

## Sanctions Policy

### 1 INTRODUCTION

1.1 This policy (the “**Policy**”) sets out the approach of V.Group to trade sanctions.

1.2 This Policy:

- (a) forms part of V.Group’s Compliance & Ethics Policies which are available at <https://vgrouplimited.com/legal/compliance/>;
- (b) applies to all Colleagues;
- (c) has been approved by the General Counsel of V.Group;
- (d) should be read in conjunction with V.Group’s Sanctions Operating Procedures which can be accessed via VNet; and
- (e) may be amended by V.Group at any time, consistent with the requirements of applicable laws and regulations. Any revisions will take effect from the date on which the amended Policy is published, as indicated by the version number.

1.3 Any breach of this Policy will be taken seriously and may result in disciplinary action.

1.4 Any questions or concerns about the operation of this Policy, including whether this Policy has been followed, should be referred to Group Legal by contacting [legal@vgrouplimited.com](mailto:legal@vgrouplimited.com)

### 2 DEFINITIONS

2.1 “**Colleague**” means any employee of V.Group or any person engaged by V.Group;

“**Group Legal**” means the legal function of V.Group (which may be contacted via [legal@vgrouplimited.com](mailto:legal@vgrouplimited.com));

“**PEP**” means a politically exposed person;

“**SDN**” means a specially designated national;

“**Sanctioned Country**” means any country or geographic region subject to country or territory-wide sanctions (as of the date of this policy, this includes Crimea, Cuba, Iran, North Korea, and Syria);

“**Sanctioned Party**” means any individual or entity subject to sanctions, or any entity majority-owned by a party subject to sanctions; and

“**V.Group**” means Vouvray Acquisition Ltd and its subsidiaries and/or affiliates.

2.2 Words denoting the singular shall include the plural and vice versa.

### 3 WHAT ARE TRADE SANCTIONS?

- 3.1 Trade sanctions are laws which impose trade, financial or travel-related restrictions. Sanctions can target individuals, entities and countries, as well as individuals and entities owned or controlled by such persons (“Sanctioned Parties”). Sanctions are mainly imposed by governments or international organisations to change the conduct of the targeted person or country.

### 4 CONSEQUENCES OF BREACH

- 4.1 Any breach of sanctions can result in civil and criminal penalties for V.Group and/or its Colleagues. Such conduct would also likely cause significant and long-term harm to V.Group’s reputation and ability to conduct business. With respect to V.Group’s customers or counterparties, V.Group reserves the right to terminate immediately any business relationship that violates or presents the risk of violating this Policy or any sanctions laws.

### 5 APPLICABLE SANCTIONS REGIMES

- 5.1 As an international organisation, V.Group is subject to a number of sanctions regimes including:
- (a) US sanctions;
  - (b) UN sanctions;
  - (c) EU sanctions; and
  - (d) UK sanctions.

### 6 US SANCTIONS

- 6.1 The US Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) administers and enforces US sanctions.
- 6.2 There are 2 categories of entities required to comply with US sanctions: “**US Persons**” and “**Foreign Entities**”.
- 6.3 US Persons are:
- (a) companies organised under US law;
  - (b) US citizens, wherever in the world they are located; and
  - (c) persons physically located in the US.
- 6.4 Foreign Entities are non-US entities *owned or controlled* by a US Person. Foreign Entities are required to comply with some, but not all, US sanctions. In particular, Foreign Entities must comply with US sanctions targeted Cuba and Iran. V.Group is a Foreign Entity.

**6.5** Some U.S. sanctions programs have extraterritorial effect. Secondary sanctions, as well as certain additional sanctions with similar effect, may apply to the conduct of entities that are neither US Persons nor Foreign Entities. OFAC can impose sanctions on such entities for, among others, engaging in certain transactions with specified countries or other Sanctioned Persons. OFAC may impose sanctions, including denial of export privileges, prohibition on access to the US financial system, and sanctions against corporate officers.

**6.6** Overview of US sanctions

<p><b>Country-Based Sanctions</b></p>	<ul style="list-style-type: none"> <li>Country-based sanctions prohibit US Persons from engaging in virtually all business and dealings with individuals ordinarily resident in, entities located or organised in, or government entities of a targeted country.</li> <li>Foreign Entities are also directly subject to the same prohibitions as US Persons with respect to Iran and Cuba.</li> <li>The countries and regions currently targeted by country-based sanctions are: Cuba, Iran, North Korea, Syria, and the Crimea region.<sup>1</sup> The countries and regions targeted by these sanctions change from time to time.</li> </ul>
<p><b>List-Based Sanctions</b></p>	<ul style="list-style-type: none"> <li>List-based sanctions prohibit US Persons from engaging in transactions with certain persons, entities and vessels who are on sanctions lists, as well as entities owned or controlled by these Sanctioned Parties.</li> </ul>
<p><b>Foreign Sanctions Evaders</b></p>	<ul style="list-style-type: none"> <li>Foreign sanctions evaders sanctions prohibit US Persons from engaging in virtually all business and dealings with individuals and entities who have attempted to violate or assisted others to violate US sanctions against Iran or Syria.</li> </ul>
<p><b>Sectoral Sanctions</b></p>	<ul style="list-style-type: none"> <li>Sectoral sanctions prohibit US Persons from engaging in certain types of transactions.</li> <li>Currently, sectoral sanction target: (i) certain Russian financial institutions, defence companies and energy firms, and prohibit certain debt and credit transactions<sup>2</sup> and (ii) specific sectors of the Venezuelan economy, e.g., the gold, oil and financial sectors.</li> </ul>
<p><b>Sanctions with Extraterritorial Effect</b></p>	<p>Non-U.S. Persons can be targeted with sanctions for engaging in certain transactions, including:</p>

<sup>1</sup> The Government of Venezuela is subject to similar restrictions, though Venezuela is not targeted by broad-based country sanctions.

<sup>2</sup> A similar UK/EU regime is in place with respect to Russia.

	<ul style="list-style-type: none"> <li>• Any transaction with an Iranian Sanctioned Party or a broad range of sectors of the Iranian economy;</li> <li>• Significant transactions with a Russian Sanctioned Party or the immediate family member of a Russian Sanctioned Party, as well as certain, energy-related transactions involving Russia;</li> <li>• Transactions involving Syria, including dealings with the Syrian military or Syrian energy industry;</li> <li>• Transactions involving North Korea, including exportations to or from North Korea; and</li> <li>• Transactions involving the Government of Venezuela or Venezuelan Sanctioned Parties, including transactions involving Venezuelan oil.</li> </ul>
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## 6.7 Facilitation

- (a) You must not facilitate a transaction that would be impermissible for V.Group to carry out itself under US sanctions.
- (b) Examples of facilitation include:
  - (i) approving, financing, or providing transportation or insurance for transactions involving Sanctioned Parties;
  - (ii) referring business requests from a Sanctioned Party to a third party;
  - (iii) transacting business for an entity you know to be acting for the benefit of a Sanctioned Party.

## 6.8 Licenses and Exceptions

The US government can authorise US Persons and Foreign Entities to engage in certain conduct that would otherwise be prohibited by US sanctions. OFAC issues 2 types of licenses:

- (a) 'general licenses' which are publicly available, so US Persons and Foreign Entities are not required to actively obtain permission from OFAC to rely on general licenses; and
- (b) 'specific licenses' which are not publicly available, so US Persons and Foreign Entities must actively apply for a specific license to engage in conduct that is prohibited by sanctions and not covered by a general license.

**You must never assume a transaction involving a Sanctioned Party is permissible pursuant to a license or exception. Group Legal will advise on sanctions licenses.**

## 7 UN SANCTIONS

- 7.1 The United Nations Security Council imposes sanctions which form the basis for numerous sanctions regimes globally.

## 8 EU SANCTIONS

- 8.1 EU sanctions apply to all individuals and entities within the EU, EU nationals, and non-EU branches of EU-incorporated entities. EU member states may implement additional measures that exceed EU measures, so it is important to comply with both EU and regional laws on sanctions.

## 9 UK SANCTIONS

- 9.1 The Foreign & Commonwealth Office has overall responsibility for UK sanctions and HM Treasury is responsible for administering and enforcing UK sanctions. The UK sanctions regime will closely mirror the EU regime until the end of 2020, after which further divergence will occur.

## 10 EU/UK LICENSES

- 10.1 EU member states and UK have license regimes permitting conduct that would otherwise be prohibited under applicable sanctions.

**You must never assume a transaction involving a Sanctioned Party is permissible pursuant to a license or exception. Group Legal will advise on sanctions licenses.**

## 11 REQUIRED PROCEDURES

- 11.1 Without prior approval from Group Legal, you must not:

- (a) engage in any business or dealings with Sanctioned Parties (including Sanctioned Countries or individuals or entities on sanctions lists); or
- (b) facilitate transactions with third parties that involve Sanctioned Parties (including Sanctioned Countries or individuals or entities on sanctions lists).

- 11.2 You must:

- (a) screen any potential customer, supplier, distributor, re-seller, customs broker, financial institution, bank or other representative using V.Group's screening service to ensure such person or entity is not a Sanctioned Party;
- (b) ensure that any potential ports of call are not located within an Sanctioned Country;
- (c) ensure that cargo being carried on a vessel managed by V.Group: (i) is not owned by a Sanctioned Party and (ii) does not originate from or travel through a Sanctioned Country;
- (d) ensure that appropriate safeguards are put into contracts with third parties.

**11.3** You also must be alert to red flags, including indications that counterparties may be involved in illicit shipping or sanctions evasion practices. Red flags include, without limitation:

- (a) Disabling or Manipulating the Automatic Identification System (AIS)** on vessels. Note SOLAS requires that all ships fitted with AIS maintain operation at all times.
- (b) Physically Altering Vessel Identification.** Vessels involved in dishonest activities have often painted over vessel names and IMO numbers to obscure their identities and pass themselves off as different vessels.
- (c) Falsifying Cargo and Vessel Documents.** Authorities have found that sanctions evaders have falsified shipping documentation pertaining to cargo such as petrochemicals, petroleum & petroleum products, metals, or sand in order to disguise their origin.
- (d) Ship-to-Ship (STS) Transfers.** STS transfers, especially at night or in areas determined to be high-risk for sanctions evasion, are frequently used to conceal the origin or destination of transferred petroleum and other materials.
- (e) Voyage Irregularities.** To disguise the ultimate destination or origin of cargo or recipients, indirect routing, unscheduled detours, or transit of cargo through third countries may occur.
- (f) False Flags and Flag Hopping.** Faking the flag of a vessel or repeatedly registering with new flag states (“flag hopping”) to avoid detection or mask illicit trade.
- (g) Complex Ownership or Management.** The use of complex business structures to avoid detection. This includes shell companies and/or multiple levels of ownership and management that obscure or disguise the ultimate beneficial owner of cargo or commodities (in order to avoid sanctions or other laws).

**11.4** You must immediately notify Group Legal if you become aware that third parties are providing services to a Sanctioned Party and/or in a Sanctioned Country, or if you identify any red flags suggesting illicit shipping or sanctions evasion practices.

## **12 EMERGENCY**

**12.1** When an emergency arises where it may be necessary to obtain services in a Sanctioned Country (e.g. a seriously ill or incapacitated seafarer or passenger, an urgent need for vessel repair or spare parts), **you must immediately notify Group Legal.**

## **13 SANCTIONS OPERATING PROCEDURES**

**13.1** This Policy should be read in conjunction with V.Group’s Sanctions Operating Procedures which can be accessed via VNet which provide further practical guidance on what you can and cannot do in relation to specific Sanctioned Countries and other, higher-risk jurisdictions.

**14 INTERNAL REPORTING**

**14.1** You must immediately contact Group Legal if any of the following occur:

- (a) as required under this Policy; or
- (b) if there is any actual or suspected breach of this Policy.

**15 DOCUMENT CONTROL**

**15.1** The General Counsel of V.Group is the owner of this Policy and is responsible for ensuring that it is reviewed in line with the relevant review requirements.

**15.2** A current version of this Policy is available at <https://vgrouplimited.com/legal/compliance/>

**15.3** This Policy was approved as stated in this Paragraph and is issued on a version-controlled basis.

<b>Version</b>	<b>Date of Issue</b>	<b>Approved by</b>	<b>Position</b>
1	29.06.2020	Deborah Grimason	General Counsel & Company Secretary

