



Sanctions Policy

This sanctions policy (**Policy**) explains how Austin Engineering Limited (**Austin**) complies with its sanctions obligations. It applies to the Company, its controlled subsidiaries and to all directors and employees of the Company and its controlled subsidiaries (**Group**).

1. WHY HAVE A SANCTIONS POLICY

Austin is committed to complying with relevant economic and trade sanctions laws in all countries in which it operates through identifying, mitigating and managing the risk, not simply because it is required to do so, but it is the right thing to do.

This Policy establishes the minimum expectations of all Austin entities with its sanctions obligations and sets out Austin's approach, including:

- the principles and measures that Austin will follow to comply with all relevant sanctions legislation and to identify, mitigate and manage sanctions risks in the countries where it operates;
- guidance about the meaning of sanctions and how to comply; and
- consequences of failing to comply with this Policy.

All directors, officers and employees of the Group and all suppliers, agents, consultants and third parties shall:

- comply with this Policy;
- comply with the *Charter of the United Nations Act 1945* (Cth) (the **UN Act**), the *Customs Act 1901* (Cth), the *Autonomous Sanctions Act 2011* (Cth) and Regulations (the **Sanctions Act**) and the *Criminal Code Act 1995* (Cth) (**Criminal Code**); and
- comply with all domestic sanctions laws in all countries where the Group engages in business.

All persons to whom this Policy applies will be expected to understand and apply the Policy and to report any concerns or suspected breaches to the Chief Executive Officer/Managing Director.

2. WHAT ARE SANCTIONS?

Sanctions are tools used by governments and international organisations (such as the United Nations and the European Union) that:

- seek to limit the adverse consequences of a situation of international concern (for example, by denying access to military technologies that enable the pursuit of programs such as the proliferation of weapons of mass destruction);
- seek to influence those responsible for giving rise to a situation of international concern to change their behaviour; and
- penalise those responsible for, or who are involved with, the matters of concern by denying access to international travel or the international financial and commercial system.

Sanctions affect the business operations of financial institutions and their customers by placing restrictions and controls on the movement of goods, services and funds.

Sanctions restrictions can include:

- export bans, import bans and prohibitions on the provision of certain goods and services;
- prohibiting certain commercial activities;
- limiting or prohibiting the transfer of funds to or from or involving a sanctioned country or entity;



- targeted financial sanctions, including the freezing of assets or the prohibition of dealings with a government as well as corporate entities and individuals who are designated;
- travel bans; and
- other financial restrictions.

Sanction regimes may be subject to frequent and sometimes sudden change. They can be imposed at any time by any country, international organisation or other body. Generally, the effect is immediate.

The consequences of breaching sanctions laws are serious and can range from civil or criminal penalties and significant reputational harm.

3. SANCTIONS LAWS

3.1 Global Sanctions Obligations

- All of the jurisdictions in which Austin operates are obliged to give effect to the United Nations Security Council (**UNSC**) Sanctions.
- In addition, some jurisdictions also impose autonomous sanctions, including the United States, the United Kingdom, the European Union and Australia.

3.2 Australian Sanctions

Australia implements both UNSC Sanctions and its own autonomous sanctions. Each have the force of law and carry significant criminal penalties if they are contravened.

There are two features of Australia's sanctions regime.

- In situations where the UNSC determines the existence of a threat to the peace or breach of the peace or an act of aggression, the UNSC decides on measures to be taken to restore peace and members of the United Nations (including Australia) are legally bound to accept and carry out those measures as a matter of international law. They are therefore part of the Australian law and must be upheld.
- Autonomous sanctions are punitive measures taken by the Australian Government as a matter of foreign policy in response to situations of international concern. These measures often seek to apply pressure on regimes that assist in the oppression of human rights and democratic freedom or to counter destabilising policies or to prevent regime leaders from accessing the international financial system.

Note: there is some overlap between the UNSC Sanctions and Australia's autonomous sanctions.

The Australian Government publishes Regulations which identify countries, entities, companies and individuals that are the subject of autonomous sanctions (which reflect the UNSC Sanctions but which can vary). The Australian Government also imposes sanctions on identified entities, companies and individuals. They are contained in the **Consolidated List** maintained by the Australian Department of Foreign Affairs and Trade. A copy is publicly available at <http://dfat.gov.au/international-relations/security/sanctions/pages/consolidated-list.aspx>.

Australian sanctions apply broadly to both direct and indirect ownership, regardless of percentage holdings or value. It is important when considering a counterparty to Austin (including any supplier, customer) to consider its direct and indirect ownership against the Consolidated List.

There are severe penalties imposed on companies or individuals who contravene the sanctions laws. They include:

- the imposition of a civil penalty (or fine) against a company;
- potential criminal convictions against a company and individual; and
- significant fines and/or imprisonment of up to 10 years for any individual.



Similar severe penalties apply in almost every other country where Austin conducts business for breaches of sanctions laws. If you are asked to undertake any commercial transaction involving any country, potential entity or individual that is or may be the subject of sanctions, you must not do so and the matter shall be referred to the General Counsel.

4. AUSTIN'S OBLIGATIONS

In conducting its business, Austin will:

- maintain this Policy to meet its obligations under sanctions regimes in all countries in which it operates;
- comply with the requirements of the Australian sanctions regime both within Australia and abroad as an Australian company;
- not undertake any business (either new business or continue any existing business) that would breach any Australian sanctions laws;
- comply with all non-Australian sanctions regimes wherever they apply and will forego any business that will breach those sanctions regimes;
- not provide or acquire products, services or goods, even where it is permitted to do so by law, guided by its risk appetite, corporate social responsibility and/or any reputational or risk issue; and
- report any breach of a sanctions regime to the appropriate authority in a timely manner and in accordance with the law.

In carrying out its compliance obligations, Austin relies upon information provided to it by its customers and business partners unless it is aware of or suspects that those customers and business partners, or the information provided, is unreliable, misleading or dishonest. Austin will, in any such case, undertake its own independent inquiries to satisfy itself that any proposed or ongoing business does not contravene any applicable sanctions laws. Where the laws in a country in which Austin operates permit activities that are prohibited under Australian sanctions regime, the Australian sanctions regime must be followed.

Austin expects all individuals to exercise due care in designing and undertaking business opportunities and processes to ensure that no individual transaction involves a knowing breach of any applicable sanctions obligation.

Austin will provide education and training to directors, officers and employees of the Group.

5. REVIEW

The Company will periodically review this Policy to check that it is operating effectively and whether any changes are required to the Policy.