



SANCTIONS RECUSAL PROCEDURE

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Policy name : **SANCTIONS RECUSAL PROCEDURE**
Policy version : **1.0**
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1. Introduction

- 1.1 SATS Ltd. and its group of companies (“**SATS**”) is committed to compliance with trade sanctions, including, as may be applicable to SATS’ business from time to time, the laws and regulations implemented by Singapore, the European Union, the United Kingdom, the United States, and other jurisdictions in which SATS conducts business, and United Nations Security Council Resolutions (collectively, “**Sanctions**”).
- 1.2 Our global reputation and success depend on conducting our international business in accordance with applicable laws and to the highest moral, ethical and legal standards.

2. Objective and Scope

2.1 Objective

- 2.1.1 Sanctions restrict and prohibit dealings by persons subject to the jurisdiction of a country (e.g., Singapore persons in Singapore, EU persons in the European Union, UK persons in the United Kingdom, etc.) to the extent that such dealings involve territories or persons subject to Sanctions imposed by that first-mentioned country.
- 2.1.2 For example, “U.S. persons” (as defined below) must comply with U.S. Sanctions and refrain from dealing with certain countries, individuals, or entities as identified by U.S. authorities to be sanctioned under U.S. Sanctions. Other Sanctions laws, such as Singapore, EU, or UK Sanctions, apply similarly. Individuals who violate such Sanctions may be personally liable for such violations, in addition to subjecting SATS to potential liability, business disruption and/or reputational damage.
- 2.1.3 Specifically, U.S., EU, UK, and Singapore sanctions respectively apply to

U.S., EU, UK, and Singapore persons as follows:

- (a) **U.S. person**: A U.S. citizen, a U.S. lawful permanent resident, or any person located in the United States;
- (b) **EU person**: Any person who is a national of an EU Member State or located in the European Union;
- (c) **UK person**: A British citizen, a British overseas territories citizen, a British National (Overseas), a British Overseas citizen, a person who is a British subject under the British Nationality Act 1981, a British “protected person” as defined in the British Nationality Act 1981, or any person located in the United Kingdom; and
- (d) **Singapore person**: A Singapore citizen, or permanent resident located in Singapore.

For the purposes of paragraph 2.1.3 of this Policy, EU refers to the Member States of the European Union, as may be updated from time to time¹, and which are presently Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden.

2.1.4 This Sanctions Recusal Procedure (“**Procedure**”) is designed to provide a framework to minimize the risks that a SATS personnel becomes involved, inadvertently or otherwise, in SATS’ business that is contrary to the Sanctions applicable to such individuals. This Policy applies to all SATS personnel wherever they are located.

2.1.5 “**SATS Group**” means SATS Ltd and entities in which SATS Ltd directly or indirectly holds:

- (a) more than 50% shareholding; or
- (b) 20% to 50% shareholding and where SATS Ltd. has management control or operational control.

2.1.6 “**SATS Personnel**” means a director, officer, and an employee of the SATS Group.

2.2 Scope

¹ Refer to https://european-union.europa.eu/principles-countries-history/country-profiles_en for an updated list

This Procedure applies to all of SATS operations, including all operating units, Subsidiaries, SATS Personnel and contractors (where such contractors perform services for and on behalf of SATS).

2.3 Relationships to other documents

2.3.1 This Procedure supports the following documents of the SATS Group:

- (a) Sanctions Compliance Policy
- (b) Third Party Screening Policy and Procedure
- (c) Operating Procedure

2.3.2 Defined terms which are not otherwise defined in this document are based on the Sanctions Compliance Policy.

3. Relevant Restrictions

3.1 Sanctions restrict dealings with certain countries, regions, entities, and individuals, and can take the form of asset freezes and trade restrictions.

3.2 A national of a particular country remains subject to the Sanctions laws of that country regardless of their location in the world. Examples of this are as follows:

3.2.1 A dual Malaysian/U.S. citizen working in Malaysia encounters an opportunity to win business from an Iranian company.

3.2.2 A national of an EU member state working in Singapore is called upon to approve a contract with a Russian oligarch subject to EU sanctions.

3.2.3 A UK citizen working in India is asked to deliberate in a management team meeting about negotiations with a Russian airline subject to UK sanctions.

3.2.4 A Singapore-based employee travels to the United States, and while there, receives a phone call from a colleague about how to structure a contract with an Iraqi airline subject to U.S. sanctions.

3.3 Such persons are prohibited from engaging in the following activities involving sanctioned territories or parties restricted under Sanctions applicable to them (e.g., activities for a Singapore employee involving a company subject to Singapore Sanctions) unless approved by SATS' Ethics & Compliance team and authorized under applicable Sanctions:

3.3.1 Any decision-making process regarding or involving the applicable sanctioned territory or party,

3.3.2 Approving any business involving the applicable sanctioned territory or party,

- 3.3.3 Voting on, arranging financing, negotiating, strategizing, etc. any business with the applicable sanctioned country or party,
- 3.3.4 Referring inquiries or orders for the applicable sanctioned territory or party to a person of a different jurisdiction (e.g., a U.S. person referring an opportunity to a non-U.S. person for business that is prohibited under U.S. Sanctions),
- 3.3.5 Attempting or advising how to evade or avoid Sanctions,
- 3.3.6 Delegating duties to a person of a different country in an attempt to avoid Sanctions, including directing such a person to sign contracts, approve payments, negotiate deals and engage in other activities involving a sanctioned country or party that the person is not allowed to do himself/herself.

4. Roles and Responsibilities

4.1 *Ethics and Compliance Team*

The SATS Ethics and Compliance Team is responsible for:

- 4.1.1 Developing, implementing and maintaining internal documentation concerning compliance issues, such as Sanctions;
- 4.1.2 Developing and/or conducting adequate specific training courses on Sanctions, including this Procedure;
- 4.1.3 Training employees on Sanctions; and
- 4.1.4 Receiving and approving all recusal notifications sent by employees.

4.2 *Human Capital*

To assist with monitoring compliance with this Procedure, the SATS Ethics and Compliance Team with support from Human Capital:

- 4.2.1 will have access to a current list of SATS employees maintained by Human Capital who work at a location outside of their country of employment;
- 4.2.2 will insofar as is practicable, have access to a current list of such persons working at a location outside of their country of citizenship or permanent residency;
- 4.2.3 will ensure that Sanctions training attendance is recorded and where necessary, the Ethics & Compliance Team is informed of any non-attendance in a timely manner so that make-up sessions can be organized as early as practicable.

5. Recusal Requirements

5.1 *Requirements for SATS Personnel*

As compliance applies to each and every individual at SATS, each SATS Personnel

(as defined above) is required to observe the following compliance initiatives:

- 5.1.1 read and acknowledge receipt of this Procedure on an annual basis by signing the recusal statement found in Appendix 1 and providing the signed statement to the Chief Legal Officer and to Human Capital;
- 5.1.2 proactively notify, and keep updated, Human Capital when working at a location outside of the country of citizenship or permanent residency. U.S., EU and UK persons are required to pay specific attention to this point (b);
- 5.1.3 participate in appropriate Sanctions training courses; and
- 5.1.4 if in doubt on your obligations or on a matter that has arisen for your attention about Sanctions, SATS Trade Sanctions Policy and/or this Procedure, to contact the SATS Ethics and Compliance Team to clarify these doubts.

5.2 Recusal requirements

It is **important** that a SATS Personnel who is asked to be involved or consulted directly or indirectly in any business involving a territory or person subject to Sanctions, observes the following procedure:

- 5.2.1 recuse himself/herself immediately from any involvement (withdraw from the meeting, withdraw from the email chain) by notifying his/her recusal to his/her manager and the BU leader;
- 5.2.2 Immediately inform his/her manager(s) and the BU leader of the reason(s) for recusal; and
- 5.2.3 Immediately notify the Ethics & Compliance Team (email to SATS_EC@sats.com.sg) about the recusal so that advice, guidance, validation and record-keeping activities can take place in a timely fashion to remediate/mitigate any non-compliance risks.

Such recusal will not negatively affect the person's annual evaluation performance or deprive him/her of opportunities to work on activities that are not restricted by Sanctions. Each SATS Personnel can also directly contact the Ethics & Compliance Team at SATS_EC@sats.com.sg, in case of questions or concerns regarding Sanctions.

6. Update of this Procedure

- 6.1 The Ethics & Compliance Team is responsible for updating and ensuring that this Procedure is accurate and delivering the appropriate training to SATS Personnel about Sanctions compliance concerns. It is also responsible for ensuring the overall documentation collected is confidential, accurate, up-to-date and not retained longer than necessary.

- 6.2 The documentation is archived for a period of five (5) years, in a secure location considering applicable data privacy and protection requirements.

Appendix 1
RECUSAL STATEMENT

TO: Chief Legal Officer of SATS

THROUGH: [Name of the manager – Entity – Department]

FROM: [Name of the Recusing Person – Entity – Department]

By signing below, I, ____, confirm that, because of my current status as a citizen or permanent resident of [], or because of my physical location in [], I cannot and will not be involved in any manner in any business, dealings or transactions by SATS that is restricted under Sanctions imposed by such country, including Sanctions targeting certain territories (“Restricted Territories”) and parties (“Restricted Parties”).

I hereby recuse myself from any involvement in any management, decision-making, discussions or operations with regard to possible or actual business activities by SATS in or with such Restricted Territories, as well as entities organized under the laws of those territories, persons owned or controlled by or acting on behalf of the governments of those territories, and any Restricted Parties.

No one should bring me any questions relating to such business or seek my approval or advice concerning any aspect of transacting business with such Restricted Territories or Parties.

I have no opinion either way with respect to the desirability or propriety of any such business SATS may have or consider from time to time, and this statement shall not be interpreted as expressing any.

I understand that breach of the Sanctions Recusal Procedure may result in disciplinary action, potentially severe civil and/or criminal penalties, and reputational damage for SATS.

I have read and understand all the elements described in this Procedure.

I understand that, if I have any questions regarding this Procedure or other internal documents dealing with Sanctions, it is my responsibility to request advice or information from my supervisor, or if it is not possible, from the Ethics & Compliance Team SATS EC@sats.com.sg).

Date:	Location/Entity:
Signature of the manager:	Signature of the Recusing Person:
Approval of the Chief Legal Officer:	Signature of the Chief Legal Officer