

Convera Global Sanctions Policy Statement



Convera and all of its affiliates are committed to complying with economic and trade sanctions programs in force in the countries, territories, and jurisdictions in which Convera operates. Convera maintains a Global Sanctions Policy which sets forth minimum standards for compliance with applicable sanctions laws and regulations¹. Convera and all of its affiliates do not provide services to, from or involving individuals, entities or organizations, or other connected parties² which are currently targeted by sanctions administered by the following bodies: United Nations, European Union, Office of Foreign Assets Control (US), Office of Financial Sanctions Implementation (UK) or as part of other local sanctions law applicable to Convera, or to a client.

Convera also limits transactions involving certain jurisdictions and parties as a matter of internal policy where such business may present unacceptable levels of sanctions-related risk. Economic and trade sanctions programs administered by various government bodies prohibit or restrict transactions to or from (or dealings with) certain countries, their governments, and in certain circumstances, their nationals. Sanctions laws and regulations are subject to frequent changes, and in many cases changes can come with little notice and become enforceable upon adoption. This policy summarizes effective regimes as of January 2024, but Convera may make changes at any time based on new requirements that come into effect.

As a result of these prohibitions and restrictions and Convera policy, Convera currently limits its dealings with certain jurisdictions and entities including the following:

Cuba, Iran³, North Korea

Convera does not process transactions providing economic benefit to these countries directly or indirectly³ as a matter of company policy, regardless of whether such transactions are permissible under any applicable sanctions regulations.

Afghanistan

On a case-by-case basis with the pre-approval of the Convera Global Sanctions and Interdiction team, Convera will process transactions to/from Afghanistan where it determines such transactions involve transfers in support of Non-Governmental Organizations' humanitarian activity in Afghanistan, where the underlying activity is consistent with parameters set forth by the applicable sanctions' regulatory authority.

Syria

On a case-by-case basis with the pre-approval of the Convera Global Sanctions and Interdiction team, Convera will process transactions to/from and involving Syria where it determines such transactions involve transfers in support of Non-Governmental Organization's humanitarian

¹ Applicable sanctions regimes include the United Nations (UN), European Union and its member states (EU), Office of Financial Sanctions Implementation, the United States Department of Treasury's Office of Foreign Assets Control (OFAC), and any other sanctions laws or regulations applicable to entities which operate in the primary jurisdiction in which the client is registered and incorporated in.

² Connected Parties include but are not limited to, beneficial owners, key controllers, trustees, settlors/grantors/founders, protectors, and beneficiaries as well as who other parties that may support or provide advice to the customer, but who sit outside of the ownership structure. These may include syndicate lending deals, arrangers in SPVs, insurance manager in captive insurance and distributors

³ On a very limited basis, Convera processes transactions involving the protection of intellectual property in Iran pursuant to certain general licenses. These transactions must take place entirely outside the territory of Iran and may not involve any Iranian financial institutions located in Iran and involving those with branches outside of Iran.

³ Directly or indirectly refers to activity involving third countries or entities incorporated or residing in third countries but providing economic benefit or services to sanctioned or restricted jurisdictions.

activity in Syria and such transfers are permissible per applicable sanctions regulations⁴.

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Venezuela

On a case-by-case basis with the company approval, Convera will process transactions involving Venezuela where it determines such transactions are authorized under the applicable sanctions regulatory authority and consistent with Convera's company policy. As a matter of company policy, Convera does not process transactions where any financial institution client of Convera is sending a transaction on behalf of another entity (Natural Person or Corporate Body) resident in Venezuela. Additionally, Convera does not process transactions where any client of Convera is sending a trade-related transaction involving, directly or indirectly, the Venezuelan oil, gas and energy sector or ancillary services including but not limited to construction, shipping, transportation, and professional consulting services.

Crimea, Donetsk and Luhansk Provinces

Convera does not process transactions providing economic benefit to these jurisdictions directly or indirectly as a matter of company policy, regardless of whether such transactions are permissible under any applicable sanctions regulations.

Russia

Convera does not process transactions providing economic benefit to Russia as a matter of company policy directly or indirectly⁵.

Belarus

Convera does not process transactions providing economic benefit to Belarus as a matter of company policy directly or indirectly.

Zaporizhzhia and Kherson regions of Ukraine

Convera will process transactions involving Zaporizhzhia and Kherson regions on case-by-case basis ensuring that such transactions are authorized under the applicable sanctions regimes established by the European Union and HM Treasury Office of Financial Sanctions Implementation.

⁴ On a very limited basis, we process transactions involving the protection of intellectual property in Syria pursuant to certain general licenses published by applicable sanctions authorities.

⁵ On a very limited basis, Convera may process transactions involving the protection of intellectual property in Russia pursuant to certain general licenses published by applicable sanctions authorities.

FREQUENTLY ASKED QUESTIONS (FAQS)

What is OFAC?

The Office of Foreign Assets Control of the U.S. Department of the Treasury administers and enforces most of the U.S. sanctions. OFAC regulations operate on a strict liability basis and any prohibited activity with a sanctions target, regardless of knowledge or intent, would be a violation of the U.S. regulations and could result in an enforcement action.

Why is my transaction subject to OFAC rules and regulations in addition to local requirements?

OFAC's regulations apply to all financial institutions operating or incorporated in the United States, as well as to their overseas branches, and in some cases overseas subsidiaries. OFAC's regulations also apply to U.S. businesses and legal entities and to citizens and residents wherever they are located. Since Convera transactions, either directly or indirectly, involve U.S. entities and individuals, even transactions initiated by Convera customers based outside of the United States through their Convera account are subject to OFAC's rules and regulations.

My transaction was released by Convera, but is currently being held by another financial institution, what is the reason behind the delay?

Just as Convera makes risk-based decisions as a result of regulatory compliance and guidance, prior experience and analysis, and review of the overall threat to the business; other financial institutions, especially financial institutions that process transactions through the United States, also have controls and review processes to evaluate whether transactions are consistent with regulatory requirements and company policy. Our bank partners face similar risks of liability for transactions found to be non-compliant. Convera's correspondent banks have their own risk tolerance and appetite, which may result in Convera's customers being asked to provide additional information on a transaction they initiate through their Convera account even after it has been released through Convera's systems.

A previous transaction with the same beneficiary/banking details was recently released, why are these transactions being held now?

In order to mitigate risks and protect our business, Convera Compliance will often review and amend our company policy in order to address and manage the risks associated with a product, industry, or jurisdiction. In addition to not being able to process transactions that are prohibited by the U.S. sanctions, Convera screens all transactions against various lists, including but not limited to the UN, EU, HMT and OFAC lists, and Convera proprietary list. Although previous transactions between the remitter and beneficiary were reviewed and released, the lists are updated daily and therefore each transaction (even between previous transacting parties) must be screened and any concerns must be mitigated prior to release. Sanctions are a tool used to implement foreign and national security policy, the regulations, rules, and lists maintained by sanctions authorities change frequently.

My business screens against OFAC's Specially Designated Nationals and Blocked Persons List (the "SDN List"), why are we being asked about transactions related to other sanctioned jurisdictions?

In addition to the SDN List, OFAC maintains more comprehensive jurisdictional sanctions. Convera must maintain a sanctions program that prevents and/or restricts the receipt, transfer and/or use of assets and funds through services or products provided. This includes freezing transactions or other assets related to a target of sanctions. Any frozen assets must not be released to the entity(s) in question without proper government authorization. Consumers, clients, and organizations must be checked against sanctions lists before Convera can process transactions on their behalf. Convera scans all transactions against a series of global sanctions

lists in jurisdictions it operates and as mandated by applicable local laws. Convera's screening systems are designed to identify transactions that could involve either.

What is the meaning and/or significance of “indirectly involving an OFAC Sanctioned Jurisdiction”?

Transactions that will ultimately benefit any individuals or entities located in or operating in a Sanctioned Jurisdiction are considered to indirectly involve that Sanctioned Jurisdiction (even where the beneficiary of the transaction is located in a non-Sanctioned Jurisdiction). According to guidance on OFAC's website, “You cannot do something indirectly that you would not be able to do directly.” For example, sending a transaction to the UAE which ultimately benefits an entity located in Iran where there is no OFAC authorization to do so would be considered the same as sending the transactions directly to the entity in Iran. Another good example – a relative in the United Kingdom, attempting to send a tuition transaction to a University in Canada on behalf of a student residing in Iran. It would be prohibited to process this tuition using Convera due to the existing nexus to the United States.

Convera sanctions workflow

A transaction's workflow starts upon being committed on any of Convera's transaction platforms. Prior to sanctions screening, the transaction's instructions are checked against the processing center, beneficiary bank country, and currency requirements for that product. If the transaction formatting guidelines are met, the transaction is verified and forwarded to the sanctions screening stage.

All transaction details are uploaded to Convera's sanctions screening software and are screened against a set of global sanctions and Convera's proprietary list.

The transaction will auto-release if no matches are triggered. However, if a potential match is identified the order will halt and require manual review by Compliance.

Best Practices Guide

Convera understands that sanctions compliance cases may potentially result in transactions delays, so below are some best practices to facilitate sanctions investigations to resolve the case in a timely manner.

SUPPORTING DOCUMENTATION

1. Client must ensure that the information provided fully satisfies the request for information. If there is a discrepancy in the information provided (e.g., transaction total and invoice total do not match), an explanation should be provided.
2. Client ensures that all government issued IDs provided upon request are not expired.

TRANSACTION ENTRY

1. Client should use the full legal names (first, middle, and last) of remitter, beneficiaries and all individuals involved in the transaction. Abbreviations and acronyms should not be used.
2. Client should use valid beneficiary address, including full street address, city, and country.
 - Client should ensure that the correct country code is used in the beneficiary address.
 - Special characters (#, *, !, @, etc.) should be removed from all address fields.
3. Client must verify the accuracy of transaction details prior to the entry of every transaction to ensure that there have been no changes in the beneficiary address, etc. Client should ensure that all references used in previous transactions are relevant to the current transaction.
4. Client must ensure that a detailed purpose of transaction is provided in the appropriate field. Abbreviations should be avoided in the purpose of transaction and reference fields unless an explanation can be provided, if needed.

