

# Code of Conduct – Sanctions and Export Controls

Nordic Aviation Capital  
NAC Corporate Legal/ Compliance

**Issued 1 November 2022**

## Introduction and Purpose

NAC is a global organisation with a duty to comply with sanctions and export control regulations in all jurisdictions where it does business and in all jurisdictions that may apply in relation to the corporate ownership structure of NAC.

International organisations (like the UN and OFAC) and national governments frequently impose and update sanctions and export restrictions on listed persons, legal entities, and even entire geographical areas and countries (“**Sanctions Targets**”), which can include restrictions on the use, export, re-export and transfer of civil aircraft and related engines, parts and equipment. No business may be conducted with or involve Sanctions Target Countries.

Failure to comply with applicable sanctions and export controls are serious offences entailing serious risks for NAC and NAC Personnel. The NAC Sanctions and Export Controls Policy (the “**Policy**”) is designed to ensure that NAC and NAC Personnel comply with applicable laws and regulations and legal agreements (including but not limited to Credit Agreements), by providing guidance on how to identify and mitigate associated sanctions and export controls risks inherent in NAC’s business.

NAC Personnel means any person employed by NAC, contractors and any member of the Board while acting for NAC.

## Roles and Responsibilities

### Sanctions:

NAC undertakes appropriate due diligence and screening (see NAC Code of Conduct Anti-Money Laundering) before engaging in transactions (even one-off transactions) with a new counterparty. This includes leasing, sales, acquisition, and financing transactions. Third parties involved in any new transaction must be screened initially to determine whether they have any connection to a Sanctions Target or are one themselves. Third parties involved in all transactions must also be included in the on-going watchlist screening programme to continuously determine whether they have any connection to a Sanctions Target or are one themselves.

NAC’s transaction, project, deal team or contract managers are responsible for day-to-day oversight of compliance with the Policy and the reporting of any breaches. Please see the NAC Code of Conduct Anti-Money Laundering Roles and Responsibilities for more detail.

The NAC Compliance Team is responsible for maintaining and updating the Policy, as well as providing training and monitoring its proper application.

If a KYC check results in a potential match for a Sanctions Target, the matter will be investigated by the transaction or project manager, in consultation with NAC’s Chief Risk Officer, General Counsel or Compliance Team as necessary on a case-by-case basis. If the match is confirmed, it will be immediately escalated to NAC’s Chief Risk Officer and/or General Counsel for review and the transaction cannot proceed until it is determined whether NAC can and should apply for any available licenses or exemptions and/or whether the deal can go ahead.

## Export Controls

NAC and NAC Personnel are obliged to comply with the international trade laws associated with exporting an asset, its destination, the end user and the end use. Export control laws regulate cross-border transfer of goods, software and technology that can be used for military or weapons proliferation purposes. Customs laws regulate the movement (import and export) of goods across national borders or customs territories, even in the absence of an actual commercial transaction or import duties. Sanctions can restrict the trade in some goods and services. The Policy must be used to ensure full compliance with export control procedures, including but not limited to:

1. That NAC and NAC Personnel will comply with all export controls, economic sanctions and customs laws that regulate the cross-border transfer of goods and technology. This includes the movement of all assets in an out of the NAC hangar facilities in Billund.
2. Only use NAC approved service providers regarding all export control matters (MROs, customs agents etc.). Those service providers must be on-boarded in accordance with the ABAC Code of Conduct and Policy.
3. Accurate record keeping, reporting and classifications, as well as appropriate document access and/or retention.
4. Sanctions watchlist screening.
5. Confirm all export licenses in place as needed.
6. Seek compliance/legal counsel input if a restrictive trade practice or boycott appears to conflict with the laws of another country.

## Sanctions Clauses

When entering into agreements with third parties, whilst the NAC template lease agreement contains sanctions and export controls clauses, NAC Personnel must consider whether to include specific sanctions and export controls clauses any other agreements to ensure compliance with the Policy. All questions regarding such clauses and their content may be addressed to the relevant Transaction Legal lawyer in the first instance, or alternatively the General Counsel or Compliance team.

## Reporting and Training

The Board (with support from the General Counsel and the Compliance Team) has overall responsibility for ensuring compliance with this Code of Conduct and the Policy by NAC and NAC Personnel. All NAC Personnel have day-to-day responsibility for compliance with this Code of Conduct and the Policy.

NAC's compliance program includes training (both initial and ongoing mandatory annual training for NAC Personnel), updates, and the monitoring of compliance with the Policy. NAC's Compliance Team will also deal with any internal queries and audit internal control systems and procedures (in cooperation with the General Counsel and Chief Risk Officer) to ensure that they are effective.

Reporting will be a crucial part of the Policy's awareness program. If NAC Personnel become aware of, or suspect that, a breach of law or of this Code of Conduct or the Policy has occurred, they must promptly report via the appropriate internal channels (including their manager, the next most senior supervisor, or the NAC Compliance Team), and/or via the confidential external hotline (contact details for which can be found in the "Policies & Handbooks" section on the Corporate Hub).

NAC Personnel raising concerns in accordance with the Policy will not be subjected to retaliation or penalised in any way for raising a concern. NAC will not tolerate retaliation of individuals who raise

matters under this Code of Conduct, or the Policy and instances of retaliation will be taken seriously and addressed appropriately.

Please also refer to NAC's Global Whistleblowing Policy concerning reporting generally.

### **Consequences For Failure to Comply**

Failure to comply with applicable laws and regulations are serious offences and strictly prohibited both by law and by the Policy. NAC Personnel who act in breach of this Code of Conduct or the Policy may be subjected to disciplinary measures, up to and including dismissal. They also risk being prosecuted by the criminal prosecution authorities.

For further information, please refer to the full text of the Policy (and NAC's other codes of conduct and compliance policies) available in the "Policies & Handbooks" section on the Corporate Hub.