

S&P Vertex Trade – Compliance Policy

1. Introduction

S&P Vertex Trade (hereinafter “the Company”), a Bulgarian-registered international trading company, is fully committed to conducting its operations with the highest standards of integrity, transparency, and legal compliance. This Compliance Policy establishes the framework within which all employees, agents, and partners are expected to operate to ensure that the Company’s activities are fully compliant with applicable national and international laws, ethical standards, and best practices in international trade.

Purpose of the Policy:

- Ensure all personnel understand their compliance obligations.
- Provide detailed guidance for lawful, ethical, and transparent business conduct.
- Minimize legal, financial, and reputational risks associated with non-compliance.
- Promote a culture of integrity and accountability throughout the organization.

This policy reflects the Company’s commitment to not only meeting legal requirements but exceeding standard industry practices, setting a benchmark for transparency, ethics, and responsible business conduct.

2. Scope

This policy applies to:

- All employees, managers, and executive officers of S&P Vertex Trade, regardless of position or tenure.
- External consultants, agents, intermediaries, contractors, and third parties acting on behalf of the Company.
- All business operations, including sourcing, procurement, sales, logistics, financial transactions, and communications with public authorities.

Mandatory Compliance:

Every individual covered by this policy is required to adhere to its provisions. Violations may result in disciplinary measures, including suspension, termination of employment or contract, civil or criminal liability, and reporting to relevant authorities in Bulgaria and abroad.

3. Ethical Principles and Integrity

Core Ethical Values:

- **Honesty and Fairness:** All business dealings must be conducted honestly, fairly, and in good faith. Personnel must ensure that their actions do not mislead or misrepresent facts to customers, suppliers, partners, or regulators.
- **Transparency:** All contracts, agreements, and communications should be clear, accurate, and documented. Concealing critical information, manipulating records, or providing false statements is strictly prohibited.
- **Respect and Professionalism:** Interactions with colleagues, partners, clients, and authorities must be conducted respectfully and professionally, ensuring compliance with anti-discrimination and anti-harassment laws.

Explanation:

Ethical conduct is not only a legal obligation but also a strategic imperative. Maintaining high ethical standards safeguards the Company's reputation, strengthens stakeholder trust, and reduces exposure to legal and financial risks.

4. Anti-Corruption and Bribery Policy

S&P Vertex Trade maintains a **zero-tolerance policy towards corruption and bribery**. Compliance with Bulgarian anti-corruption laws, EU regulations, the **UK Bribery Act**, and the **U.S. Foreign Corrupt Practices Act (FCPA)** is mandatory.

Key Rules:

1. **Prohibition of Bribes and Kickbacks:** Employees, intermediaries, or third parties must not offer, promise, or accept money, gifts, services, or other benefits intended to improperly influence business decisions.
2. **Facilitation Payments:** Payments to public officials to expedite routine procedures are strictly forbidden.
3. **Gifts and Hospitality:** Any gifts or entertainment offered or received must be reasonable, transparent, and documented. Excessive or inappropriate gifts may constitute bribery.

Internal Explanation:

Bribery and corruption not only violate laws but can also cause severe reputational harm and financial penalties. The Company requires all personnel to act as a safeguard against such risks, reporting any suspicious or inappropriate behavior immediately.

5. Sanctions, Export Controls, and Trade Compliance

S&P Vertex Trade rigorously adheres to all applicable international sanctions, embargoes, and trade control regulations.

Requirements:

- Transactions with individuals, entities, or jurisdictions under UN, EU, OFAC, or other recognized sanctions lists are strictly prohibited.
- Exports, imports, and transfers of goods must comply with Bulgarian customs regulations, EU trade controls, and any applicable export licensing requirements.
- The Company conducts screening and verification of all counterparties to ensure compliance with sanctions, trade restrictions, and embargoes.

Internal Explanation:

International trade is highly regulated, and non-compliance can result in severe fines, criminal charges, and loss of trading privileges. Personnel must perform thorough due diligence on all transactions and maintain up-to-date knowledge of relevant sanctions.

6. Due Diligence and Know Your Counterparty (KYC)

Before initiating any business relationship or transaction, the Company requires a comprehensive due diligence process:

1. **Verification of Legal Status:** Confirm the legal existence, registration, and ownership structure of all counterparties.
2. **Ultimate Beneficial Owner (UBO) Identification:** Identify and verify all natural persons who ultimately control or benefit from the entity.
3. **Screening Against Watchlists:** Check all counterparties against international sanctions lists, politically exposed persons (PEPs), and negative media reports.
4. **Financial and Operational Assessment:** Evaluate financial stability, reputation, compliance history, and operational capacity.

Internal Explanation:

Proper due diligence reduces the risk of engaging with illegal, high-risk, or unethical partners, protecting the Company from potential regulatory or financial liability.

7. Conflicts of Interest

All employees, managers, and third-party representatives must avoid situations where personal interests conflict, or appear to conflict, with the interests of S&P Vertex Trade.

Guidelines:

- Disclose any potential or actual conflicts to the Compliance Officer.
- Avoid financial, family, or personal relationships that may compromise impartial decision-making.
- Refrain from using Company resources, information, or position for personal gain.

Internal Explanation:

Conflicts of interest can undermine trust and create legal and reputational risks. Transparent disclosure allows the Company to manage and mitigate potential conflicts effectively.

8. Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF)

The Company actively prevents any involvement in money laundering, terrorist financing, or financing of criminal activities.

Requirements:

- Conduct AML/CTF checks for all financial transactions, including client payments, supplier invoices, and intermediary fees.
- Report suspicious transactions immediately to the Compliance Officer.
- Maintain records of due diligence, transactions, and communications to ensure traceability.

Internal Explanation:

Effective AML/CTF measures protect the Company from severe legal consequences, including fines, sanctions, and criminal liability. Employees must be vigilant and proactive in identifying suspicious activity.

9. Data Privacy and Confidentiality

S&P Vertex Trade is committed to protecting sensitive and personal data in accordance with the **EU General Data Protection Regulation (GDPR)** and Bulgarian data protection laws.

Key Points:

- Collect, process, and store personal and business data only for legitimate business purposes.
- Limit access to sensitive data to authorized personnel.
- Ensure secure storage, encryption, and disposal of confidential information.
- Do not share confidential information with third parties without proper authorization.

Internal Explanation:

Data breaches can result in regulatory fines, reputational damage, and operational disruption. Strict adherence to data protection standards is essential for trust and compliance.

10. Whistleblowing and Reporting Mechanisms

S&P Vertex Trade encourages employees, partners, and contractors to report any suspected violations of this Compliance Policy.

Procedures:

- Reports can be submitted anonymously via secure email or reporting channels.
- Retaliation against whistleblowers is strictly prohibited.
- The Compliance Officer investigates all reports thoroughly and takes corrective action when necessary.

Internal Explanation:

Whistleblowing enables early detection of misconduct and protects the Company's integrity. A secure, confidential reporting system is a cornerstone of a robust compliance program.

11. Training and Awareness

The Company provides regular training to ensure all personnel:

- Understand compliance obligations, policies, and procedures.
- Are aware of anti-corruption, AML/CTF, sanctions, and export control regulations.
- Know how to report concerns and use whistleblowing channels.

Internal Explanation:

Continuous training ensures that all employees remain informed about evolving regulatory requirements and internal policies, reinforcing a culture of compliance.

12. Monitoring, Auditing, and Enforcement

The Compliance Officer is responsible for:

- Monitoring adherence to the Compliance Policy across all operations.
- Conducting periodic audits and risk assessments.
- Reviewing contracts, transactions, and business practices for compliance.
- Enforcing the policy through disciplinary measures where violations are identified.

Internal Explanation:

Active monitoring and enforcement ensure that compliance is not just theoretical but integrated into daily business operations, reducing the likelihood of legal or ethical breaches.

13. Policy Review and Updates

This Compliance Policy is reviewed at least annually, or more frequently if required by changes in law, regulations, or business practices. Updates are communicated to all personnel and third parties acting on behalf of the Company.

Internal Explanation:

Regular review ensures that the policy remains current, effective, and aligned with global best practices and regulatory changes.

14. Responsibility and Governance

- **Board of Directors:** Ultimate responsibility for compliance oversight.
- **Compliance Officer:** Day-to-day monitoring, risk assessment, and reporting.
- **Employees and Third Parties:** Mandatory adherence and proactive reporting of potential violations.

Internal Explanation:

Clear accountability and governance structures strengthen the Company's compliance framework and ensure coordinated implementation of policies.