



## **SANCTION POLICY**





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## 1. PURPOSE AND POLICY STATEMENT

QTerminals assists and participate in global trade through a global network of port and terminal operations. Due to the nature of our business some of our operations could be subject to restrictions due to Sanctions and Trade Controls imposed by governments and supranational organizations. QTerminals is committed to conduct its business ethically and in compliance with all applicable laws and regulations. Failure to comply with applicable Sanctions and Trade Controls may lead to legal consequences including but not limited to civil and/or criminal penalties and imprisonment, in addition to significant reputational damage to QTerminals.

Therefore, QTerminals strictly does not participate in any activity violating or intended to breach any applicable Sanctions or Trade Controls. Additionally, we do not conduct any business with Restricted Parties or that would lead to QTerminals being sanctioned itself. To maintain our commitment to staying compliant with all applicable laws and mitigate any Sanctions-related risk exposure, we have implemented necessary controls and processes.

This Sanctions Policy (hereinafter “Policy”) serves as a guide for Employees to understand Sanctions and their imposition, outlines the Sanctions that Employees must comply with, and outlines behaviours expected from Employees to ensure full compliance with this Policy.

## 2. SCOPE OF APPLICATION

The Policy establishes the standards and principles for Sanctions compliance which QTerminals and Employees must abide by. This Policy does not replace any national or international law. In case applicable laws in specific regions are stricter than the guidelines outlined in this Policy, the stricter law or regulation shall take prevalence over this Policy.

## 3. DEFINITIONS

**Embargoed Territory** is any country or territory that is subject to comprehensive Sanctions (i.e., country-wide or territory-wide).

**Employees** means all QTerminals’ employees (including contracted workers), officers, directors (including those assigned to minority owned and non-controlled entities of QTerminals).

**Ethics Review Panel (ERP)** means a multidisciplinary body within QTerminals committed to reviewing all reported alleged unethical matters, misconduct and wrongdoings in a timely manner and deciding on the respective disciplinary action. ERP members are selected on the case-by-case basis by the Group Legal and Compliance Director, depending on the nature and criticality of the alleged misconduct and/or wrongdoing.

**Line Manager** is a person with direct managerial responsibility for a particular Employee.

**Non-Controlled Business Unit** means a company, including all its employees, in which QTerminals W.L.L. does not directly or indirectly own more than 50% of the shares or over which QTerminals does not have operational control.

**Sanctions** are prohibitions or restrictions on trade with, transfer of assets to, or conducting of financial transactions with certain entities, issued by governments or supranational organisations such as United Nations, which aim to realise national security or achieve foreign policy objectives. Sanctions may be imposed against certain countries, territories, designated individuals, entities, and organisations, and may involve certain specific goods, software, industry sectors, vessels or aircrafts, as specified by the respective Sanctions.

In particular, Sanctions are typically imposed with the intention to cease armed conflict, the spread of weapons of mass destruction, terrorism, narcotics trafficking and human rights violations, etc.

**Sanctions Target** is the entity or individual against which the Sanctions are in place. Sanctions Targets can include countries and territories, governments and government-related institutions, organisations, legal entities and natural persons.

**Third Party** is any customer, client, business partner, supplier, service provider, consultant and other representatives with whom QTerminals has a business relationship.

**Trade Controls** are restrictions or regulative measures imposed by governments or inter-governmental authorities on the transfer or trade of goods or services from one country to another. They can apply to individuals, companies, governments or public bodies, etc. They help prevent misuse of certain goods and services and protect a nation's security, interests and policy objectives. Trade Controls include import and export controls laws and regulations.

QTerminals or Company means QTerminals W.L.L. and its controlled subsidiaries, affiliates, and joint ventures.

**Restricted Party** means (1) an entity or individual listed, owned or controlled by a listed entity or individual, or otherwise targeted, under the Sanctions applicable under this Policy, or (2) an entity located or incorporated in a sanctioned territory, or having a parent company or owner, that is located or incorporated in a sanctioned territory, under the Sanctions applicable under this Policy.

## 4. RULES AND GUIDELINES

### 4.1 Understanding Sanctions

Sanctions refer to a range of measures or penalties typically imposed by a country or group of countries on certain types of dealings with targeted countries, entities or persons, as a tool to achieve foreign policy or national security goals. Sanctions can be targeted against:

- States, including their authorities,
- Territories,
- Governments or government-related institutions,
- Legal persons, organisations or entities,
- Individuals i.e., natural persons,
- Industry sectors, or
- Vessels and aircrafts.

Sanctions can be imposed to achieve a variety of objectives including encouraging a change in behaviour, punishing non-compliance with international laws and norms of behaviour, protecting national security or achieving specific foreign policy objectives. Sanctions may be total (all and any dealings with the Sanctions Target are prohibited) or specific (certain narrower sets of restrictions apply against the Sanctions Target) and can be of various types, including:

- (a) Trade sanctions, such as export or import bans, prohibition of capital movements and investments bans,
- (b) Financial sanctions, which may include impediments on the raising of equity or debt capital and over the provision of financial services to countries or persons, or
- (c) Smart sanctions, such as freezing of funds, travel bans to territories that are subject to comprehensive territorial sanctions, and prohibition of engaging in specific dealings with Sanctions Targets (e.g., use of software, transactions in specific currency, etc.).

The main risks for companies that do not adhere to applicable Sanctions include but are not limited to:

- Loss of assets and other investment in markets that become targeted by Sanctions;
- Potentially severe penalties – a breach of applicable Sanctions is generally a criminal offence, with large fines payable and the possibility of prison sentences for individuals;
- Reputational damage;
- Time and distraction for Company management needed to deal with Sanctions breaches; or
- Business disruption when governments may feel compelled in a crisis to suddenly discontinue the normal flow of trade and commerce.

#### **4.2 Identifying Applicable Sanctions**

QTerminals is committed to adhering to all global and local Sanctions lists applicable to us as a Company and conducting required Sanctions screening respectively. At QTerminals the following Sanctions (the “QTerminals Compliance Standards”) shall apply and must be followed:

- UN Security Council Sanctions List
- EU Sanctions List
- OFAC (Office of Foreign Assets Control) Sanctions List – USA
- UK Sanctions List
- Qatar Targeted Financial Sanctions List

In addition to the above lists, each business unit of QTerminals must make sure to comply with such Sanctions that are applicable to the jurisdiction in which it has been specifically incorporated. In that connection each business unit is encouraged to contact the QTerminals Compliance Officer/Representative for guidance in case of questions.

As for Non-Controlled Business Units, these are encouraged to adopt and comply with the QTerminals Compliance Standards or adopt comparable standards.

It is important to note that Sanctions lists are applicable and must be followed not only by legal entities, but also by individuals such as citizens and residents of a certain country. Hence, each Employee has a duty to identify the Sanctions applicable to them based on their nationality or place of residency. Each Employee is expected to be observant and to always comply with such personally applicable Sanctions (for example, if someone is a citizen of the U.S.A., they have to abide by the restrictions on doing business or engaging with the persons or entities that are listed on the OFAC Sanctions List issued by the U.S.A., even when residing permanently in another country). Special attention is needed in case an Employee has multiple citizenships or performs their duties in a location other than their country of origin.

Finally, additional Sanctions compliance obligations, that are not mandated by law, may arise from contracts from time to time, such as from financing agreements or terminal services agreements. Lenders and shipping lines may actively monitor operations and procedures in order to prevent being involved in any transaction that could constitute a compliance risk for them.

### 4.3 Complying with Sanctions

Following QTerminals' commitment to always comply with applicable Sanctions laws, Employees should ensure that any engaged Third Party is strictly not in violation of any applicable Sanctions laws. This includes but is not limited to being part of a Sanctions list, being located or incorporated in a sanctioned territory, or having a parent company or owner that is targeted by Sanctions or located or incorporated in a sanctioned territory. To that end, Employees must follow the below guidelines (please note that these may be non-exhaustive, and Employees are encouraged to apply best judgement or seek advice from the QTerminals Compliance Officer/Representative when in doubt):

- Do not engage in trade of goods or services with a Restricted Party
- Do not make or receive any financial payment or deposit to or from a Restricted Party
- Do not enter into a contractual agreement or a business relationship with a Restricted Party
- Conduct the applicable due diligences including KYC/KYS screening and monitoring with regards to Third Parties (Please see details in the next section "Sanctions Screening")
- Do not directly or indirectly (through Third Parties) evade any Sanctions applicable to QTerminals
- Do not facilitate or turn a blind eye to any breaches of Sanctions applicable to QTerminals
- Be aware of certain red flags that indicate or may indicate any breach of Sanctions applicable to QTerminals, including but not limited to:
  - Unclear origins and destinations of goods and/or components in a bill or invoice
  - Unusual requests regarding shipping routes, payments or packaging
  - Request for a shipment in a different name and location than that of the Third Party

If Employees are doubtful about the Sanctions risk of any Third Party, they are obliged to discuss it with their Line Manager and, if required, their Compliance Officer/Representative before initiating any transaction or relationship with the Third Party in question.

### 5. Sanctions Screening

As a global port operator, we are constantly at risk of being in violation of Sanctions laws through the people or entities we do business with. To minimise such risks, Employees must follow the established screening and monitoring processes to ensure compliance with applicable Sanctions, including but not limited to:

- Conducting due diligences and KYC/KYS checks on any potential Third Parties before engaging with them
- Monitoring the changes in Sanctions lists to ensure that the existing Third Parties are not Sanctioned
- Ensuring that applicable clauses on Sanctions are present in the contractual agreement with Third Parties
- Keeping a track of Sanctions-related obligations in financing agreements with Third Parties (for instance, lending and insurance agreements), which can extend beyond the legal obligations imposed by Sanctions applicable to QTerminals

Specifically, before transacting with a Third Party, Employees should ask themselves the following questions:

- Where are we doing business – Are we violating any Sanctions or laws in any country or territory as applicable to QTerminals?
- Who are we doing business with – Are we violating any Sanctions or laws related to any individual or entity as applicable to QTerminals?

How are we doing business – Are we circumventing, evading or facilitating the breach of any Sanctions applicable to QTerminals?

## 6. RESPONSIBILITIES

All Employees are responsible for adhering to this Policy. All Employees must read, understand, acknowledge and adhere to all aspects of this Policy and any supplementary procedures issued by QTerminals, including:

- Complying with all applicable Sanctions laws in their daily business conduct
- Identifying breaches of Sanctions laws and report it immediately
- Being vigilant for any suspicious activity that can be a potential breach of this Policy, both at QTerminals and at our Third Parties
- Prioritising and completing any mandatory training related to this topic in a timely manner
- Contacting your Line Manager and, if required, your Compliance Officer/Representative to clarify questions, request information or express concerns relating to this topic

Line Managers, along with the relevant guidance of Legal and Compliance departments, shall ensure that any Sanctions-related concerns of those Employees reporting to them are resolved.

Management of QTerminals is responsible for ensuring that legal requirements and provisions of this Policy are followed. Each managing senior executive of QTerminals at port or terminal level must ensure that the business unit they are responsible for is and will remain fully compliant with this Policy, promoting awareness and understanding of this Policy and ensuring allocation of adequate resources to effectively implement this Policy. Specifically, the Compliance team must ensure that the required processes are in place that enable adherence to this Policy.

All assigned QTerminals board directors in Non-Controlled Business Units shall support the implementation of a sanctions compliance policy and request sanctions compliance to be placed on the board meeting agenda to promote adherence to the QTerminals Compliance Standards or comparable standards.

## 7. SPEAK UP

QTerminals promotes an environment of integrity and transparency under which its Employees are encouraged to report any violation or suspected violation of this Policy within QTerminals or at any of the Third Parties, either by informing their Line Manager, their HR department, their Compliance Officer/Representative or alternatively through the QTerminals Ethics Line, which is available on QTerminals intranet, QTerminals website and as a dedicated phone line.

Additionally, any retaliation against anyone who notices and reports a known or suspected violation of the Policy is strictly prohibited. Anyone proven to have retaliated against a person who has reported a breach in good faith will be subject to disciplinary action. However, any false or malicious allegations may also lead to appropriate disciplinary and legal action, up to and including termination of employment.

For more information on the whistleblowing process, please refer to QTerminals Whistleblower and Anti-fraud Procedures.

## 8. DISCIPLINARY ACTION

At QTerminals, all to whom this Policy applies, as specified in the "Scope of Application" are expected to abide by this Policy. Any violation thereof may result in disciplinary action, termination of employment or legal proceedings.

In case the complaints for wrongdoings warrant an investigation, there will be investigations whose results and proposed corrective actions will be reviewed by the Ethics Review Panel (ERP). The corrective actions

will be determined based on the facts and circumstances of the breach of conduct and results of the investigation.

For more information on the process of investigation of alleged misconduct and violations of the Code of Conduct or this Policy, please refer to QTerminals Whistleblower and Anti-fraud Procedures.

## 9. REVIEW PROCESS

Compliance team will periodically evaluate the adequacy and effectiveness of this Policy. Depending upon the results of such reviews, amendments might be proposed and introduced.

**Approved By:**



**Group CEO**  
**Neville Bissett**