



SANCTIONS COMPLIANCE POLICY OF MIKRO KAPITAL GROUP

MIKRO KAPITAL MANAGEMENT S.A.

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G.-D. of Luxembourg

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Introduction

MIKRO KAPITAL is committed to complying with relevant economic and trade sanctions laws (“**Sanctions**”) in all jurisdictions in which it operates, as these may apply to its operations, through identifying, mitigating and managing the risks of both primary and secondary Sanctions violations.

In this Sanctions Compliance Policy (“**Policy**”), “MIKRO KAPITAL” refers to MIKRO KAPITAL MANAGEMENT S.A., public company limited by shares (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, with its registered address at 10, Rue C.M. Spoo, L-2546 Luxembourg, the Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register (*R.C.S. Luxembourg*) under the number B227640 and to all of its affiliates and subsidiaries.

Policy Applicability:

This Policy applies to:

- ✓ all employees, officers, directors, and contracted personnel of MIKRO KAPITAL, and to such other persons as designated by MIKRO KAPITAL from time to time (each an “**Employee**”, collectively “**Employees**”); and,
- ✓ all natural and legal persons (and their respective employees, officers and directors) that have contract relations with, perform services for or on behalf of MIKRO KAPITAL, including without limitation, investors, suppliers, consultants, contractors, counterparties and agents (including without limitation, sales agents/representatives) (each an “**Associated Person**”, collectively “**Associated Persons**”).

As a condition of doing business with MIKRO KAPITAL, MIKRO KAPITAL will require each Associated Person to accept that this Policy be incorporated into the contract (directly or through the *MIKRO KAPITAL Supplier Code of Conduct*) entered into between the Associated Person and MIKRO KAPITAL.

Contracts and agreements executed between MIKRO KAPITAL and Associated Persons may contain more specific provisions addressing some of the issues set out in this Policy. Nothing in this Policy is meant to supersede any more specific provision in a particular contract or agreement executed between MIKRO KAPITAL and an Associated Person, and to the extent there is any inconsistency between this Policy and any other provision of a particular contract or agreement, the provision in the contract or agreement will prevail.

This Policy is intended to supplement and not replace other MIKRO KAPITAL codes of conduct, policies, rules and procedures that are applicable to Employees and Associated Persons from time to time. If any Employee or Associated Person has any doubt as to the codes, policies, rules and procedures applicable in a given situation, or if any Employee or Associated Person perceives any conflict or inconsistency between this Policy and any other MIKRO KAPITAL code of conduct or any other MIKRO KAPITAL policies, rules or procedures, then he/she should raise the issue with, and seek direction from

the MIKRO KAPITAL Chief Legal Officer. This Policy is a statement of principles and expectations for individual and business conduct. It is not intended to and does not in any way constitute a contract, an employment contract, or assurance of continued employment, and does not create any right in any Employee or Associated Person. The enforcement and interpretation of this Policy rests solely with MIKRO KAPITAL. This Policy only creates rights in favor of MIKRO KAPITAL. The headings contained in this Policy are for convenience only and shall not be interpreted to limit or otherwise affect the provisions of this Policy. In the event of any conflict between this Policy and applicable mandatory law, the applicable mandatory law shall prevail.

Purpose

This Policy sets out MIKRO KAPITAL's approach to identifying and managing Sanctions-related risks, including:

- ✓ Guidance about the meaning of Sanctions and how to comply;
- ✓ Principles and measures that MIKRO KAPITAL follows to comply with Sanctions legislation and to identify, mitigate and manage Sanctions risk in the jurisdictions where it operates; and,
- ✓ Consequences of failing to comply with this Policy.

This Policy applies to all countries and/or jurisdictions in which MIKRO KAPITAL operates and extends to any additional countries and/or jurisdictions where MIKRO KAPITAL commences operations and/or has an active registration or license.

Meaning of Sanctions and How to Comply

Sanctions are laws and regulations enacted by governments (such as the government of the United States ("U.S."), the government of the United Kingdom ("U.K.") or the government of Switzerland), international organizations (such as the United Nations ("U.N.") and supranational bodies (such as the European Union ("E.U.)) to promote foreign policy and other objectives, including:

- ✓ limiting the adverse consequences of a situation of international concern (for example, by denying access to military or paramilitary goods, or to goods, technologies or funding that enable international terrorism or the proliferation of weapons of mass destruction);
- ✓ seeking to influence other persons or governments to modify their behavior; and
- ✓ penalizing other persons or entities (for example, by blocking or "freezing" their assets, or denying access to international travel or to the international financial system).

Sanctions are intended to deter a range of activities, which may include political or military aggression, providing sanctuary for criminals and terrorists, developing nuclear or other weapons programs, and abusing human rights.

Sanctions are implemented largely by prohibiting companies and individuals from doing business with persons, entities, countries and governments that are the targets of the Sanctions. Such restrictions can include:

- export bans, import bans and prohibitions on the provision of certain specified services;
- prohibiting certain commercial activities (such as joint ventures and other investment);
- barring the transfer of funds to and from a sanctioned country;
- targeted financial Sanctions, which include freezing the assets of and prohibiting any dealings with, a government, country, or territory, and designated entities and individuals;
- travel bans; and
- other financial restrictions.

One key method of imposing Sanctions is to designate a country, territory, government, individual or entity as a target of Sanctions (a “**Sanctions Target**”). In general, persons must block (or freeze) any assets of a Sanction Target within such person’s possession or control, and may not have any dealings with, or provide any services to, a Sanction Target. There are also economic sanctions and embargoes that target geographic regions and governments; some programs are comprehensive in nature and block the government and include broad-based trade restrictions, while others target specific individuals and entities. In non-comprehensive programs, there may be broad prohibitions on dealings with countries, and also against specific named individuals and entities.

Most Sanctions regimes prohibit actions taken to circumvent applicable Sanctions or to facilitate activities by another person or entity that would violate Sanctions if undertaken directly. Employees and Associated Persons shall be careful not to inadvertently violate sanctions by facilitating or brokering a transaction that would be prohibited if conducted by MIKRO KAPITAL. Employees and Associated Persons cannot facilitate, swap, approve, finance, or broker any transaction or activity if such transaction or activity would be prohibited if performed by MIKRO KAPITAL. This prohibition also includes referrals to a foreign person of business opportunities involving any nation subject to comprehensive sanctions or any persons designated on a Sanctions list. Example: if an Employee or Associated Person introduces a person from a Sanctioned Country (with whom no business can be made as per applicable Sanctions) to a foreign person for the purpose of facilitating or fostering a business opportunity, then that Employee or Associated Person would be in violation of the “facilitation” clause of the Sanctions.

Moreover, some Sanctions regimes have extraterritorial application, such that they may be extended to persons abroad who cause a domestic person to violate Sanctions, for example, by removing Sanctions-identifying information from funds transfers or other business records so that a domestic person cannot properly screen the transaction for Sanctions violations.

MIKRO KAPITAL's principles and measures to comply with Sanctions and to identify, mitigate, and manage Sanctions risk

Key Principles

The following key principles govern MIKRO KAPITAL's approach to Sanctions controls. All other requirements in this document are to be read in the context of these principles. In the event of a conflict between principles and requirements, the principles will prevail.

- MIKRO KAPITAL maintains a Sanctions policy to meet obligations under Sanctions regimes of the jurisdictions in which it operates, is registered, licensed and/or doing business.
- MIKRO KAPITAL complies with the requirements of the U.S., U.N., E.U., U.K. and Switzerland Sanctions regimes (whenever these apply to its operations) wherever it operates, and will not undertake any business that would breach those Sanctions regimes.
- In addition to complying with the requirements of the U.S., U.N., E.U., U.K. and Switzerland Sanctions regimes (whenever these apply to its operations), MIKRO KAPITAL complies with other Sanctions regimes whenever they apply to particular MIKRO KAPITAL operations, and will not undertake any business that would breach those Sanctions regimes.
- MIKRO KAPITAL also considers Sanctions regimes imposed by other jurisdictions where the facts of the transaction make it appropriate to do so.
- MIKRO KAPITAL may decide not to provide products or services even where it is permitted by law, particularly where the circumstances presents reputational risk.

Measures to Comply with Sanctions

Before engaging in any commercial relationship or transaction, MIKRO KAPITAL ensures that these relationships and transactions comply with applicable U.S., U.N., E.U., U.K. and Switzerland Sanctions laws, by screening those individuals or entities against the relevant Sanctions lists.

MIKRO KAPITAL shall also screen its transactions as to potential violations on other countries specific sanctions.

The level of screening and due diligence undertaken depends on the risk profile of the particular relationship or transaction, with enhanced screening and diligence undertaken where the risks are greater. For example, where a relationship or transaction is with an internationally recognized individual or business in a country or countries that are not subject to Sanctions, a lower standard of diligence may be applied. Conversely, where a relationship or transaction is with an individual or business located in a high-risk jurisdiction, enhanced due diligence must be undertaken.

In carrying out such screening, MIKRO KAPITAL may rely on information provided to it by its investors, customers and business partners unless it is aware or suspects that those customers and business partners, or the information provided, is unreliable or dishonest, or relates to a high-risk jurisdiction.

MIKRO KAPITAL also requires contractual undertakings from its counterparties to ensure that proceeds from financing (direct or indirect) granted by MIKRO KAPITAL will not be used in violation of applicable Sanctions.

Contracts with Associated Persons must include provisions (i) representing that the Associated Person is not itself a Sanctions Target or otherwise the subject or target of Sanctions; (ii) requiring compliance with U.S., U.N., E.U., U.K. and Switzerland Sanctions laws and with this Policy, (iii) requiring that its Associated Persons do not engage in or facilitate any business activity that would lead MIKRO KAPITAL to breach any applicable Sanctions obligations; and (iv) permitting MIKRO KAPITAL to exit the contract if the Associated Person violates its contract with MIKRO KAPITAL or this Policy, or becomes an Sanctions Target or otherwise the subject or target of Sanctions.

Neither MIKRO KAPITAL nor any Employee shall engage in any commercial relationship or transaction that directly or indirectly involve:

- i. **countries that are subjects or targets of Sanctions (“Sanctioned Countries”); or,**
- ii. **nationals of Sanctioned Countries;**

unless the contemplated commercial relationship or transaction has been screened and cleared for action in accordance with the applicable MIKRO KAPITAL sanction screening systems, processes and procedures that are implemented by MIKRO KAPITAL from time to time. For clarity, the fact that a country is a Sanctioned Country or a person is a national of a Sanctioned Country does not automatically mean that MIKRO KAPITAL or an Employee cannot engage in any commercial relationship or transaction involving any such Sanctioned Country or person; however the transaction or commercial relationship intended by MIKRO KAPITAL or the Employee would first need to be thoroughly screened by MIKRO KAPITAL to ensure that it does not breach any Sanctions related legal obligation. If in doubt advice should always be obtained from the MIKRO KAPITAL Chief Legal Officer. **From time to time relevant Employees shall be informed by MIKRO KAPITAL of those countries that are Sanctioned Countries. Because Sanction programs are dynamic and constantly changing, the countries that are Sanctioned Countries can change quickly; MIKRO KAPITAL regularly reviews the U.S., U.N., E.U., U.K. and Switzerland Sanctions regimes, and may update the list of Sanctioned Countries at any time.**

Associated Persons shall also ensure that they do not engage in any commercial relationship or transaction that directly or indirectly involve countries that are subjects or targets of Sanctions and nationals of such countries, unless the commercial relationship or transaction would have been screened and cleared for action in accordance with the applicable screening procedures and processes implemented by each Associated Person. Associated Persons shall at all times have in place systems, processes, policies and procedures to ensure compliance with this limitation. If in doubt as to whether

any commercial relationship or transaction conducted by an Associated Person violates this policy, the Associated Person shall notify MIKRO KAPITAL as soon as practicable.

For clarity and avoidance of any doubt:

- i. all commercial relationships and transactions, directly or indirectly, involving Sanctioned Countries and nationals of Sanctioned Countries shall be immediately cancelled and/or not pursued until screened and cleared for action in accordance with the applicable MIKRO KAPITAL sanction screening systems, processes and procedures that are implemented by MIKRO KAPITAL from time to time; and,
- ii. commercial relationships and transactions with persons whose name is not on a Sanctions list may still be prohibited if that commercial relationship or transaction directly or indirectly, involves Sanctioned Countries and nationals of Sanctioned Countries. In such cases commercial relationships and transactions shall also be immediately cancelled and/or not pursued until screened and cleared for action in accordance with the applicable MIKRO KAPITAL sanction screening systems, processes and procedures that are implemented by MIKRO KAPITAL from time to time.

Employees and Associated Persons must not facilitate activities by any persons that involve Sanctioned Countries or nationals of Sanctioned Countries, including by referring such business to others persons or entities.

If any Employee or Associated Person becomes aware of an actual or potential breach or a Sanctions regime, then he/she must notify the MIKRO KAPITAL Chief Legal Officer immediately. MIKRO KAPITAL will then assess any notifications so received in the light of, amongst other things, any applicable reporting legal obligations binding MIKRO KAPITAL.

Obligations of Employees and Associated Persons

Employees and Associated Persons must read and apply this Policy and must ensure compliance with this Policy.

The relevant MIKRO KAPITAL units/departments dealing with investors, customers, suppliers and other business partners/counterparties shall screen and perform due diligence on each prospective investor, customer, supplier and potential business partner/counterparty. If there is any doubt whether screening and due diligence has been conducted with respect to any such person or entity, the MIKRO KAPITAL Chief Legal Officer must be contacted immediately.

Under no circumstances may an Employee or Associated Person act to avoid Sanctions obligations or detection of a relationship or transaction that would breach this Policy. MIKRO KAPITAL and Employees and Associated Persons cannot advise investors, customers, counterparties or others as to how

transactions may be structured or presented to evade applicable Sanctions or this Policy. This includes, but is not limited to, advising investors, customers, counterparties and others to amend any information or documents to include false or misleading information, to omit accurate information, or changing, removing or omitting information from a transaction or any business record that would otherwise lead to detection of a Sanctions issue.

Employees and Associated Persons may be subject to the Sanctions laws not only of the country or countries in which they live and work, but also of the country or countries of which they are a citizen, permanent resident, or visa holder. In addition, mere presence in a country, even on a transitory basis, generally will make the Employee or Associated Person subject to the laws of that country while they are within or transiting through it. It is the responsibility of each Employee and Associated Person to understand and meet their Sanctions obligations as a citizen of a particular country or as a result of their presence in a particular country. Questions about particular circumstances should be directed to the MIKRO KAPITAL Chief Legal Officer. Depending on such circumstances, MIKRO KAPITAL may require the Employee or Associated Person to adhere to certain practices to ensure that MIKRO KAPITAL and the individual Employee or Associated Person comply with all applicable Sanctions requirements.

Consequences of Failure to Comply

Failure to comply with relevant Sanctions laws would constitute a breach of legal and/or regulatory requirements, and can expose MIKRO KAPITAL to significant reputational damage, legal and regulatory actions, and financial loss, and can expose individual Employees or Associated Persons involved in any violation to substantial fines and imprisonment.

MIKRO KAPITAL has a zero-tolerance approach to intentional violations of this Policy or applicable Sanctions regimes. If an Employee fails to comply with this Policy, then he/she may be subject to disciplinary action that may include dismissal from employment. Disciplinary measures will depend on the circumstances of the violation and will be applied in a manner consistent with MIKRO KAPITAL's policies. In addition, Employees who violate the law during the course of their employment may also be subject to criminal and civil action.

MIKRO KAPITAL may terminate a business relationship with any Associated Person (including terminating all contracts and agreements in force between MIKRO KAPITAL and any such Associated Person) by means of written notice to the Associated Person, with immediate effect, without need of judicial recourse, and without liability for compensation or damages (whether direct and/or indirect) of any type or nature in favor of the said Associated Person, in the event that: i. the Associated Person fails to comply with any provision in this Policy and fails to remedy (if such a failure is remediable) that failure within 10 days of the Associated Person being notified in writing of the failure; or, ii. the Associated Person becomes a Sanctions Target or the subject or target of Sanctions.

Audits

Each Associated Person shall, without expense to MIKRO KAPITAL, provide access (with appropriate prior notice from MIKRO KAPITAL) to all relevant documents, records, systems, processes, policies and procedures in order to enable MIKRO KAPITAL (or its third-party professional representatives) to audit and verify compliance by the Associated Person with this Policy. If an audit shows that an Associated Person is in breach of this Policy then the Associated Person shall, without delay, implement the necessary corrective action (if the breach can be corrected) determined by MIKRO KAPITAL.

Revisions and Enquiries

MIKRO KAPITAL will unilaterally review this Policy on a regular basis at its absolute discretion, and will introduce revisions where necessary or appropriate. MIKRO KAPITAL may also issue addenda, guidelines and memoranda from time to time to supplement this Policy. The latest version of this Policy and of any addenda, guidelines and memoranda will always be available online at www.mikrokapital.com, and on MIKRO KAPITAL's internal online systems that are effective from time to time and are accessible by all Employees. It is the responsibility of Employees and Associated Persons to access these online systems and view the latest version of this Policy and of any addenda, guidelines and memoranda, from time to time. Because Sanctions regimes can change quickly and without notice, MIKRO KAPITAL may update this Policy at any time.

For enquires or any other matter relating to this Policy, the MIKRO KAPITAL Chief Legal Officer may be contacted.

Reporting of Violations

MIKRO KAPITAL is fully committed to developing a *Speak up* culture – Employees and Associated Persons should not be afraid to speak up if they think that something is wrong or needs to be fixed. Employees and Associated Persons should at all times feel comfortable sharing their views, asking questions, flagging anomalies, expressing concerns, or reporting perceived violations of this Policy. If an Employee or Associated Person becomes aware of any suspected or known violations of this Policy or she/he realizes that MIKRO KAPITAL or an Associated Person performed a transaction prohibited by Sanctions, then he/she has a duty to promptly report such concerns to MIKRO KAPITAL Chief Legal Officer.

Confirmation

Employees and Associated Persons shall periodically, whenever requested by MIKRO KAPITAL, individually confirm in writing to MIKRO KAPITAL that he/she/it has read this Policy and agrees to comply therewith.