

Sanctions Policy

May, 2021

1.Introduction

This Policy applies to: AutoPacific Group (AutoPacific Group, the Company) and associated companies of AutoPacific Group that have adopted this Policy. AutoPacific Group and each company that has adopted this Policy are referred to as “Company”. The Company is committed to comply with applicable economic and trade sanctions (‘sanctions’) regimes in all jurisdictions in which it operates by identifying, mitigating and managing the risk. The Company recognises that failure to comply with relevant sanctions regimes would not only constitute a breach of regulatory requirements, but could also cause significant reputational damage and financial loss for the Company. This Policy details the Company’s approach to ensure compliance with the sanctions regimes.

2.Scope

This Policy applies to all countries and/or jurisdictions in which the Company operates or has an active registration or licence. This Policy is to be read in conjunction with the AML Policy and Code of Conduct as well as any applicable trading policies.

3.What are sanctions?

Sanctions impose restrictions on activities that relate to particular countries, goods and services, or persons and entities. Sanctions are used by governments, international organisations (such as the United Nations) and supranational bodies (such as the European Union) to:

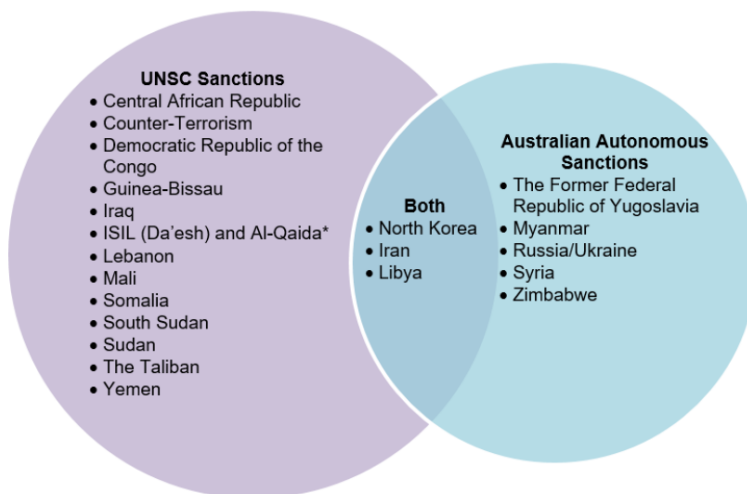
- limit the adverse consequences of a situation of international concern (for example, by denying access to goods, technologies or funding that are enabling the pursuit of programs such as the proliferation of weapons of mass destruction);
- seek to influence those responsible for giving rise to a situation of international concern to modify their behaviour (by motivating them to adopt different policies); and
- penalise those responsible (for example, by denying access to international financial system). Sanctions are intended to deter a range of activities, which may include providing safe sanctuary for international criminals (such as terrorists), nuclear development and abuses of fundamental human rights. Sanctions affect the business operations of financial institutions and their customers by placing restrictions and controls on the movement of goods, services and funds. Restrictions can include:
 - export bans, import bans and prohibitions on the provision of certain specified services;
 - prohibiting certain commercial activities (such as joint ventures and other investment);
 - the transfer of funds to and from a sanctioned country;
 - targeted financial sanctions, which include freezing the assets of and prohibiting any dealings with, a government, as well as corporate entities and individuals associated with the situation;
 - other financial restrictions.

4. Legislative requirements

The Company must comply with sanctions laws of any jurisdictions in which it does or seeks to do business. The Company also has regard to international best practice standards and guidance.

4.1 Australian sanctions

Australia implements the United Nations Security Council ('UNSC') sanctions regimes and Australian autonomous sanctions regimes. In Australia, regulations imposing UNSC sanctions and autonomous sanctions are administered and enforced by the Department of Foreign Affairs and Trade ('DFAT') in concert with other Federal Government agencies, such as the Department of Defence and the Department of Immigration and Citizenship. The sanctions regimes currently implemented under Australian sanction laws are shown in the diagram below:



* Also includes UNSC sanctions in relation to the protection of cultural heritage in Iraq and Syria.

The diagram above is subject to change by DFAT so employees should refer directly to the DFAT website. The specific restrictions of each regime can also be found at the website. Sanctions aren't always imposed on an entire country. There are various forms of targeted sanctions, including Specially Designated Nationals (SDNs). SDNs can be individuals or entities (such as financial institutions, companies, shipping vessels, ports or airlines) and they can be located anywhere in the world. Authorities designate SDNs for a number of reasons. They may be linked to human rights abuses, nuclear proliferation, terrorism, narcotics trafficking, transnational criminal organisations, or they may support sanctioned regimes. In most cases, entities that are beneficially owned by or significantly linked to an SDN will also be considered an SDN. Therefore, the Company must also refer to the Consolidated List. The Consolidated List includes all persons and entities to which the Charter of the United Nations Act 1945 and the Autonomous Sanctions Act 2011 currently applies. Sanctions permits The Minister for Foreign Affairs or the Minister's delegate may be able to grant a permit authorising an activity that would otherwise contravene an Australian sanction law. A formal application for a sanctions permit can be submitted by registering as a user of the Online Sanctions Administration System (OSAS).

Sanctions offences Australian sanction laws establish serious criminal offences, including for contravening a sanctions measure without a sanctions permit. Penalties include up to ten years in prison and substantial fines. Australian sanction laws apply broadly, including to activities in Australia, and to activities by Australian citizens and Australian-registered bodies corporate overseas.

4.2 United States (U.S.) sanctions

The United States Treasury Office of Foreign Assets Control (OFAC) is responsible for administering and enforcing US sanctions programs. OFAC administers a number of different sanctions programs that vary in scope. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. Due to the diversity among sanctions the U.S. does not maintain a specific list of countries that U.S. persons cannot do business with, however OFAC has a Specially Designate Nationals (SDNs) and Blocked Persons List of which US persons are prohibited from dealing with. For information on specific active sanctions programs please visit the Sanctions Programs and Country Information page. The U.S. Foreign Corrupt Practices Act (FCPA) contains anti-bribery provisions that prohibit foreign persons and businesses acting while in the territory of the United States from making corrupt payments to foreign officials to obtain or retain business. The Company ensures compliance and non-violation to the FCPA by enforcing:

- Via the Code of Conduct that employees are never to solicit accept or offer gifts in cash and cash equivalents except contributions to bona-fide charities that are provided by the Managing Director; and
- Via the AML Program that enhanced customer due diligence is applied when a customer including any beneficial owner who is a politically exposure person (PEP).

4.3 Global sanctions obligations

It is expected that the jurisdictions that the Company may operate in are obliged to give effect to UNSC sanctions. Some jurisdictions may also impose autonomous sanctions (such as the United States and the European Union); others do not (such as New Zealand). Jurisdictions that the Company may operate in include: European Union – The EU implements sanctions (commonly referred to as ‘restrictive measures’ in the EU) under the Common Foreign and Security Policy (CFSP) framework. EU sanctions apply to all EU member states. United Kingdom – Her Majesty’s Treasury (HMT) is responsible for the implementation and administration of international financial sanctions in the UK. If the Company fails to execute its responsibilities under the applicable sanction regimes, it could be subject to significant regulatory enforcement action, fines, serious reputation damage and criminal charges.

5. Company's approach to sanctions

- A.** The Company will forego any new business, including facilitating investment transactions, that would breach any Australian or U.S. sanctions regime and/or applicable overseas sanctions regime.
- B.** The Company will refrain from continuing to conduct any business or invest in companies that would violate the applicable sanctions regime of the respective jurisdiction in which it is conducting business.
- C.** The Company will screen its clients in accordance with applicable sanctions regimes both in Australia, U.S. and overseas prior to offering its products or services.
- D.** Where the Company is unsure as to whether or not a conflict exists between global , U.S. and Australian sanctions, it will seek advice from the relevant Australian or U.S. Government agency prior to commencing or continuing the business or investment activity.
- E.** The Company will take into account sanctions regimes imposed by other jurisdictions in which the Company has no operations in, where nonadherence may impact the Company's ability to access overseas markets or where the facts of the transaction make it appropriate to do so.
- F.** The Company may decide not to provide products or services, including allowing for investment transactions to be placed, even where it is permitted by law. These decisions will be guided by risk appetite, corporate social responsibility, business efficacy or reputational risk.
- G.** In carrying out its compliance obligations under the sanctions regime, the Company may rely on information provided by its clients and screening undertaken by its service providers unless it is aware or suspects that the clients, service providers, or the information provided, are unreliable or dishonest.
- H.** The Company will report any breach of a sanctions regime to the appropriate authority in a timely manner and in accordance with law.
- I.** The Company will exercise due care to ensure that no individual transaction involves a knowing breach of applicable sanctions obligations.
- J.** The Company will screen for designated entities in accordance with applicable sanctions regimes both in Australia, U.S. and overseas prior to offering its products or services.
- K.** The Company requires that its agents or service providers do not engage in or facilitate any business activity that would lead the Company to breach any applicable sanctions obligations. For the purpose of this Policy, agents are defined as parties that are acting for or on behalf of the Company.

