

MHP S.A. ("MHP")

Compliance Policy – Sanctions

1. Introduction

The present document constitutes the policy of MHP S.A. and its subsidiaries (hereinafter "MHP") to ensure compliance by MHP with national and international sanctions regimes (hereinafter "Compliance Policy"). It sets out the standards and principles by which MHP abides as well as the basic steps to achieve such goal.

This Compliance Policy is adopted by MHP's Board of Directors. It forms an integral part of MHP's internal regulations. It is binding upon MHP and any of its domestic or international subsidiaries, as well as upon their respective management and employees.

MHP reviews the present Compliance Policy on an ongoing basis, in order to ensure the maintenance of an effective compliance with national and international sanctions regimes. Where available, MHP shall take guidance in the best practices of MHP's industry.

2. Principles

MHP declines to conduct business with, or provide benefits to, states or territorial entities, legal entities, or individuals subject to national or international sanctions.

MHP and its employees will not provide assistance to the violation of national or international sanctions by third parties.

Contractors, suppliers, distribution partners, or purchasers doing business with MHP (hereinafter collectively "Business Partners") are expected to apply the same or similar standards with regard to compliance with national or international sanctions regimes as set out in this Compliance Policy. MHP seeks to ensure such application by appropriate measures.

3. Measures

The main pillars of this Compliance Policy are:

- (a) Sanctions risk assessment,
- (b) Screening and monitoring of Business Partners,
- (c) Analysis and reporting of suspicious circumstances,
- (d) Record keeping,

(e) Ensuring compliance by Business Partners.

a) Sanctions Risk Assessment

MHP shall keep a record of the sanctions put in effect against other states or territorial entities, legal entities, or individuals by

(i) Switzerland

(ii) Ukraine

(iii) European Union

(iv) UN Security Council

(v) United States

(hereinafter "Sanctions Record").

The Sanctions Record shall be limited to those sanctions that are relevant for MHP's business activities (i.e. primarily the export of certain commodities).

The Sanctions Record shall be established on the basis of information available from public sources provided by

(i) the Ministry of Justice of Ukraine;

(ii) the State Committee for Financial Monitoring of Ukraine (SCFM);

(iii) Swiss Financial Market Supervisory Authority (FINMA)

(iv) public, official sources of the European Union and/or the UN Security Council and/or the Government of the United States, accessible over internet;

- **EU:** http://eeas.europa.eu/cfsp/sanctions/index_en.htm

- **UN:** <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

- **United States:** <http://www.state.gov/e/eb/tfs/spi/index.htm> or <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

(v) any financial institution with which MHP cooperates and which maintains own records of sanctions, provided such sanctions have been imposed by one of the three official bodies mentioned above (Switzerland, Ukraine, EU, UN).

The Sanctions Record shall be regularly updated.

The Sanctions Record shall be made available to all employees of MHP in appropriate form. Where necessary, it is made available to Business Partners.

(b) Screening and Monitoring of Business Partners

The Sanctions Record shall serve as basis for screening and monitoring of Business Partners of MHP, in the following way:

When establishing a new relationship with a Business Partner, MHP shall make sure that the following information concerning the Business Partner is made available:

(i) In case of a private entrepreneur: name, date of birth, personal identity document details, residential address and actual address (if different from residential address), bank account details (if any) and explanation on the source of funds.

(ii) In case of legal entities: full name, jurisdiction of incorporation, registration address and registration number, business address (if different from registration address), information about management (name, domicile, function), information about shareholder(s) holding, alone or as a group, more than 50% of the voting rights in the legal entity (name, domicile), bank account details.

When entering into specific transactions with existing Business Partners (such as purchase orders for MHP products), MHP shall ask from the respective Business Partner a confirmation that the information provided upon entering the relationship with MHP is still accurate. Any reported change is checked against the Sanctions Record.

When performing a specific transaction, MHP shall check all information provided by the Business Partner regarding shipment (where is a good to be shipped to / shipped from, where is payment to be made to / made from?) against the Sanctions Record.

The information provided by the Business Partner shall be reviewed periodically against the updated Sanctions Record.

(c) Analysis and Reporting

Where the screening and monitoring of a (new or existing) Business Partner (as set out above) leads to a match with the Sanctions Record (hereinafter a "Match"), the following actions shall be taken by MHP:

Where the information resulting from the Match does not yet provide clear information as to the next steps to be taken, MHP shall demand further explanation from Business Partner. MHP shall then analyse such information.

Where the Match, or the additional information provided by Business Partner, leads to the conclusion that the situation may be remedied by appropriate measures by the Business Partner, MHP shall demand such measures to be taken by Business Partner within an appropriate timeframe.

Where the situation cannot be remedied, or the Business Partner refuses to take the appropriate remediation measures, MHP shall refuse to (i) enter into a business relationship with the Business Partner, or (ii), in the case of an existing relationship, refuse to perform the specific transaction in question, and/or (iii), where such consequence appears necessary and appropriate, terminate the business relation with the Business Partner entirely.

(d) Record Keeping

Apart from the standard business records which must be kept by MHP pursuant to applicable corporate and accounting laws and standards, MHP shall keep records of all data obtained or created in connection with the application of this Compliance Policy, in particular (i) data and information obtained from Business Partners, (ii) Matches, (iii) data and information created in the course of MHP's own analysis and reporting of any data provided under (i).

Such records must be kept at least for the same period of time as the standard business records.

(e) Ensuring Compliance by Business Partners

MHP endeavors to ensure that the Principles set out in this Compliance Policy are respected by its Business Partners. To this end, wherever possible, MHP shall ensure by appropriate means (in particular by including specific wording in contracts) that the Business Partners are subject to the following obligations:

(i) to provide information to MHP about the Business Partner (as detailed above) on an ongoing basis;

(ii) to provide information about the end-destination (state and person/entity) of a good purchased from MHP or a payment received from MHP, and about the original source of funds or goods received by MHP from the Business Partner;

(iii) not to do business with states or territorial entities, legal entities, or individuals subject to sanctions as per the Sanctions Record;

(iv) to warrant that the Business Partner is currently not doing any business with any states or territorial entities, legal entities, or individuals subject to sanctions as per the Sanctions Record;

(v) to use its best efforts to ensure compliance with the Principles of this Compliance Policy by its own business partners.

A Model Clause recommended to be used in agreements with Business Partners is contained at the end of this Sanctions Policy in **Appendix A**.

4. Enforcement / Questions / Reporting

PJSC “Myronivsky Hliboproduct” Legal Department is entrusted by MHP's management with the enforcement of this Sanctions Policy. In order to fulfil its task under this Compliance Policy, PJSC “Myronivsky Hliboproduct” Legal Department shall have the right to demand from any department and any employee of MHP any and all information it deems necessary.

The head of PJSC “Myronivsky Hliboproduct” Legal Department may delegate the performance of specific tasks under this Compliance Policy to other persons within PJSC “Myronivsky Hliboproduct” Legal Department.

PJSC “Myronivsky Hliboproduct” Legal Department is the primary point of contact for any and all requests in relation to this Compliance Policy.

MHP employees have the right to, and are encouraged to, report to PJSC “Myronivsky Hliboproduct” Legal Department any suspected violation of this Compliance Policy. No employee shall suffer adverse consequences for reason of reporting in good faith a suspected violation of this Compliance Policy.

The Compliance Policy was adopted by the Board of Directors of MHP S.A. on May 22, 2017 and becomes effective since May 23, 2017.

Appendix A

Model Clause for Contracts with Business Partners

Compliance with Sanctions

The Parties hereby undertakes, represents and warrants each other that any of its affiliated persons and any third person brought to by Parties, as of the date of this Contract and at any time during the term of validity of the Contract, shall comply with:

- a. any trade, economic or financial international and sectoral sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority (as this term is defined below);*
- b. any law or regulation enacted, promulgated or issued by any Sanctions Authority after the date of this Agreement;*
- c. any money laundering and anti-terrorism financing laws, regulations and rules of the jurisdictions in which Parties its affiliated persons and any third person brought to by Parties conduct business and any related or similar applicable regulations, rules or guidelines issued, administered or enforced by any governmental agency, and*
- d. any other law, enabling legislation, executive order, or regulation promulgated under or based under the authorities of any of the foregoing.*

For the purposes of this clause, the term "Sanctions Authority" means:

(i) the United States of America, (ii) the United Nations, (iii) the European Union, including its member states from time to time, (iv) any similar authority, and any department of any of those supra-national organisations or national governments which from time to time has authority for the sanctions as specified in subclauses (a) to (d) above.

Counterparty shall provide to MHP all information required by MHP under its Compliance Policy. MHP shall treat any such information, unless contained in publicly accessible records, strictly confidential. Counterparty is obliged, during the existence of this Contract, to notify MHP of any changes in any information provided to MHP.

Counterparty shall provide to MHP all information concerning the end-destination (state and person/entity) of any good or goods purchased from MHP. MHP has, in its own discretion, the right to refuse delivery of goods to an end-destination if such delivery would constitute a breach of this Compliance Policy.

Counterparty explicitly warrants that it (i) currently is not doing any business with any state, entity, or individual subject to sanctions as per the Sanctions Record (as defined in the Compliance Policy), and (ii) will not enter into such business relationship in the future.

Counterparty shall reimburse MHP for any damages (including indirect or consequential damages) caused by a breach, by Counterparty of any obligations in this clause.