



# **Company Policy on Sanctions and Export Controls**

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## 1. OBJECTIVE AND SCOPE

International organizations or states may prevent or limit the delivery of certain products and services to certain countries and/or persons for political, military, and social reasons. With the company policy on sanctions and export controls ("**Policy**"), it is aimed to create a framework complying with local and international regulations for managers, employees and related persons within the Company, Van Eck Trailers B.V. ("**Company**").

Maintaining its trade activities in accordance with the sanctions lists and export control obligations set by other countries and international organizations, especially the sanctions of the Republic of Turkey, the United Nations ("**UN**"), the United States ("**USA**") and the European Union ("**EU**"), is a fundamental requirement for the Company, which considers foreign activities an important requirement.

This Policy applies to all the Company managers, employees and, to the extent applicable to third parties.

## 2. DEFINITIONS

"**Compliance Manager**" is an objective and independent assurance and consulting department within the Company designed to add value to an organization's operations and improve its processes.

"**Customer**" shall refer to any person or entity that purchases or uses the Company products or services.

"**Embargo**" is a government order restricting trade with a particular country or the exchange of certain goods.

"**Ethics Board**" shall refer to an objective and independent assurance and consultancy board consisting of at least three members at executive level within the Company designed to monitor the Company's compliance to the relevant code of conduct and policies.

"**Export Control Regulations**" are internal regulations that countries create due to national security concerns, but which are also those applied to the transfer of any goods, services or technology that are subject to foreign trade as a requirement of international responsibilities and cooperation.

"**International Organization**" shall refer to the organizations formed by the member states or other international associations.

"**Know Your Customer Principles**" shall refer to the thorough recognition of a real person or legal entity who first contacted the Company and plays an important role in eliminating the risks associated with the laundering of proceeds of crime financing of terrorism, corruption, fraud, bribery, and other illegal activities that the Company may encounter due to these individuals.

"**OFAC**" shall refer to the Office of Foreign Assets Control of the United States Department of Treasury.



“**Sanctions**” shall refer to the regulations restricting or prohibiting trade with certain countries, organizations, and persons by international organizations (such as the UN or the EU) or countries (such as the US).

“**Sanctions Lists**” shall refer to the lists of sanctioned individuals, organizations, or governments.

“**Supplier**” shall refer to a person or organization providing goods and services to the Company. These person/organization is a part of the business supply chain and can constitute a large part of the value involved in the Company's products.

“**System**” shall refer to the impartial and independent system operating as integrated with the Company ERP software and analyzing according to the existing international Sanctions Lists, decisions, and news in accordance with the requirements of the Know Your Customer Principles.

“**Third Party**” shall refer to any real person or legal entity acting on behalf of the Company or associated with the Company, such as any distributor, dealer, intermediary, consultant, representative, contractor, or subcontractor.

“**U.S. Persons**” shall refer to everyone in the United States, any U.S. citizen or green card holder, wherever they are resident (including persons with dual U.S. citizenship, along with the citizenship of the United States and another country), any person employed by any U.S. affiliated entity or U.S. entity, as well as non-U.S. entities owned or controlled by the United States under certain U.S. Sanctions.<sup>1</sup>

“**U.S. Sanctions**” shall refer to the Sanctions imposed by OFAC and the U.S. Department of State.

### **3. GENERAL PRINCIPLES**

The Company takes the utmost care and effort to ensure that its commercial activities or contractual commitments do not violate any applicable sanctions and export control obligations. In this context, it regularly and continuously follows the updates made in the relevant legislation.

The Company does not have any direct or indirect commercial or other relationship with the persons and countries included in the Sanctions Lists.

In order to ensure compliance with local and international regulations, the Company fulfills the necessary investigation and due diligence studies to know about the Third Parties it works with and keeps its commercial and financial records open and transparent at all times.

Failure by the Company and/or the Company employees to comply with this Policy and relevant legal regulations may lead to the following situations, including but not limited to:

- Confiscation of company assets;
- Freezing of company accounts;

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<sup>1</sup> [https://www.ecfr.gov/cgi-bin/text-idx?mc=true&node=se31.3.560\\_1314&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?mc=true&node=se31.3.560_1314&rgn=div8)



- Imprisonment;
- Pecuniary penalty;
- Termination of employment contract;
- Loss of reputation;
- Recall of loans.

Violation of this Policy may lead to significant disciplinary proceedings, including termination of employment contract. In case this Policy has been violated by any Third Party, their contract, if any, may be forthwith terminated and/or their business relationship with the Company may be ceased immediately.

In cases where Third Parties, particularly our employees, have doubts about the compliance of any activity with this Policy, they are expected to notify such suspicions to the Company anonymously or by sharing their personal information at the address <https://www.vanecktrailers.com/en/ethics-hotline>.

*For detailed information on this subject, please review the Company Policy on Notification.*

#### **4. IMPLEMENTATION OF THE POLICY**

A due diligence process will be carried out to ensure compliance with the sanctions and embargo regulations and to determine the compliance of the Third Parties that are currently being worked with or with whom a commercial business relationship will be established for the first time with the relevant regulations. The objective of the due diligence process is to determine whether the relevant Third Party is included in the Sanctions Lists or whether it is engaged in activities in embargoed countries. Within the scope of Third-Party due diligence, it is very important to obtain as much comprehensive information as possible about the affiliated persons and organizations, to analyze the reasons for the commercial transaction carried out well and to obtain accurate information about the third party's asset resources. There are some issues to be considered in the process of establishing a business relationship with Third Parties. Particularly, the situations including but not limited to the following, require more attention and a more comprehensive review:

- Countries and organizations (EU, USA, UN etc.) controls; Sanction Lists controls;
- Controls on whether business is conducted in embargoed countries;
- Fields of commercial activity and countries of business;
- Persons and institutions operating in high-risk geographies;
- Persons and institutions refraining from providing information and documents;
- Persons about whom negative news has been published in the press;



Employees who are U.S. Persons must not participate in any transaction with sanctioned countries and individuals unless they have been authorized or permitted to participate in such transactions by OFAC.

## **4.1 Due Diligence Study**

### **4.1.1 Third Party Recognition**

The due diligence study will be started by providing the commercial title and other documents (such as trade registration, tax return) for Third Party legal entities and the complete first and last name on the identity document of Third-Party real persons. This information and documents, if any, to be obtained from the Third Party will be entered into the System without delay and the first step of the due diligence study will be carried out directly by the System.

### **4.1.2 Third Party Control**

The following, namely;

- International sanction list reviews;
- Negative news;
- Suspicious lists; and
- Geography of operations

will be scanned by the System and the result will be automatically filed therein.

In cases where there is no warning is displayed in the system, the decision to conclude a contract shall be assumed by the department that will work directly with the relevant Third Party (such as Company Human Resources while concluding the employment contract, Sales Department while concluding the sales contract with the customers).

If a warning is displayed in the System, the System will immediately send information in written form (e-mail) to the Compliance Manager. In this case, upon the request of the Compliance Manager, the department that is in direct contact with the Third Party shall also be obliged to immediately forward all information and documents to the Compliance Manager.

The Compliance Manager will remove the warning from the System if it reviews all relevant information and documents and concludes that there is no violation of the legislation, global standards and/or this Policy. However, if otherwise, it will obtain the opinion of the Company's Legal Department if deemed necessary and submit its evaluation to the approval of the Ethics Board together with the proposed administrative review periods. In such cases, the decision to conclude a contract with the relevant Third Party shall only be made by the Company's executive manager/s.

All results of the due diligence study on Third Parties, the relevant information and documents must be kept in accordance with the applicable local legislation. The records must be kept for a minimum of eight (8) years, unless otherwise specified in



the local legislation, by filing in a clear and comprehensible manner, available for any possible internal and/or external audits.

#### **4.2 Concluding Contracts**

Following the due diligence study carried out by the Company to obtain sufficient information about the Third Parties with which it will conduct business, a written contract will be concluded and signed in cases where it is decided to work with such Third Parties.

In order to protect the Company from the risks associated with the laundering of proceeds of crime that may be caused by Third Parties, the relevant protective clauses must be added to the contract during the contracting process. In this context, terms, and conditions on the right to audit Third Parties, on-site inspection or termination of the contract should be considered. In order to ensure that all contracts concluded with Third Parties contain the relevant provisions, the approval in written form (e-mail) of the Company's legal counsel shall be obtained for the signing version of the relevant contract.

#### **4.3 Continuous monitoring**

It is not sufficient to check the Third Parties that the Company works with only before the contract signing stage. Third Parties with whom there is a n uninterrupted business relationship in accordance with global standards and this Policy must be monitored continuously and regularly, including financial transactions, in accordance with their risk profiles.

As for the Third Parties that are considered to be risk-free during the acceptance process, these real persons or legal entities must be regularly checked by the Compliance Manager at least once a year and

- (i) whether they are on international sanctions lists, and
- (ii) whether there is negative news in the press about them

should be documented.

Subsequent to the warning in the System, the frequency of regular due diligence for Third Parties, who are decided to start or continue to be worked with in accordance with the decision of the Company's manager/s, shall be determined by the Compliance Manager according to the extent of the risk, which such frequency will be at least every six (6) months. For such assessments,

- (i) Negative news search in the press about the relevant real persons and legal entities, company partners and senior managers;
- (ii) International sanctions list scanning;
- (iii) Tracking of changes in fields of activity; and
- (iv) Tracking of countries where foreign trade operations are carried out



will be performed by the system by means of researching the public resources. The research in this context will be carried out by the Compliance Manager.

As the result of this research, the decision to continue working in the event of the emergence of a new risk that did not exist before will be made only by the Company's manager/s, if necessary, by obtaining legal opinion. The decision of the Company's manager/s will be added to the opinion of the Compliance Manager and the legal opinion, if any for archival purposes.

In cases where it is deemed that no new risk element has been formed, the due diligence study will continue to be performed at the frequency determined by the Compliance Manager.

#### **4.4 Third Party Requests**

Various institutions may request documents and information regarding their transactions with the Company, Company, or their Third Parties. If any Company employee is the addressee of such a request, he/she must share this request with the Compliance Manager without delay. The responses to such requests should be subject to the approval of the Compliance Manager without exception and should not contain any inaccurate/incomplete information. Furthermore, all internal and external correspondence related to this request process, if any, must be recorded in physical and in any case in electronic form and stored.

#### **4.5 Training**

In order to raise awareness regarding the local and international regulations on the sanctions and export controls and to increase awareness of the risks associated with the relevant policies and rules of the institution, all relevant employees should receive regular trainings.

All Company employees will be required to receive training on economic sanctions and export controls at the time of employment and to attend this training at least once a year. Furthermore, the Company may, if it deems necessary, provide awareness-raising trainings to Third Parties on sanctions and export control regulations or request that employees receive training from other sources on these issues at its own expense. The organization and follow-up of the trainings will be carried out by the Company Human Resources and Compliance Managers.

#### **4.6 Audit**

External auditors will conduct a general audit on the implementation of this Policy in the Company at least once a year and/or upon the instruction of the Ethics Board and report the audit results to the Company's manager/s.

### **5. AUTHORITIES AND RESPONSIBILITIES**

Updating the Policy shall be under the responsibility of the Compliance Manager.





the Company employees and managers shall be obliged to comply with this Policy, and the Company business partners are expected to comply with this Policy to the extent possible. If there is a difference between this Policy and the local legislation in force in the countries where the Company operates, the more restrictive one shall prevail.

In the case the Company employees witness a transaction that is contrary to this Policy, the applicable legislation, or the Code of Conduct in accordance with the above-mentioned articles, they will personally be required to notify the suspicion of violation over the address <https://www.vanecktrailers.com/en/ethics-hotline>.

Employees may also address questions to the Compliance Manager and/or the Ethics Board at any time regarding sanctions and export control and the implementation of this Policy.

The Compliance Manager is responsible for conducting audits that increase the likelihood of detection of possible violations and ensuring that risk-mitigating controls related to the identified risks are implemented throughout the Company.

As mentioned in more detail above, in the event of a breach of this Policy, criminal sanctions may be imposed, including dismissal of employees and termination of the contract concluded with Third Parties.

## 6. REVISION HISTORY

This Policy entered into force on 27 September 2022.

Revision	Date	Notes