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GAC Sanctions Policy

November 2016



1. POLICY STATEMENT

- 1.1 GAC is fully committed to conducting its business in compliance with all laws and trade restrictions imposed by United Nations, United States, European Union and other national and supranational authorities and legislators (the "Sanctions").
- 1.2 The GAC Code of Ethics provides the foundation for this policy. Our values, honesty and respect for laws guide everything we do and make us comply with the Sanctions not only because we are required to do so, but because we believe compliance is fundamental for our future success. All GAC employees have a role to play in safeguarding and building upon GAC's reputation. Our reputation is dependent on our ability to behave and act responsibly in accordance with our values and principles.
- 1.3 Guided by an interest in protecting our employees and reputation, GAC may go beyond what is required by the Sanctions and decide not to provide services even where it is permitted by law.

2. WHAT BUSINESS MUST NOT BE UNDERTAKEN?

The following restrictions apply for undertaking business or transactions:

2.1 Red Group

GAC is **not** to engage in business or transactions involving:

- a. Any of the following countries*:
 - Cuba
 - Iran
 - North Korea
 - Sudan
- b. Any entity, individual, bank or vessel on the OFAC SDN list or EU sanctions list.

Any exception to the prohibition in 2.1 (a) must be approved by the Group President in writing.

2.2 Orange Group

GAC **prohibits certain** business or transactions involving*:

- Crimea
- Syria

A case-by-case approval is required from the GAC Compliance Team and business activity will be scrutinised.

- * Certain humanitarian aid shipments may be undertaken for the listed countries but such shipments must be submitted to and have the prior written approval of the GAC Compliance Team. Humanitarian shipments through WFP and the Red Cross/Red Crescent will only require prior approval if the payments are being made to or from any of these countries.



2.3 Yellow Group

GAC can engage in business and transactions with the countries listed below unless there is a reason to know or suspect that the transaction might be to the benefit of an individual or entity listed on the OFAC SDN List or any similar list.

- Belarus
- Democratic Republic of the Congo
- Iraq
- Ivory Coast
- Lebanon
- Liberia
- Libya
- Myanmar
- Russia*
- Somalia
- South Sudan
- Yemen
- Zimbabwe

If there is any uncertainty as to the appropriateness of a transaction, both humanitarian and non-humanitarian, you should seek advice from the GAC Compliance Team.

*Refers to business relating to the three areas of sanctioned activity:

- Arctic offshore oil projects
- Deepwater projects/exploration
- Shale projects/exploration

3. WHAT COULD HAPPEN IF SANCTIONS ARE IGNORED?

- 3.1 Violation of the Sanctions may impact GAC's reputation and could result in severe criminal and civil penalties being imposed on the GAC entity concerned or GAC as a whole, as well as individual directors and employees.
- 3.2 It is important to keep in mind that Sanctions imposed by one country (for example, the United States), may have an effect on individuals and companies both inside and outside its borders.
- 3.3 Banks play a vital role in the enforcement of Sanctions. Any violation may severely damage GAC's banking relationships and ability to transact.

4. WHAT ARE YOUR RESPONSIBILITIES?

- 4.1 Read the GAC Sanctions Guidelines (the "Guidelines") which provide guidance on your responsibilities and the vetting procedures and interrupted payments procedures, which should be followed. It is the responsibility of all GAC employees involved in international transactions to understand this policy and the Guidelines. It is the responsibility of the Company Manager to ensure the responsibilities and vetting procedures are implemented.



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- 4.2 Keep up to date with laws and regulations applicable to the countries in which you operate.
- 4.3 Think carefully about the potential impact of Sanctions before accepting business.
- 4.4 Know your customers – who they are, what they do, where they are based and how they will use GAC's services. This is important because you could become involved in a prohibited transaction without realising it.
- 4.5 Do not proceed with a transaction or conduct business if you have any doubts on its propriety. We promote an open culture where if you are unsure what this policy means to a particular transaction you should seek advice from your Manager or the GAC Compliance Team.

5. WHO IS RESPONSIBLE FOR THE POLICY?

- 5.1 The GAC Compliance Team has overall responsibility for ensuring this policy complies with applicable laws and sanctions.
- 5.2 The GAC Compliance Team will regularly monitor the effectiveness and implementation of this policy and make any necessary changes as soon as identified.
- 5.3 GAC Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- 5.4 All GAC employees are responsible for the success of this policy and are invited to suggest ways it might be improved. Comments, suggests or questions should be addressed to the GAC Compliance Team.

6. CONTACT

GAC Compliance Team	groupcompliance@gac.com
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