



Sanctions Policy

December 2022

Policy Statement

Nunchi Marine is committed to abide to all prevailing Economic and Trade Sanctions and will conduct its business with the highest ethical standards in the geographical location(s) in which it operates.

This Policy applies to all staff and members of Nunchi Marine who conduct and/or engage in business in the name of the company with external parties including but not limited to suppliers, customers, agents, brokers, intermediaries and/or any other counterparties which the company has business dealings with.

Definition

Sanctions, inclusive of both Economic and Trade Sanctions, are targeted restrictions and laws which are imposed by governments, international regulatory bodies and/or organisations on certain types of activities, such as trade, financial and travel-related activities, focusing on specific targeted individuals (including entities owned or controlled by such individuals), companies, industries and countries, acting as a tool to achieve foreign policy or national security goals.

Sanction laws, regulations and rules that are widely recognized and accepted on a global scale are primarily imposed and issued by international governing bodies or countries such as the U.S. OFAC, UK's HM Treasury, Australia's DFAT, Singapore MAS, or by multilateral bodies such as the United Nations Security Council (UNSC), European Union (EU) and any of its EU member state, and mainly encompasses the following:

(A) Country-Based Sanctions:

Country-based sanctions are geographically focused with the aim of targeting anybody that resides in that country, any business that is formed in that country, and any subsidiary of a business that is located in that country. Such type of Sanction prohibits all transactions (including imports and exports, as well as cross-border fund transfer), not unless governmental level of approval, license and/or authorization is granted.

(B) List-Based Sanctions:

This refers to Sanctions imposed on specific targeted individuals, companies, countries to restrict a specific set of activities and is unilaterally implemented by countries or international regulatory body.

(C) Sectoral Sanctions:

Sanctions imposed by internationally recognized Sanctions Authority that do not freeze the assets and/or economic resources of a designated person, entity or country completely, but merely restrict the ability of such name person, entity or country to gain access to financing and/or trade its goods, equipment, technology or provision of services.

(D) Secondary Sanctions:

This type of Sanctions is typically imposed on the economic sectors of a targeted country, as well as on the transactions with Specially Designated Nationals(SDNs) and Blocked Persons in the targeted country.

Countries which are currently on either one or more Sanction types as per above-mentioned are as follows:

Balkans, Belarus, Burma (Myanmar), Burundi, Central African Republic, Dem. Republic of Congo, Donetsk, Luhansk, and Crimea regions of Ukraine, Cuba, Ethiopia, Iran, Lebanon, Liberia, Libya, North Korea, Russian Federation (Russia), Somalia, South Sudan, Syria, Venezuela, Yemen and Zimbabwe.

The above list of countries is subjected to change and/or revision from time-to-time basis prevailing international governing Sanction laws, regulations and rules.

Nunchi Marine's Approach Towards Complying With Sanctions

The following guiding principles aims to promote compliance with all applicable Sanction regulations and laws in which Nunchi Marine will abide to:

1. The company abides by its policy of not entering into any transaction, either directly or indirectly, with any Sanctioned Parties, including but not limited to individuals and entities, as well as not having business dealings in any Sanctioned Countries, even where this would be legally permitted.
2. The company will not facilitate any activity with governments or parties within countries that are targeted under applicable Sanctions programs imposed by the US, UK, EU, UN, Australia and Singapore.
3. The company neither maintains and/or has any intention to create any presence in Sanctioned countries.
4. The company will comply with the Sanctions Laws applicable in any foreign jurisdictions in which it operates.
5. In the event of a conflict between Singapore's Sanctions Laws and the Sanctions imposed by a foreign jurisdiction or by a multilateral body, the more stringent requirements will be the prevailing standard to comply with.
6. The company requires their counterparties, representatives and affiliates not to engage in, or facilitate any business activity that would either directly or indirectly, whether knowingly or unknowingly, to breach Sanctions laws, rules or regulations. This shall be made known under contractual representations and warranties.

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All staff and members of the company **MUST NOT**:

1. Engage in any business activities or dealings, be it directly or indirectly, with Sanctioned Parties (including Sanctioned Countries or individuals or entities) which appear on any prevailing Sanctions lists.
2. Refer any business involving Sanctioned Parties to any of Nunchi Marine's business partners or affiliates even if the other party is operating in a country that does not impose or exercise similar Sanctions.
3. Facilitate transactions with third parties that involve Sanctioned Parties (including Sanctioned Countries or individuals or entities) who are on any global Sanctions watchlists.

Violations of Sanctions programs will lead to severe and/or irrecoverable damages not only to the company but also to the individual who violates such, resulting in serious consequences which includes reputation damage, disruption in business relationships, suspension of transactions/trade, assets and accounts freezing, listing in international trade blacklists, as well as civil or criminal penalties such as imprisonment and fines.

This policy will be subject to an annual review to ensure it remains current and effective.