

## Macquarie Technology Group Limited

# AUS Sanctions Compliance Policy (SCP)

### A. Statement of SCP Compliance

1. It is the policy of Macquarie Technology Group Limited (and all of its subsidiaries) (**MTG**) to:
  - a. comply with all applicable laws and regulations and maintain high levels of ethical standards in all its dealings;
  - b. work hard to protect its reputation for honesty and integrity;
  - c. support all MTG employees, contractors, officers and directors (**Staff**), plus those acting on MTG's behalf, to comply with all applicable laws and regulations, including US sanctions (**US Sanctions**) where applicable to MTG's operations.
2. US Sanctions relevant to MTG's operations may in any circumstances cover both *US Economic Sanctions* and *Export Controls*. (Please see checklist below that Staff can use to check if a transaction they are involved with may be subject to US Sanctions).

### B. US Economic Sanctions & Export Controls - Background

1. Embargoed Countries and OFAC Sanction Targets
  - a. The *US Treasury's Office of Foreign Assets Control (OFAC)* enforces US economic and trade sanctions based on US foreign policy and US national security requirements.
  - b. The OFAC prohibits specific dealings by **US Persons** with **Embargoed Countries**, currently including for example **Crimea, Cuba, Iran, North Korea, Sudan and Syria**, and their respective governments and associated **OFAC Sanctions Targets**<sup>1</sup>. Refer for more details about Embargoed country programmes to: [Sanctions Programs and Country Information | Office of Foreign Assets Control \(treasury.gov\)](#).
  - c. **US Persons** include:
    - all US-incorporated entities
    - all persons in the United States
    - any US citizen or US green card holder.
  - d. *The OFAC Sanctions Targets* as specified above include individuals located in or associated with Embargoed Countries and their governments and individuals identified by the OFAC as **Specially Designated Nationals and Blocked Persons (SDNs)**.
  - e. SDNs include those associated with sanctioned countries and OFAC-designated terrorists, nuclear proliferation threats, narcotics traffickers, criminal organisations and other OFAC-sanctioned persons. Summaries of the OFAC sanctions programmes are specified on the OFAC website: [www.treas.gov/ofac/](http://www.treas.gov/ofac/)
2. Relevance to MTG
  - a. OFAC's economic sanctions regime applies to MTG (and non-US Persons generally) to the extent MTG's activities may involve US Persons (including any large US company that is an MTG supplier and/or customer), USA territory, the USA financial system and/ or US Origin Goods, defined below (together **US Elements**).

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<sup>1</sup> Subject to very limited exemptions.

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- b. There is a risk that MTG can potentially violate OFAC sanctions by involving US Elements in transactions with the Embargoed Countries, SDNs or other US Sanctions targets.
- c. Even if a transaction involves no US Elements, the OFAC can potentially sanction any person or entity globally that engages in significant transactions with, or provides material assistance to, any SDN.

### 3. OFAC's Economic Sanctions & MTG Compliance

MTG's policy is:

- a. to comply fully with all USA Sanctions laws and regulations when applicable to MTG's business;
- b. that neither MTG nor its Staff will engage in any business dealings with SDNs or involving Embargoed Countries; and
- c. to implement compliance through a suitable screening and filtering process such as specified below.

## C. US Export Controls Explained

Under the *US Export Administration Regulations (USEAR)*, the US Department of Commerce (**USDoC**) prohibits most exports or re-exports of US-Origin Goods to Embargoed Countries.

### 1. US Origin Goods

- a. USEAR defines **US Origin Goods** to include:
  - **commodities, software and technology exported from the USA or re-exported from a third country.**
  - *non-US Origin Goods which contain more than 10% of controlled US-Origin content.*
- b. A **US Export-Controlled Item** means any **US Origin Goods** that require a specific US export license or other US written authorisation for export or re-export to a specific country.
- c. Applicable controls vary depending on the goods, technology, end use, end user, other participants and destination country.

### 2. US Export Administration Regulations (USEAR) Scope

- a. USEAR prohibits unlicensed export or re-export of **US Export-Controlled Items** to Embargoed Countries as well as certain US-restricted end-uses and end-users, called **Denied Persons**.
- b. Specific controls apply to export transactions involving US Export-Controlled Items. This includes export-controlled **US-Origin commodities, software, technology, defence articles or controlled technical data**. These controls seek to prevent involvement in unauthorised exports of US Export-Controlled Items, particularly to any **SDNs, Denied Persons or Embargoed Countries**.
- c. To determine whether any particular item constitutes a US Export-Controlled Item (including technology) or is otherwise subject to restrictions under this Policy, Staff should consult with MTG Legal.

### 3. US Export Controls: Compliance Obligation – Suppliers and Customers

- a. MTG's policy is to not knowingly make any sales, shipments or transfers of US Origin Goods or services to any individual, entity or country subject to economic or trade sanctions imposed by the USA, unless MTG shall have first determined (or received assurance from its customers) that such transaction complies with applicable laws.

- b. MTG may require suppliers and customers, as a condition of or transacting with them, to warrant that they comply with applicable laws and all terms of any applicable license requirements.

#### D. Screening and Filtering: Embargoed Countries & SDNs

1. Should MTG ever wish to engage in any transaction involving Embargoed Countries or individuals/ entities who are residents or nationals of Embargoed Countries, the matter must first be referred to MTG Legal. Such transactions could include international services provision, international payments, and export/import transactions.
2. If there is a decision to proceed with the transaction, the names of parties involved must be screened to determine whether the transaction involves or relates to "**Restricted Persons**" which means a person/entity:
  - a. listed by OFAC as an SDN or other OFAC sanctions target (e.g., a government or resident of an **Embargoed Country** or an entity **owned 50% or more by an SDN**);
  - b. listed by USDoC as a **Denied Person** or other US export restricted party.
3. However, unless approved by MTG Legal in writing, no transaction should be executed that involves, directly or indirectly, a Restricted Person.
4. If, at any time, a Staff member believes that a counterparty with whom they have an existing business relationship, is or may have become a Restricted Person, the Staff member must immediately notify their line manager and MTG Legal as required.
5. Should any contemplated transaction appear to involve a Restricted Person, directly or indirectly, the transaction or relationship may only proceed with the prior written approval of MTG Legal.

#### E. Administration, Reporting, Non-Retaliation & Enforcement

##### 1. Administration

Ongoing administration of the Policy document will be directed by MTG Legal. MTG Legal will coordinate with other relevant executive, operational and control functions within the MTG as necessary, regarding procedures, training, and other compliance issues.

##### 2. Reporting Obligations

- a. Staff should immediately report any activity that they believe may infringe the requirements of this Policy to their direct supervisor, or otherwise to the next most senior supervisor, or directly to MTG Legal.
- b. Once a Staff member has made a report, they must maintain confidentiality of any investigative information.

##### 3. Non-Retaliation

In accordance with MTG's Whistleblower Policy, under no circumstances shall the reporting of any such potential Policy infringement serve as a basis for retaliation and intimidation against any Staff member making the report in good faith.

4. Enforcement

The standards set forth in this Policy are important to MTG. Infringement of these standards due to negligent or reckless conduct may result in formal action, including disciplinary action.

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## US Sanctions Compliance Checklist

### A. Transactions not involving *Specially Designated Nationals and Blocked Persons* (SDNs)

1. Does the transaction somehow involve an **Embargoed Country** or **Restricted Person**?  
**YES / NO**

**If yes:**

2. Does the transaction involve **US Persons** or exports of **US Origin Goods**, including:
- any US-based companies
  - anyone located in the US or anyone that has a US passport or US green card
  - any USD-denominated wire payments, cheques or card charges, or
  - any transfers to an **Embargoed Country** or **Restricted Person** of **US Origin Goods**?
- YES / NO**

**If yes:**

3. Have you obtained authorisation from MTG Legal for the transaction?  
**YES / NO**

**If no:**

4. Do not proceed unless and until MTG Legal approves the transaction in writing.

### B. Transactions that involve SDNs

MTG policy prohibits the involvement of SDNs in our transactions. Immediately upon determining that a transaction may involve an SDN, put that transaction on hold and notify MTG Legal.

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## SCHEDULE 1

### Additional instructions for US Persons employed by MTG

1. You are a **US Person** if you have a US passport or green card or are located in the USA.
2. If you are a US Person, you must not participate in any MTG business that involves **Embargoed Countries** or **Restricted Persons**.
3. The requirement not to participate in such business includes a prohibition on:
  - a. Providing any commercial advice, assistance or other support in connection with any such business;
  - b. Supervising, authorizing or approving any such business;
  - c. Participating in the re-design or restructuring of any such business;
  - d. Providing corporate or technology services (e.g., accounting, logistics, contract administration, technical services) specifically to support such business;
  - e. Referring such business to any other person.
  - f. US sanctions do not extend to passive awareness by US Person Staff of the MTG's activities involving Embargoed Countries or Restricted Persons, as long as the US Persons do not use their awareness of such business to engage in unauthorized activity that facilitates such business.
4. US Persons should consult with MTG Legal whenever they have questions or concerns about US sanctions requirements.

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## SCHEDULE 2

### Additional instructions for non-US Persons employed by MTG

1. Staff who are not US Persons must not involve **US Persons** (including **US companies**), exports of **US Origin Goods or services**, or the US financial system in MTG business that involves **Embargoed Countries or Restricted Persons**.
2. A non-US Person involved in such business must not:
  - a. ask a US Person (including a US citizen or green card holder outside the USA) to assist you with that business;
  - b. discuss that business with a US Person, except to alert them to the potential need for compliance with this Policy;
  - c. include US Persons in e-mail chains to further such business;
  - d. attempt to involve US Persons in that business by withholding information about its connection to an Embargoed Country;
  - e. use credit or other assets provided by US Persons to finance that business; or
  - f. authorise or permit any transactions that involve SDNs.

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## SCHEDULE 3

### Additional instructions for MTG Finance & Procurement

1. Staff working in MTG's Services Division should note that this Policy prohibits:
  - a. any transactions with or involving **SDNs**;
  - b. USD wire payment activity relating to services involving **Embargoed Countries** and **Restricted Persons**;
  - c. any other significant transactions with international third parties without first obtaining undertakings from them regarding compliance with US Sanctions in connection with the transaction.

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**IF YOU HAVE ANY QUESTIONS ABOUT OUR SANCTIONS COMPLIANCE POLICY AND RELATED COMPLIANCE PROCEDURES, PLEASE CONTACT MTG LEGAL.**