



Last Revised, May 22, 2019

Subject: EXPORT & IMPORT-DOMESTIC TRADE POLICY OF UTILITY METALS UK LTD

1. What is:

This is a policy that U.M. (UTILITY METALS UK LTD), as from now on on this document, it will be referred as "U.M.", follows, when it comes to its trading activity and communication with its customers, its suppliers and the general public. All products that U.M. trades or is involved in brokering / purchasing services, are of dual use nature.

The products are: semi-finished forms of ferrous, non ferrous metals and engineering / industrial plastics.

2. Aim:

a. U.M. to be fully compliant in regard to international laws, such deriving from the U.S.A. (United States of America), U.N. (United Nations), E.U. (European Union), and U.K. (United Kingdom) laws on any possible trade legal matter.

b. to assist when possible international authorities when it comes to the fight against the proliferation of W.M.D. (Weapons of Mass Destruction), and the fight against terrorism or illegal activities no matter from where they come from, such as terrorist groups, criminal organizations / individuals, religious radicals, hostile nations against other U.N. nations.

c. to prevent or stop any company originating from the E.U. or not, to acquire products from the U.M. or from other suppliers by using U.M. as a broker, that could be headed for illegal or terrorist activities.

3. Implementation:

a. U.M. has a special webpage (<https://u-metals.com/en/export-licences-for-dual-use-products-by-export-control-organisations>) in its website (<http://www.u-metals.com>) where it informs the general public, potential suppliers and customers about the necessity of export compliance.

b. U.M. discusses export compliance matters with

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suppliers and customers

c. U.M. advises, without any fee, suppliers and customers for compliance matters

d. When there is an incoming inquiry, U.M. examines if and where goods are controlled, when needed U.M. applies for export licenses to the U.K. Export Control Organization (E.C.O.) or asks assistance from the technical team or the support center of E.C.O.

e. Studies export compliance laws.

f. Cooperates, if asked, with the Alpha initiative in the U.K., E.I.F.E.C. (European Institute for Exports Compliance) in Belgium and U.K. E.C.O., about export control matters

g. Detects possible policy gaps and informs about these U.K. E.C.O., the Alpha initiative in the UK and E.I.F.E.C. In Belgium.

A. Inquiries and Orders

Exercise of due diligence is needed.

The following are taken into consideration:

A.1. Nature of materials

- What are the material asked. Are they possibly dangerous / sensitive materials (high strength, highly resistant in chemical environments, highly resistant to corrosion and large temperatures i.e : >600 Celcium) ?
- Are the materials mentioned in the U.K. Strategic Export Controlled List ?
- Are the materials listed in the Dual Use Correlation List?
- Is the material made of titanium of any grade, especially grade 23 ? Aluminium bars, tubes or sheets/plates of Mpa close to 420 or higher ? Do the materials have more than 70 % nickel in their composition ? are the materials for stealth purpose i.e stainless steels suitable for stealth purposes, or aircraft aluminium 6061, 6082, 7072 used in stealth small planes, military sea vessels, unmanned or manned ?

Who is asking the inquiry ?

- The inquiry is received by a private individual or a company ? Inquiries received by non business individuals are not served.



- From which country the inquiry comes from ? Is it a country where U.M. addresses ? Inquiries coming from nations where U.M. Does not address, are not served.
- Is the inquiry originating from an embargoed country or from a country where human rights are violated ?
- Is the inquiry originating from a country where there is a civil war ? or is in war with another nation ?
- Are customers in any denied lists ?
- Are inquiries received through e-mails type of yahoo, gmail etc., making it difficult to identify the customer's details / identity ? Such inquiries are usually not answered, or customers are asked to send new emails with domain names.
- Do customers have VAT number / information on the internet, are they listed in chambers of commerce ?

A.2. What is the end application ?

- Are the materials headed for defense purposes – military use?
- Are the materials headed for any commercial aviation purpose ?
- Are the materials sensitive and will be headed for a repair of a sea vessel (that will be traveling to a number of countries) ?
- Are the materials, controlled materials but not sold by U.M. ? If so, U.M. informs the customer that U.M. is not dealing with such materials, additionally U.M. states in its website for which materials U.M. is not active in.

A.3. What is the end destination of the goods ?

- is the material for re-export ? If yes , where ?

A.4. Customer relationship:

- Will the customer buy the materials and process them himself or will provide them for forming or for alteration of their identity to another company ?

A.6. Payment:

- from where the payment comes from and from which country ?



A.7. Reaction / other:

- Is there anything unusual in the inquiry ?

Some or a combination of such a/m cases should arise awareness and U.M. should explore if a license is needed and should discuss in depth with the customer that a license may be needed. Additionally U.M. should consider if the export control organization should be contacted.

U.M. has a moral obligation to vet each single inquiry.

For every inquiry that U.M. receives from customers and sends to suppliers, U.M. informs the supplier that a license may be needed.

A.8. Quotation / Estimate stage:

In the quote, the customer must be informed that the quote is for items destined to a specific country.

In the quote, in case items are controlled (ie armored plates, the customer can't receive from U.M. special technical details for the product except general data sheets that every company in the world provides)

A.9. Order stage

receipt / placing of orders

Customer may have his own order form, but U.M. provides customers with an order form that are advised to fill where it is mentioned that suppliers must check with the local E.C.O. (Export Control Organization) if a license is needed.

The customer must reply to U.M. in a series of questions

Goods are checked using online checker tools by U.K. E.C.O.. A decision tree may be used that is created on the basis of guidance and answers on specific questions asked to U.K., E.C.O..

If there has been an application to U.K. E.C.O. SPIRE and there is an answer by the U.K. E.C.O. that a license is needed, then the order must be placed to the supplier on hold until an application to the U.K. E.C.O. is placed electronically and the license is provided



by U.K. E.C.O.. The customer must sign an end user agreement or a stockholding agreement (for partial use of goods).

A. 10. During Order:

Each order given to U.M. is given by U.M. a specific number and is given an entry in the orders file.

Customer is informed on a web link on what is the situation with export control in relation to his order.

Customers are informed to consider to ask for marking of products although in the metals business, not all semi finished forms bear marking, especially if the ordered products must be cut in smaller pieces. If customers want marking for better trace-ability of products after delivery, customers are advised to ask it in the order so U.M. can communicate with the suppliers about specific marking of products.

A. 11. Post order / after delivery of the goods:

U.M. must communicate with the customer after some time, days or weeks after the delivery of goods to the customer.

U.M. should check if customer intents to re-export the goods.

U.M. must always check with customers (usually up to a week after delivery of goods to the customer) if they received the goods in good order, if everything is in order with quantity received. U.M. must check with the customer if the goods received correspond to the description of the order placed.

U.M. should check documentation provided by the supplier and check the product 2.2 or 3.1 certificates whether they correspond to the description of the order.

It is best to inform on a webpage on a shared weblink both suppliers and customers, that goods were delivered in good order.

Payment:

Must be through prime international banks and payment must originate from the customer and not from third parties. As until 2019 U.M. does not accept payments through credit cards, therefore only advance bank transfer payments are asked. U.M. would unlikely offer credit facility to the customers, therefore, advance payments are



asked.

U.M. may check whether also the customer has an appropriate file of the transaction in record. U.M. provides to the customer as well, after the delivery of the goods, the following in a pdf binder (contents of pdf binders vary per case):

- invoice,
- packing list,
- quote,
- inquiry,
- order confirmation,
- delivery note,
- production certificates type 3.1 or 2.2
- signed receipt document by the customer that he received the goods in good order.

B. Record keeping / communication / data security.

To the best possible extend, U.M. must be a paperless company. The key assets requiring protection are the electronic data it uses. **Such protection is of the highest importance.**

Regarding cyber security,
U.M. fully embraces all aspects of the

KPMG U.K. study:

Cyber Security for audit committees, AUDIT COMMITTEE INSTITUTE :

Therefore U.M. views such a possible attack no matter from where it may come from, a terrorist organization, a hostile sanctioned nation or from any business company in the world, even from non sanctioned countries not simply as an attack against the business interests of U.M. but also as an attack to the institutions of the E.U. (state, law enforcement, trade-all of the metal industry/business of the E.U., etc.).

U.M. due to the a/m reasons views cyber security practices as equally important as to any marketing / sales practices

Internet traffic is through secure modem storage, internet traffic deriving from one of the three major telecommunications company in Greece.

Encrypted web mail storage is used in world famous U.S., Canadian or U.K. based



email providers, vpn and vpn servers, chat and voip applications, all having data privacy policy that explicitly state that upon Canadian, U.S. and U.K. laws such data can be available in local authorities if needed.

When possible international dns servers must be used, the ones protecting against pornography or illegal content.

Customers or suppliers that do not wish to use regular emails that pass through email servers around the world and personnel from telecom companies can have unauthorized access to such, are free to use communication collaborative platforms such as Asana, Zoho etc., such platforms have privacy policies that allow authorities for local controls if needed.

Domain name of the U.M.'s website is registered with world famous domain provider in the U.S. Or Canadian or U.K. (a domain name seller, and web site hosting provider), website has SSL certificate that allows secure communication (https) between the public and the web-servers of the domain provider. U.M.'s website is hosted with the same domain name provider.

Regarding data security, any security risk is considered unacceptable. U.M. must take all possible actions to secure data, and this is a never ending process, convenience must never take its place over security. It must be considered that in today's internet world, states and large corporations find themselves with difficulties in defending their IT infrastructure (ie SONY, ASHLEY MADISON etc.) against I.T. threats and attacks, U.M. can't possibly protect itself from elaborate attacks, yet it must monitor and enhance its IT security on a daily basis.

In a cyber security incident U.M. reaction is to see what caused it and take further preventive measures,

U.M. makes a health check similar to HMRC UK, FTSE 350 Cyber Governance Health CheckTracker, <https://www.gov.uk/government/publications/cyber-risk-management-a-board-level-responsibility/10-steps-summary>

As the company is consisted by a single individual, U.M. continues to be dedicated and committed to seek ways on how to improve export compliance on a daily basis, time devoted on this by U.M. is never enough, this is non ending process, there should be continuous checks and the policy must be maintained. There is ability and willingness by the U.M. to challenge the already existing policy, the objective for this is to improve in any possible way the policy.



The internal audit is done by the owner, George Kougianos, whenever that seems necessary, yet there must be review of this policy at least every three months. The review must consider actions of improvement and the steps that should be taken for this. The owner must consider the possibility that this policy may be reviewed by external bodies on an annual basis, such bodies may be international organizations dealing with matters of export compliance.

U.M. must be able at all times to explain in detail how the policy is implemented and what are the reasons behind any action.

Compliance management is risk management, failure to do so means risk for financial and reputation loss for suppliers, customers, U.M., the E.U. and the general public, any such loss is not considered acceptable, on the contrary, successful implementation of an export compliance policy can contribute positively in terms of public safety and in terms of financial stability and growth for U.M. and the metal industry in which U.M. operates.

The internal auditor must ensure that internal auditing is done objectively, without prejudice or bias against suppliers or customers, only way to ensure this, is that policy implemented is identical to guidelines or suggestions provided by international organizations active in export compliance and that any incident reported to such organizations is reported as is without conclusions, that is the responsibility of the a/m organizations.

U.M. is fully independent thus its judgment on export compliance matters is not altered or diverted to serve any special interests or relationships. The owner of U.M. is the sole director and shareholder, has not been an employee to a private organization or group in the last at least five years, does not receive any additional remuneration from private or state (U.K. or Greek or other state) organizations, has not close family ties and interaction with people in other businesses active in the metal industry or not, has not external advisers, has not shares or any possible involvement in any other business of any nature.

U.M. commits itself to always follow a responsible export compliance policy, in high integrity and ethical standards and its core value for competitive and professional trade with customers and suppliers in the field of metals and plastics is in line with the export compliance policy U.M. follows.

The person in charge for the compliance policy is the owner of U.M. George Kougianos.

The export compliance commitment and belief of U.M. to the necessity and usefulness of export compliance is communicated in its webpage of <https://u-metals.com/en/export-licences-for-dual-use-products-by-export-control-organisations>



Compliance with Laws and Law Enforcement are also stated in the its webpage: <https://u-metals.com/en/privacy-policy-statement> and the webpage <https://u-metals.com/en/about> under the section I am a non business individual. Can't you serve me ?

Any problems or vulnerabilities during license process or any questions are communicated to the U.K. E.C.O. and possibly to the Alpha initiative.

The export policy of U.M. can't be compromised for commercial gain. U.M. continuously receives updates in policy matters by the U.K. E.C.O.

The benefits of having an export compliance policy are:

- awareness for matters of export compliance by U.M., customers and suppliers
- enhanced work productivity
- data security
- assistance to authorities and international organizations in their fight against proliferators of W.M.D.
- avoidance of bad reputation and financial costs
- trust and credibility with authorities and clients, compliance with international trade laws, transparency in transactions
- ease of mind that problems are avoided even if other parties in the supply chain fail in their obligations

UTILITY METALS UK LTD