**RM Rail Sanctions Compliance Policy**

RM Rail (hereinafter referred to as the "Company") has an updated Sanctions Compliance Policy effective as of October 31, 2022, which establishes an internal control system aimed at observing the restrictions and prohibitions associated with the sanctions applied by other states and supranational organizations, including the UN, EU, USA, etc.

The Policy is aimed at ensuring the operation and development of the Company's sanctions compliance system.

The Policy is consistent with international legal regulations, Russian laws and the Company's internal documents.

**The Sanctions Compliance is aimed at:**

Ensuring the compliance of the Company's activities with the sanctions regulations.

Establishment of uniform rules and regulations on development of a common understanding and personal attitude to adherence to the Policy among employees and managers of the Company's business units.

Prevention of non-compliance with the Policy in the Company's activities.

**The objectives of the Sanctions Compliance are:**

Identification of risks and incidents associated with the violation of the sanctions regulations.

Monitoring the compliance of the Company's activities with the sanctions regulations.

Prevention of sanctions risks to the Company.

**The Sanctions Compliance is based on the following principles:**

Personal interest of all employees of the Company in the efficiency of the sanctions compliance.

Regular assessment of risks of non-compliance with the sanctions regulations.

Improved internal monitoring of adherence to the sanctions regulations.

Unconditional and strict observance by all employees of the Company, regardless of their position, term of work, status and other relations with the Company, with the sanctions regulations, internal regulatory and administrative documents applicable to sanctions compliance, including the Policy.

Openness of the Company to cooperate with the foreign competent authorities, including the Office of Foreign Assets Control (hereinafter referred to as the "OFAC") on all issues related to compliance with the sanctions regulations.

**Implementation of a Sanctions Compliance System**

Before entering into any transactions with counterparties, the Company shall exercise and ensure due diligence of counterparties, as well as the individuals and legal entities controlling such counterparties, through special services, for their presence in the sanctions lists.

The Company shall implement and ensure continuous monitoring of any changes in sanctions for the presence of the Company's current partners in the sanctions lists.

The Company shall limit interaction with persons subject to sanctions restrictions to the extent specified by these restrictions.

The Company shall have the right to refuse to cooperate with persons under blocking sanctions, persons violating the sanctions regulations and persons who do not adhere to the Company's sanctions compliance policy.

In the event of material transactions with any counterparties (for the purposes of any potential sanctions, but in any case in the event of a transaction or a set of transactions worth more than 1 million US dollars), a sanction clause shall be included in the contracts entered into with these counterparties.

**Sanction Risks**

Violation of the sanctions regime shall entail liability, including in the form of fines, criminal liability for officials or the imposition of sanctions on the Company and inclusion in the sanctions lists.

In its activities, the Company classifies sanctions restrictions according to the following types:

blocking sanctions (against SDNs and persons controlled by SDNs), prohibiting any interaction;

sectoral sanctions, restricting certain operations (for example, the provision of debt or investment in a certain sector of economy);

embargoes, prohibiting business within a specific territory or with any residents of that territory;

sanctions that do not impose any certain restrictions, but require a thorough analysis of business and the subject matter of transactions (lists of persons involved in various offenses or terrorist activities).

The Company shall identify the sanctions risk by the following key features:

Product. The risk of supplying or purchasing dual-use items with its subsequent use for military purposes, or manufacture of weapons of mass destruction or terrorist activities.

Country. The risk of operating in a country or a region in violation of current restrictions.

Counterparty. The risk of dealing with a counterparty subject to sanctions.

Materiality. Transactions that are not restricted, but require, due to their materiality, a detailed analysis of compliance risks.

The Company shall operate with due consideration given to the fact that sanctions applied within certain jurisdictions (for example, the USA and the EU) impose restrictions not only on a person directly included in the list, but also apply to all persons owned, controlled or managed by such a person, i.e. the companies:

in which the sanctioned person owns 50% or more of the shares/participatory interest;

managed or controlled by the sanctioned person;

acting for the benefit of the sanctioned person.

**Disclaimer**

The Company shall not be liable for the acts of any affiliate that violates the Policy. A violation of the Policy by an affiliate of the Company may not be evidence of non-compliance with the Policy by other employees of the Company, either in the aggregate or individually.

The Company shall not be responsible for the termination of negotiations (failure to negotiate), failure to enter into contracts, dissolution or termination of contracts/agreements/contractual arrangements due to the actions of the counterparty that contradict the Policy.

By entering into negotiations and/or relations with the Company, any person accepts the Policy, confirms their full understanding of the Policy and undertakes to adhere to the Policy.

The Company shall not be liable for not reading the Policy, as its publication in the public domain on the Company's website allows any person to read its terms and conditions and make all reasonable efforts to prevent any negative risks. The negative risk shall be borne by the counterparty of the Company.