or she should immediately recuse himself or herself from so doing and inform his or her direct manager of the reason for this recusal.
- Where a U.S. person is a member of a committee that may make, advise on, support, endorse, authorize, or facilitate any decision or recommendation relating to any Affected Activity or participate in any discussion, analysis, or planning that involves any Affected Activity, he or she should recuse and absent himself or herself from participating in any of the above activities and voting at any meeting that deals with an Affected Activity, and the minutes of such meeting should reflect that the U.S. person so recused and absented himself or herself from the room for the duration of such discussion and vote.
- Where a U.S. person has management responsibility for a division, department, or unit whose responsibilities may include Affected Activities, such responsibilities shall be performed by other members of such division, department, or unit that are not U.S. persons.
- To the extent that such other members are subordinates of a U.S. person, they shall report to and take directions in relation to any Affected Activities from the next senior person in the reporting line that is not a U.S. person (or from such other non-U.S. person as such next senior person shall appoint for such purpose).
- Except as provided in Section C, written communications relating to any Affected Activity should not be addressed or copied to any U.S. person.

B. SPECIFICALLY AUTHORIZED ACTIVITIES

The Responsible Officer may determine that certain activities of a U.S. person with respect to an Affected Activity may be permitted under applicable OFAC regulations, or may obtain a specific license from OFAC authorizing such activity. No U.S. person shall engage in any activity prohibited by Section A without the express prior written authorization of the Responsible Officer, and any such conduct shall be limited to that which is authorized by the applicable license.

C. PERMITTED COMMUNICATIONS TO U.S. PERSONS

U.S. persons may be advised of the status of an Affected Activity, so long as any communication is limited to informational matters only regarding such Affected Activity such as, for example, the status of agreements executed or revenues derived from the Affected Activity.

D. COUNTERPARTY SCREENING

The Responsible Officer shall, as provided in the Sanctions Policy, be responsible for undertaking appropriate screening of counterparties involved in Affected Activities in which a U.S. person may be involved to determine whether that counterparty (or any entity that owns or controls the counterparty) is an SDN.

E. LISTING OF U.S. PERSONS

The Responsible Officer shall maintain a listing of U.S. persons at Inkia Nicaragua and its parent entities and shall periodically monitor the activities of U.S. persons to confirm compliance with this Recusal Policy.

F. IDENTIFYING AND REPORTING AFFECTED ACTIVITIES

All employees should remain vigilant to identify whenever their activities may be Affected Activities. If any U.S. person is unsure of whether a past or proposed activity is or could be an Affected Activity, they shall immediately contact the Responsible Officer for a determination. If any employee determines that a U.S. person may have engaged in an Affective Activity, the employee shall promptly report that activity to the Responsible Officer.

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 Policy;
- Training relevant new and current Inkia Nicaragua personnel on this Sanctions Policy;
- Maintaining company records related to this Sanctions Policy;

6. CONTROL AND COMPLIANCE

Compliance with this Policy is mandatory. All the Inkia Energy staff must understand their role and responsibility as regards this Policy.

The cases that are submitted must be documented by the Employee and duly reviewed and approved. All information must be filed as support when so required by the Ethics and Compliance Area or any control body.

7. CONSEQUENCES OF NON-COMPLIANCE

Deviations from and non-compliance with this Policy may lead to imposition of disciplinary measures, which, if applied, will serve as an educating and training element of our organizational culture.

The disciplinary measures must be fair, reasonable, and proportional to the violation committed, respecting the corresponding legal framework.

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			
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1	23/Dec/2021	Initial document	Gino Sangalli
2	05/Jan/2022	Update	María Vera