



# **GENTARI**

# **SANCTIONS AND**

# **EXPORT CONTROL**

# **GUIDELINE**

## **TABLE OF CONTENTS**

### **PART I – GENTARI SANCTIONS AND EXPORT CONTROL GUIDELINE**

1. SCOPE OF APPLICATION.....	<b>4</b>
2. GUIDING PRINCIPLES.....	<b>4</b>
3. ROLES AND RESPONSIBILITIES.....	<b>7</b>
4. BASIC CHECK-LIST VIS-À-VIS SANCTIONS.....	<b>7</b>
5. BASIC CHECK-LIST VIS-À-VIS EXPORT CONTROL.....	<b>9</b>
6. CONSEQUENCES OF VIOLATING SANCTIONS AND EXPORT CONTROL LAWS.....	<b>12</b>
7. MISCELLANEOUS.....	<b>13</b>
8. FURTHER GUIDANCE.....	<b>14</b>

### **PART II – FLOW CHARTS AND ILLUSTRATIONS**

1. PROCESS FLOW FOR DUE DILIGENCE SCREENING.....	<b>16</b>
2. OFAC 50% RULE.....	<b>17</b>

# **PART I – GENTARI SANCTIONS AND EXPORT CONTROL GUIDELINE**

## GENTARI SANCTIONS AND EXPORT CONTROL GUIDELINE

### 1. SCOPE OF APPLICATION

This Guideline is applicable to all GENTARI employees<sup>1</sup> and directors (executive and non-executive) within the GENTARI Group worldwide and third parties performing work for or on behalf of GENTARI across all jurisdictions in which it operates and will extend to any additional jurisdictions where GENTARI commences operations. This Guideline is not intended to provide exhaustive commentary on sanctions and export control laws. The laws and regulations in this area is complex and evolving. The application of such laws and regulations can vary significantly depending on the specific facts of a transaction or activity.

If you have questions regarding the laws applicable to your activities or whether a particular activity complies with applicable sanctions and export control laws, you should consult Group Legal.

### 2. GUIDING PRINCIPLES

The implementation of this Guideline is guided by the following principles<sup>2</sup>:

#### (a) **Senior Management Commitment to Compliance with Applicable Laws.**

GENTARI is committed, at the most senior levels, to adhere to applicable sanctions and export control laws consistent with international norms and standards in the jurisdictions where it operates. This includes providing sufficient resources to help ensure compliance with such laws and regulations and effective implementation of this Guideline.

#### (b) **Adherence to Compliance Processes and Procedures**

- i. GENTARI has designed and implemented business rules, processes and procedures compliance with applicable sanctions and export

---

<sup>1</sup>For purposes of this Guideline, the term "employee" means any person who is in the employment of GENTARI including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire.

<sup>2</sup>The guiding principles as set forth in this Guideline are based on "[A Framework for OFAC Compliance Commitments](#)" issued by the Office of Foreign Assets Control and the [Export Compliance Guidelines](#) issued by the Bureau of Industry and Security.

control laws. Specific processes and procedures relevant to sanctions and export control compliance may include:

- Legal Compliance Framework for Critical Legal Areas;
- Group Position with respect to sanctions and export control, applicable from time to time;
- Sanctions Breach Protocol;
- The Third-Party Risk Management (“TPRM”);
- Know Your Counterparty (“KYC”) Questionnaire;
- Legal Due Diligence Requisition List;
- Model Compliance Clauses; and
- Counterparty Screening.

ii. Export authorizations

GENTARI requires that any necessary licensing, permits or approvals must be obtained before export or reexporting any equipment, software, or technology. This requires understanding the export control jurisdiction and classification of the item being exported or reexported, the ultimate destination of the item, and the intended end-use and end-user of the item.

iii. Counterparty screening

GENTARI screens the entities before entering into business relationship to determine whether such entities are restricted parties.

iv. Recordkeeping

GENTARI maintains a records management standards and guidelines that outlines the requirements for record keeping, retaining and archiving of all export-related records for a minimum of seven years.

(c) **Risk assessment and Assurance**

GENTARI conducts periodic assessments of sanctions and export control

compliance risks as a result of developments in applicable sanctions and export control laws and regulations and changing business activities. Such periodic risk assessments inform the efforts to strengthen the sanctions and export control segments of the Legal Compliance Framework ("LCF"). GENTARI also conducts regular assurance of its sanctions and export control compliance processes, to evaluate the effectiveness of those processes and to check for inconsistencies between such processes and day-to-day operations. The results of such assurance inform the efforts to strengthen its sanctions and export control compliance processes.

**(d) Communication and training**

GENTARI regularly communicates this Guideline and provides relevant training and awareness sessions to its employees and third parties performing work or services for or on behalf of GENTARI.

**(e) Potential Violations**

All GENTARI employees have a responsibility to promptly report any issue or concern that may constitute a violation to Group Legal. Group Legal will be responsible for investigating such reports, identifying and coordinating the implementation of corrective actions in response to any potential violations, including communicating with the relevant regulatory authorities in each applicable jurisdiction, as appropriate, regarding any potential violation or any sanctions and export control compliance issues.

**(f) Compliance Unit**

This Guideline is maintained and revised periodically by the Legal Compliance Department ("LCD") of Group Legal to ensure compliance with current requirements of applicable economic sanctions and export control regulations. LCD will continuously monitor this Guideline and provide relevant training and awareness sessions to GENTARI employees. GENTARI undertakes that LCD will constantly be abreast of and well equipped to handle inquiries and issues, internally or externally in respect of economic sanctions and export control regulations. Owing to the nature and complexity of sanctions and export control which are likely to

involve other relevant internal stakeholders, LCD will be engaging and liaising with other relevant departments in GENTARI.

### 3. ROLES AND RESPONSIBILITIES

It is the role and responsibility of every GENTARI employee to:

- (a) read this Guideline and understand your role in assisting GENTARI to achieve its risk and compliance agenda;
- (b) comply with the principles set forth in this Guideline;
- (c) attend all engagement and training sessions conducted by GENTARI on sanctions and export control laws, this Guideline and engage effectively in any risk assessment and assurance initiatives; and
- (d) report any concerns or potential violations of sanctions and export control laws, or any serious doubts or uncertainties, to Group Legal immediately.

For further information on the application of sanctions and export control in day-to-day operations, please contact Group Legal.

### 4. BASIC CHECK-LIST VIS-À-VIS SANCTIONS

- (a) **Awareness of the law**
  - i. Sanctions laws and regulations are constantly changing and evolving, and different jurisdictions have different restrictions. The application of sanctions program to an entity will depend on various factors such as the nationality of the counterparty, the location of performance and the GENTARI entity involved, the currency of the transactions, the nature of the activities, and the nationalities of suppliers and other third parties relevant to a transaction.
  - ii. Note that there are jurisdictions that have adopted their own sanctions laws, such as China, Australia, Canada, and Japan. GENTARI employees that work outside the United States, the

European Union, the United Kingdom, and Malaysia, or who are involved in transactions outside these jurisdictions, should seek further guidance from Group Legal regarding the application of local sanctions laws and how the local sanctions law affect other applicable sanctions laws.

- iii. Further details of the application of a particular sanction regime may be obtained from the relevant authorities that administer and enforce the sanctions. When in doubt, please contact the respective Group Legal for any sanctions related questions.

**(b) Know your counterparty/screening**

- i. GENTARI' TPRM tools requires GENTARI employees to conduct due diligence before engaging third parties. For any third-party transaction, you must conduct due diligence on all counterparties using KYC Questionnaire and screen such parties against restricted party lists before entering into the transaction. Using the counterparty information obtained via the KYC Questionnaire, you should perform counterparty screening using the available due diligence/screening software. All customers and vendors, including any partner in a joint venture or investment, must be screened against relevant restricted party lists at the time of onboarding, and rescreened periodically. You must consult Group Legal if your search indicates that a counterparty is listed on any restricted party lists. Please refer to Part II – Flow Chart and Illustrations for the process flow relating to due diligence screening.
- ii. As parties that are not on a relevant restricted party list may still be subject to sanctions if they are 50% or more owned or, in some cases, controlled by one or more sanctioned parties ("OFAC 50% Rule"), you should ensure that any known beneficial owners of each party to a transaction are screened against relevant restricted party lists. Please refer to Part II – Flow Chart and Illustrations to further understand the applicability of OFAC 50% Rule.



**(c) Obtain contractual assurances**

When entering into contract, obtain contractual assurances relating to sanctions including –

- i. parties to the transaction are not directly or indirectly linked or connected to sanctioned countries, entities or individuals, and that no sanctioned party has a direct or indirect interest in the transaction;
- ii. parties will observe sanctions laws when performing the contract; and
- iii. the transaction will not otherwise result in sanctions violations.

**(d) Operate with transparency**

Do not take any action to conceal the real identity of any party to a transaction. Under no circumstances may an employee or third party performing work for or on behalf of GENTARI conduct its business in a manner so as to avoid any sanctions obligations. Similarly, GENTARI and its employees and third-party performing work for or on behalf of GENTARI are prohibited from advising customers on how transactions should be structured or presented to evade applicable sanctions. This includes, but is not limited to, advising customers and counterparties to amend their instructions to include details that may be false or misleading, or changing or removing or omitting information from a transaction that would otherwise lead to detection.

**5. BASIC CHECK-LIST VIS-À-VIS EXPORT CONTROL**

**(a) Be aware of controlled goods**

- i. Only certain items are subject to export control. Most developed countries maintain a common list of “dual-use” controlled goods and technologies. In most cases, the original vendor would be able to provide information on whether particular items are subject to export controls, and the vendor may ask for assurances with regard to export controls when supplying an item. If you are involved in

exporting goods or technologies, you should understand which items are typically controlled and be aware of the need to examine whether a license is required.

- ii. If you are unsure whether an item is subject to export control, you must consult Group Legal before proceeding. It is possible that you may require an authorization or license to export or re-export controlled items. If you are unsure whether a license or authorization is required, you must consult Group Legal before proceeding with the controlled item.

**(b) Identify which country's export controls apply**

- i. Typically, export control regulations include the country where the items or technology to be exported are located and the original country of origin – many goods that are controlled upon the original export remain controlled upon re-export from a third country. You should identify which country's export control that apply as it gets more complicated when the item is re-exported.
- ii. If you are unsure about which country's export control apply to an item, you must consult Group Legal before proceeding with the goods. In the event an exporter is engaged, you must ensure your exporter is aware of the applicable export control to your items.

**(c) Comply with relevant export control whenever exporting or re-exporting controlled items**

- i. Export control can apply broadly almost anywhere and everywhere. For example, export control may apply even when you are transferring controlled items or disclosing controlled information within GENTARI.
- ii. Before shipping any potentially controlled equipment or technical data, including in particular high-technology or specialized items, you should understand the export control regime(s) that may apply. You should be familiar with controls applicable to transactions typical for your function, and you should consult Group Legal in unfamiliar transactions. You must conduct

sufficient diligence to understand the ultimate end-user and end use of any item or technology proposed to be exported. Prohibited transactions conducted through intermediaries are still prohibited.

(d) **Know your counterparty/screening and red flag guidance**

- i. GENTARI' TPRM tools requires GENTARI employees to conduct due diligence before engaging third parties. For any third-party transaction, you must conduct due diligence on all counterparties using KYC Questionnaire and screen such parties against restricted party lists before entering into the transaction. Using the counterparty information obtained via the KYC Questionnaire, you should perform counterparty screening using the available due diligence/screening software. All customers and vendors, including any partner in a joint venture or investment, must be screened against relevant restricted party lists at the time of onboarding, and rescreened periodically. You must consult Group Legal if your search indicates that a counterparty is listed on any restricted party lists.
- ii. For export or reexport transactions, this includes verifying the identity of the parties to the transaction, and the ultimate destination, end user, and end use of the items you are exporting or reexporting. Enhanced due diligence may be required if the party is an affiliate of a restricted party.
- iii. In the course of conducting due diligence for an export or reexport transaction, you should be aware of any red flags that may indicate that the export or reexport may be diverted to an impermissible end use, end user, or destination. If you identify a red flag, then you must suspend the transaction and conduct further due diligence with respect to the red flag to confirm or clear the red flag. Examples of red flags may include (but are not limited to) the following:
  - the counterparty's name or address is similar to a name or address of an entity on a restricted party list;

- the counterparty is reluctant to offer information about the end use of the item;
- the item's capabilities do not fit the counterparty's line of business;
- the counterparty is unfamiliar with the product's performance characteristics; and
- delivery dates are vague, or deliveries are planned for unusual destinations.

When you are unsure about any red flags or if you are unable to clear any red flags after conducting further due diligence, you should consult Group Legal.

**(e) Obtain contractual assurances**

When entering into contract, obtain contractual assurances relating to export control including –

- i. parties to the transaction are not restricted parties; and
- ii. that the recipient of items will abide by all applicable export control laws.

**6. CONSEQUENCES OF VIOLATING SANCTIONS AND EXPORT CONTROL LAWS**

Violation of sanctions and export control laws can result in serious consequences including: -

- (a) expose GENTARI to civil and/or criminal fines. The financial ramifications for violations may be significant and should be taken seriously as sanctions and export control laws generally calculate damages per violation, and penalties can reach into the hundreds of thousands of U.S. dollars per violation;

- (b) expose GENTARI to loss of export privileges, which in turn could have a severe impact on GENTARI' ability to operate around the world;
- (c) affect GENTARI' banking relationships and financing activities which may potentially jeopardize its ability to transact business;
- (d) serious legal and reputational consequences;
- (e) expose individual employees to civil penalties and even imprisonment (in the case of willful/criminal conduct); and
- (f) cause other companies or third parties to be reluctant or unwilling to deal with GENTARI for fear of being penalized or otherwise exposed to compliance risks as a result of their dealing with GENTARI.

## 7. MISCELLANEOUS

### (a) Oversight of this Guideline

This Guideline is maintained and revised periodically by the Legal Compliance Department ("LCD") of Group Legal to ensure compliance with current requirements of applicable sanctions and export control laws. LCD will continuously monitor the current development of sanctions and export control laws and provide relevant training and awareness sessions to GENTARI employees. LCD also has the authority to interpret and apply this Guideline.

### (b) Deviations and Exceptions

If you are unsure whether a provision under this Guideline is applicable to a particular business activity, please consult Group Legal. On a case-to-case basis, a deviation and exception may be issued under this Guideline. The CEO of GENTARI, or any delegated authority, has the authority to approve any deviation or create any exception under this Guideline.

### (c) Reporting of Issues and Review

If at any time GENTARI employees have reason to believe that there may be or has been a significant risk of violation of applicable sanctions and export control laws, they must immediately halt all ongoing activity, if any, and report the matter to Group Legal<sup>3</sup>. GENTARI employees should also discontinue all ongoing activity and notify Group Legal if they are unsure, for instance, whether sanctions may apply, or the movement of controlled goods complies with relevant export controls. All activities and transactions which may potentially violate the applicable sanctions and export control laws should be reviewed by Group Legal.

**(d) Violations**

Any violations or potential violations of any provision of this Guideline, in part or in whole, will be investigated by the Management of GENTARI. Any behavior that results to the violation of sanctions and export control laws are against GENTARI's policy and any Employee engaging in such activities or transactions should expect to face disciplinary action by GENTARI. Action will be taken according to the nature, severity, and scope of the offense. In case of doubt, please contact Group Legal.

**8. FURTHER GUIDANCE**

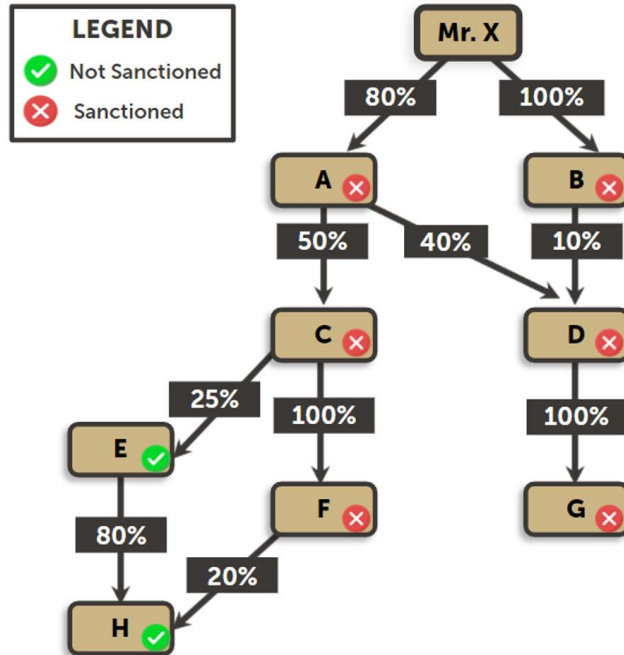
This Guideline is not intended to provide exhaustive answers to all questions or inquiries in respect of sanctions and export control. This Guideline intended to provide a general framework on GENTARI's position when dealing with sanctions and export control related issues. Further details with respect to sanctions and export control will be provided in the Supplement to Guideline. Where necessary, a Supplement to Guideline may be introduced. Whilst the Supplement to Guideline is by no means exhaustive, the purpose of the Supplement to Guideline is to provide general understanding of the legal concepts and common issues that may arise vis-à-vis sanctions and export controls.


# PART II – FLOW CHARTS AND ILLUSTRATIONS






## 2. ILLUSTRATION: OFAC 50% RULE



 **Sanctioned**

- **Company A is sanctioned** because Mr. X owns it directly by **more than 50%**
- **Company B is sanctioned** because Mr. X owns it directly by **more than 50%**
- **Company C is sanctioned** because Mr. X owns it indirectly through **Company A (which is a sanctioned company)** by **more than 50%**
- By virtue of the principle of aggregation, **Company D is sanctioned**, because it is in **aggregate 50%** owned by **Companies A and B (which are sanctioned companies)**
- **Company F is sanctioned** because Mr. X owns it indirectly through **Companies A and C (which are sanctioned companies)** by **more than 50%**
- **Company G is sanctioned** because it is **more than 50%** owned by **Company D (which is a sanctioned company)**

 **Not Sanctioned**

- **Company E is not sanctioned** because **Company C holds less than 50%** in Company E
- **Company H is not sanctioned** because:
  - ✓ Mr. X does not own any part of Company H through **Company E**
  - ✓ Mr. X also indirectly owns Company H (via **Company F**) by **less than 50%**