



UNITED GROUP

UNITED GROUP

SANCTIONS POLICY

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1. PURPOSE OF THE DOCUMENT

United Group and its affiliate companies, joint ventures, and subsidiaries (together referred to as “**United Group**”, “**we**” or “**our**”) are committed to complying with all multinational, national, and local rules and regulations, including Sanctions (as defined below), that apply to doing business with certain individuals and foreign countries. United Group would rather lose a particular business opportunity than engage in any conduct that may violate Sanctions.

We cannot engage in any trade of any sort with businesses in, or people connected to, any countries which have financial and trade Sanctions imposed by the United States, United Nations, the European Union and the UK.

Certain jurisdictions have adopted blocking statutes that prohibit adherence to certain U.S. sanctions. If you encounter such a conflict, or if a local law conflicts with a requirement set forth in this Policy, you should consult with Compliance at compliance@united.group to determine the appropriate course of action.

2. SCOPE AND APPLICABILITY

This Policy is applicable in all United Group affiliated entities and all other policies and procedures related to this subject matter must be aligned with this Policy.

3. UNITED GROUP SANCTIONS COMPLIANCE PROGRAM

United Group recognises the seriousness of apparent Sanctions violations and has implemented this Policy to assist in understanding where Sanctions risk lies, address root causes of potential violations and provide systemic solutions whenever possible.

United Group’s Compliance function takes a holistic approach to assessing United Group’s Sanctions risk which allows for identification of potential areas in which we may, directly or indirectly, engage with prohibited persons, parties, countries, or regions. This risk assessment considers (i) customers, supply chain, agents, intermediaries, and counterparties; (ii) products and services, including how and where such items fit into other financial or commercial products, services, networks, or systems; (iii) the geographic locations of customers, supply chain, agents, intermediaries, and counter-parties; and (iv) the Sanctions programs of financial institutions, such as banks, engaged by customers, intermediaries, and counter-parties. These financial institutions may help mitigate risk to United Group by providing a “back stop” in identifying potential Sanctions violations.

United Group’s Sanctions Compliance Program includes:

- Training (Code of Conduct)
- Contractual Terms (Compliance Annex)
- Due Diligence Screening for Sanctions Risk via **RiskRate** (to undertake the screening, contact your local Finance team, Procurement team or Compliance team)
- Disciplinary procedures for breach of this Policy up to and including termination.

If you have questions regarding Sanctions, or would like further discussions or training, or to report an unusual or high-risk transaction after reading this Policy, contact Compliance at compliance@united.group.

4. WHAT ARE SANCTIONS

Sanctions are economic and financial tools of foreign and national security policy used by governments and multinational governmental bodies to influence change outside their territorial boundaries. Sanctions prohibit or restrict certain economic activities with targeted persons, entities, governments and countries. Sanctions are implemented, for example, to reduce slavery, diminish the drug trade, and provide nations with non-violent coercive methods for use in foreign policy.

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces U.S. economic and financial Sanctions against particular:

- Countries/territories (for example Cuba, Iran, Syria, Crimea, North Korea);
- Individuals (e.g., terrorists, narcotics traffickers);
- Entities (e.g., drug front companies, charities financing terrorist groups); and
- Practices (e.g., trade in noncertified rough diamonds).

Currently there are over 25 such programs, and they change frequently. The European Union, the United Nations, the UK, and other international and national bodies also maintain similar Sanctions regimes.

An embargo is a government order that restricts commerce with a specified country or the exchange of specific goods. Sanctioned countries, such as North Korea, Iran, Cuba, Syria, and the Crimea Region are embargoed, and no entity may engage in activities with, or facilitate transactions or payments through, these countries (see Appendix One).

Politically Exposed Persons, or **PEPs**, means domestic or foreign individuals who are or have been entrusted with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials. PEPs also include the family members and close associates of the above individuals.

Sanctions, embargoes, and PEPs should be treated the same for the purposes of this document.

5. SANCTIONS AND YOU

As an employee of United Group, you have a responsibility to ensure that you are not facilitating transactions in breach of Sanctions or assisting any individuals, Third Party or business partner to circumvent Sanctions. If, in the course of your employment with United Group, you enter into any transaction or arrangement that breaches Sanctions, you could render United Group liable for substantial financial penalties and could also be subject to individual liability.

You must be vigilant and follow this Policy in your relationships with potential and existing third parties. Ask Compliance for assistance (at compliance@united.group) if you are not sure whether a contemplated transaction or arrangement violates Sanctions.

DO:

- request training from Compliance if you feel your work may expose you or United Group to Sanctions risk;
- ask for assistance if you are not sure whether to complete a transaction;
- refer any unusual international trade terms or payment diversions through third parties or third countries to Compliance;
- be cautious about payments from international or foreign-owned companies in particular;
- refer international and high value third parties to your local Finance team for Sanctions screening alongside usual viability checks;
- if transacting business with a new Third Party or intermediary, ensure that your finance checks extend to documenting the beneficial owners (and if from sanctioned jurisdictions, refer to your local Finance/Procurement team for Sanctions screening alongside usual viability checks);

DO NOT:

- engage in any trade of any sort with businesses located in, operating from, or with people connected to, any countries on the list in the Appendix One of this Document without prior approval from Compliance (compliance@united.group), unless and until such countries are removed from the US, UK or EU Sanctions programmes;
- engage in any trade of any sort with a company under the US, UK or EU Sanctions programmes or which is controlled by a company and or an individual under the US, UK or EU Sanctions programmes.
- make Charitable Donations and/or Sponsorships to entities under sanction which could put United Group in breach of US, UN or EU Sanctions currently in force.

6. DISCIPLINARY ACTION FOR BREACHING SANCTIONS

Breaching Sanctions or facilitating/enabling the breach or circumvention of Sanctions can be a civil and/or criminal offense for which both United Group and its individual officers and employees may be liable. Each United Group employee is responsible for ensuring they comply with all applicable Sanctions rules and this Policy.

A violation of Sanctions may result in civil and/or criminal penalties (including severe fines and imprisonment) to both United Group and individual employees engaged in the prohibited activity. If you violate Sanctions during your employment with United Group, you may face disciplinary actions up to and including termination.

7. HOW TO VET BUSINESS PARTNERS: DUE DILIGENCE SCREENING FOR SANCTIONS



Step 1: THIRD PARTY VETTING FOR SANCTIONS RISK

Know Your Third Party: When we engage a new Third Party (a customer, business partner, intermediary or supplier), we always conduct Due Diligence (Third Party Vetting and Credit checks) on our new Third Party so that we know with whom we are contracting.

Know Your Transaction: We also need to understand whether any of the services or products being provided as part of the relationship with the Third Party are intended to be created, processed, or used outside of the country where the Third Party is located, or may otherwise create risk for United Group.

If your transaction has an international element, it is important that your local Finance/Procurement and Legal teams are alerted to conduct Sanctions screening alongside usual viability checks, and that you/ your local Finance/Procurement team report any subsequent suspicions of terrorism, money laundering, reputational risk, unusual contract terms or other Red Flags listed in Appendix Two to Compliance.

Sanctions screening is performed by your local Finance/Procurement team via our membership to the **Navex Risk Rate** service. Screening includes: (i) checking for updates to sanctions/watch lists; (ii) checking for updates to PEP (politically exposed persons) lists; and (iii) checks for exposure to global adverse media.

DO:

- refer Third Party to your local Finance/Procurement department for sanctions screening if:
 - a) Transaction value is **over \$3k** and the arrangement is with an **internationally located** or **headquartered** individual or corporation; or
 - b) a jurisdiction connected to your Third Party ownership structure, or involved in your transaction or its financial arrangements, appears on the list in **Appendix One**. You will need the **Third Party's name, address**, and any known aliases as well as the name of your contact person.

If the sanctions screening raises any concerns, they will immediately notify Compliance at compliance@united.group.

Red Flags are unusual arrangements which may indicate a Third Party is more likely to present elevated Sanctions risk. A Red Flag is not necessarily evidence of a Sanctions issue, but it is a signal to conduct additional diligence on the Third Party. **Contact Compliance** (compliance@united.group) if your arrangement raises Red Flags listed in **Appendix Two**.

Also report requests for information from regulators about United Group Sanctions processes or violations to Compliance.

DO NOT

- conduct any transaction that binds United Group to a course of action without a written agreement;
- inform the client or supplier of any suspicions without prior approval from Compliance; or
- continue any relationship that raises Red Flags without consulting Compliance.

Step 2: RECORDING TRANSACTIONS APPROPRIATELY

You must always, regardless of Sanctions risk, take responsible contractual steps to protect yourself and United Group. After Third Party Vetting/Due Diligence, you must also:

- obtain all necessary internal approvals to proceed with your contract (including contacting Compliance if Red Flags are raised);
- only make international payments to an official bank account; and
- insist transactions are supported by a written agreement with clear terms and conditions approved by Legal (these will include the Sanctions Compliance clause included in the Compliance Annex).

Step 3: ONGOING MONITORING

If at any point – whether during the Third Party Due Diligence or in the course of an ongoing business relationship – you become aware that any Third Party is or may be subject to any Sanctions or is associated with a Sanctioned Country or an individual or company subject to any Sanctions, immediately notify Compliance at compliance@united.group.

Additionally, Navex Risk Rate screens and continuously monitors Third Parties against adverse media, sanctions lists, politically exposed persons and more. Navex Risk Rate will automatically issue an alert if the situation of a Third Party which you have screened changes and a new sanctions risk arises.

If there are any questions regarding Sanctions or anti-boycott laws or if there may be a conflict between the laws of two countries or between local laws and United Group policy, please obtain advice from Compliance at compliance@united.group.



UNITED GROUP

APPENDIX ONE

CURRENT SANCTIONS REGIMES

If you would like to find out more information on the details of the current US Sanctions program, then please use this link:

<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

The following link will provide you with more information on the current EU Sanctions programme:

https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions_en

The following link will provide you with more information on the current UK Sanctions programme:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

List of US Embargo Countries as of September 2022:

Combined, the US Treasury Department, the Commerce Department and the State Department list embargoes against 5 countries or territories:

- Crimea Region and other Ukrainian occupied territories
- Cuba
- Iran
- North Korea
- Syria

APPENDIX TWO

Red Flags include where the Third Party:

- ❖ (or a person publicly associated with the Third Party) is a “Specially Designated National” on the Sanctions lists in [Appendix One](#).
- ❖ Is, or is a family member of, a “Politically Exposed Person” defined as someone who, through their prominent position or influence (for example as part of government or international organizations) is more susceptible to being involved in bribery or corruption.
- ❖ Is, or wholly or partly (directly or indirectly) owned by a Politically Exposed Person, Specially Designated National or anyone included in any restricted list under current UN, US or EU Sanctions Legislation.
- ❖ Has direct or indirect links with a Politically Exposed Person, specially Designated Nationals or anyone included in restricted list under current UN, US, or EU sanctions Legislation.
- ❖ Senior officials appear on a denied parties/persons list in consequence of national or international Sanctions or as a result of past misconduct.
- ❖ Is subject of negative news reports indicating possible criminal, civil, or regulatory violations.
- ❖ Provides unusual or suspicious contact information that cannot be readily verified or is inconsistent with other statements or documents that the Third Party has provided.
- ❖ Comes from or is located in any jurisdictions listed in Appendix One.
- ❖ Is reluctant to provide information about its business activities or ownership structure.
- ❖ Does not have a determinable online presence.
- ❖ Has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
- ❖ Appears to be acting as an agent for an undisclosed principal but declines or is reluctant to provide information or is otherwise evasive regarding that person or entity.
- ❖ Expresses reservations regarding United Group’s standard contractual provisions regarding compliance with laws.
- ❖ Wishes to engage in transactions that lack business sense or apparent marketing strategy or are inconsistent with the Third Party’s stated business strategy.
- ❖ Its financial arrangements include individuals or companies from Sanctions adjacent countries such as Panama, Israel/Palestinian Authority, UAE, Iraq, China, etc...