



COMPLIANCE AT CLARKSONS

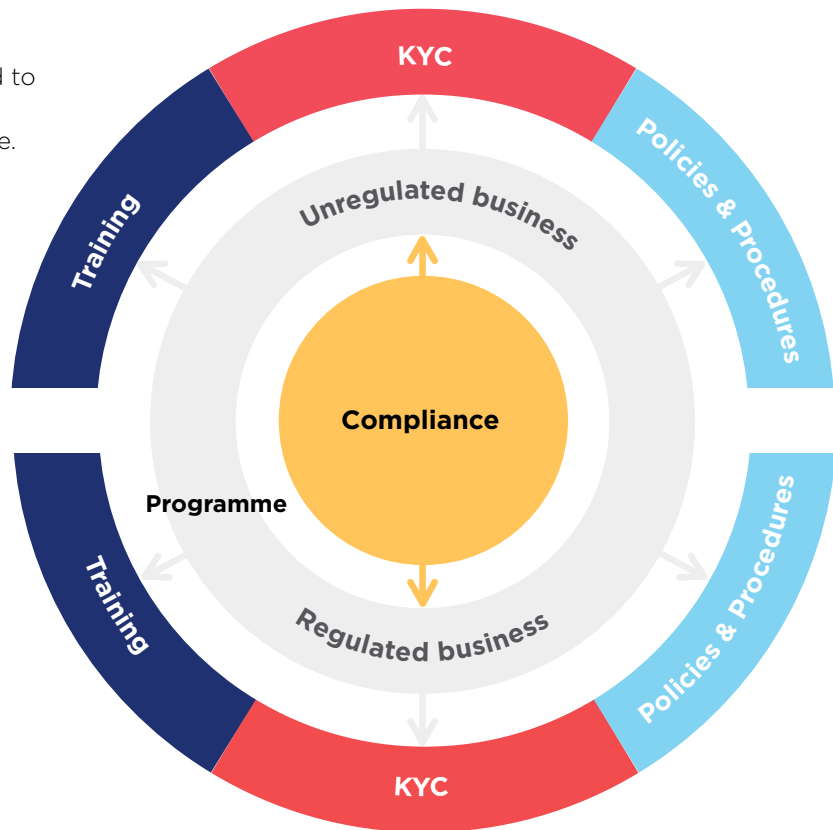


COMPLIANCE OVERVIEW

Our compliance programme

Clarksons' compliance programme is designed to help protect Clarksons group of companies (the Group) and its employees. It ensures, inter alia, that the Group does not breach sanctions and money-laundering laws. Our clients benefit indirectly from the Group ensuring that the services it provides do not contravene such laws.

- 1 Policies and procedures**
These explain the relevant laws and regulations and outline how our people should and should not act.
- 2 Training**
Our training is designed to embed our policies and procedures and help everyone at Clarksons to act in line with our values and comply with relevant laws and regulations.
- 3 Know Your Client (KYC)**
Our KYC procedures are designed to identify who we do business with to ensure we comply with relevant laws and regulations.
- 4 Oversight and audit**
Our functions are designed to monitor implementation of our compliance programme.



TEAM OVERVIEW

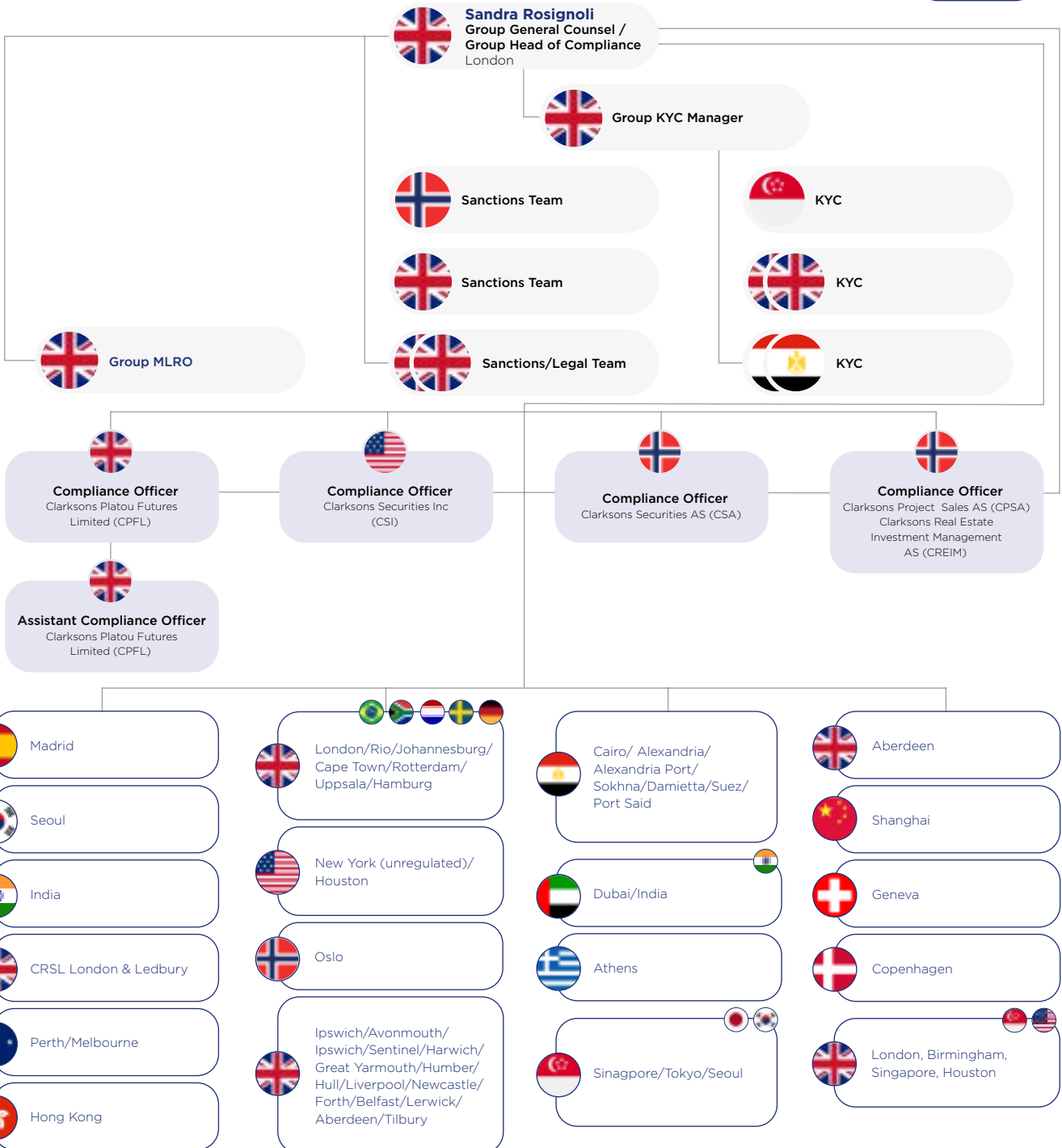
The compliance team

Clarksons has committed significant resources to build up a global compliance infrastructure involving compliance and KYC professionals as well as country specific compliance support officers. We at Clarksons take our compliance obligations very seriously and believe that we have a best-in-class programme and infrastructure in our industry.

Group Compliance

Regulated Compliance

Unregulated Compliance Support



1. POLICIES AND PROCEDURES

Improving awareness of the law and how to act

Clarity is key. That's why we have published various Group policies and procedures and made them available to all staff via the Group intranet, so that all our people know how they should and should not act.

These policies include:

Our compliance manual and ethics code

Sets out policies and procedures covering inter alia bribery and corruption, sanctions, insider dealing, money laundering, market abuse, facilitating tax evasion and conflicts of interest.

Our staff handbook

Sets out the standards of behaviour and ethics that we expect from all our people.

Our other compliance policies cover

- Client money
- Data privacy
- Health & Safety
- Information security
- KYC
- Share dealing
- Tax
- Whistleblowing

2. TRAINING

Embedding and reinforcing procedures

Our training ensures our policies and procedures are embedded across the Group; in every team, in every service area, in every country. It centres around four main areas:

- Sanctions
- Market abuse
- Anti-bribery and corruption
- Data security and cyber awareness

Our training materials are specifically tailored to our industry and include:

- Acknowledgement of reading and understanding our compliance manual and ethics code

- Bespoke online courses with interactive test components

- Regular updates sent via email, video clips or management meetings

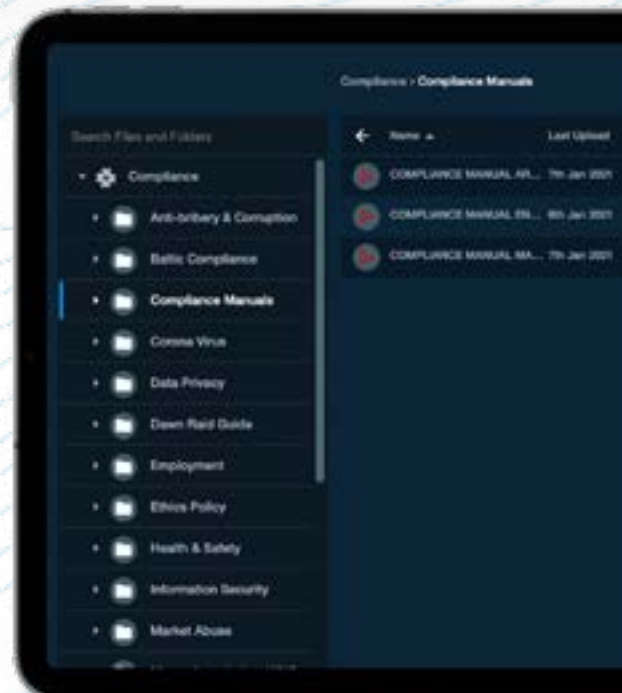
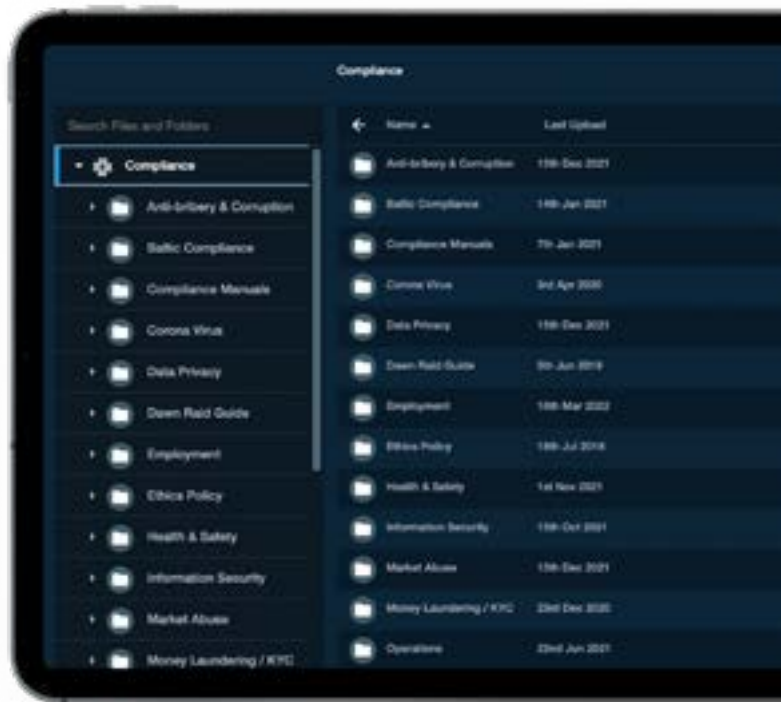
- Customised seminars presented via webinars or in-person at our offices worldwide

Our training modules are updated annually with relevant and current examples of compliance risks. All relevant staff must complete this online training every year.

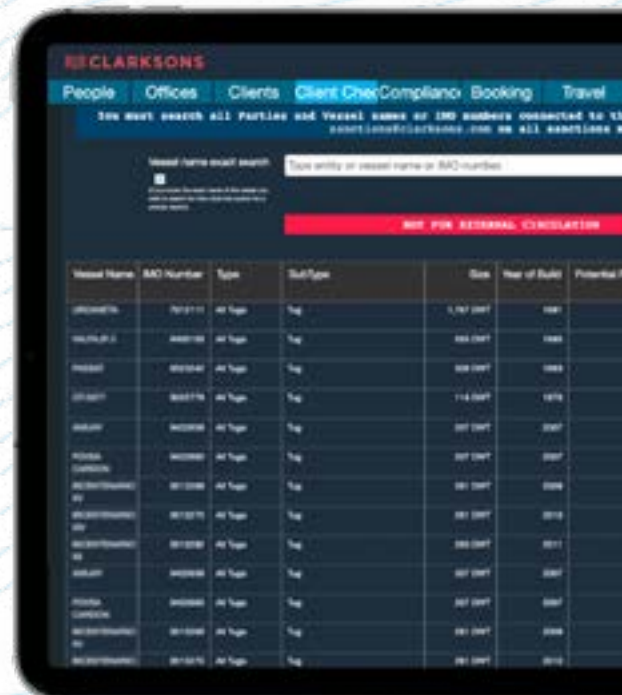
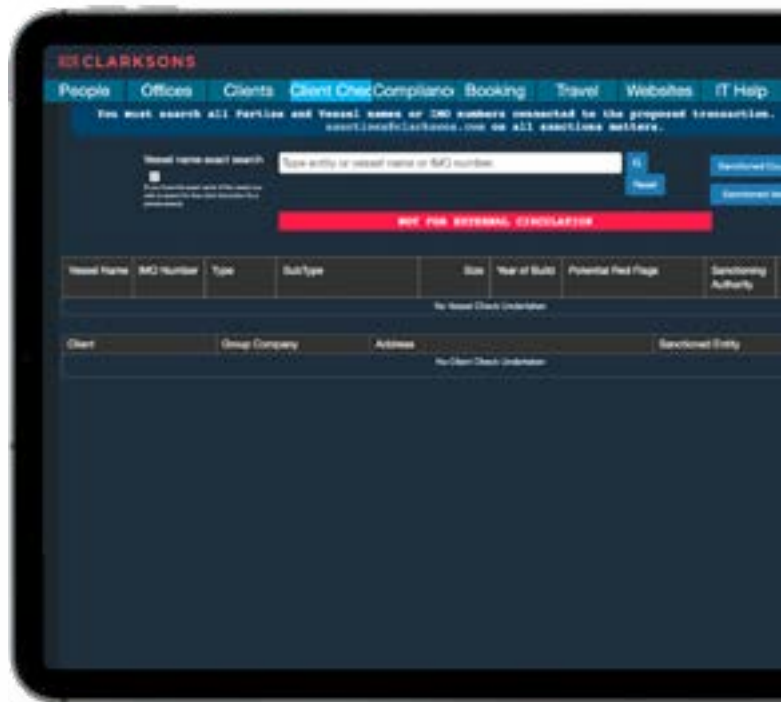


Our sanctions risk management is best in class and industry leading powered by our proprietary 'Client Check' tool

- All relevant staff globally perform mandatory annual on-line sanctions training, including how to use our in-house screening tool, and are aware of our escalation mechanisms and well-established internal audit processes.
- Our staff check every transaction and each new client through our proprietary 'Client Check' tool.
- The Client Check tool requires staff to address the issue of whether a transaction involves a country subject to sanctions. If so, they are automatically prompted to contact sanctions@clarksons.com explaining the nature of the transaction that they wish to engage in and the client. The sanctions team will then investigate the transaction, its legality and respond accordingly.
- Similarly, in respect of new client risk, prior to transacting with a potential new client, all staff are required to check on the 'Client Check' tool to ensure that the potential new client is not listed on a sanctions list. They are also required to check vessel names and IMO numbers if available. If a vessel, IMO number or client name is on a sanctions list, staff are automatically prompted to contact sanctions@clarksons.com explaining the nature of the transaction in which they wish to engage and the client/s involved. The sanctions team will then investigate the transaction, its legality and respond accordingly.



- Client Check was developed by Clarksons Group IT and compliance as a proprietary sanctions checking tool. Each hour Client Check populates from the US, EU, UN, UK, Swiss, and Australian sanctions lists enabling staff to have easy access to information about sanctioned persons, entities, and vessels. Singaporean data is updated manually when an amendment to the legislation has occurred. Client check also identifies high risk vessel behaviours such as AIS deactivation, sanctioned port calls, indirect routing, IMO number or location spoofing, flag hopping and frequent name changes – all of which practices have been identified by OFAC and OFSI as evidence of potential illicit behaviours.
- Both OFAC advisory and designated IMO numbers are included in the data inputted into Client Check. Client Check also shows whether a potential new client is in fact already a broking client of the Clarksons Group and whether they have passed KYC. Where a parent entity within the Client Check database is subject to sanctions, all entities within such database that are listed as subsidiaries of the sanctioned entity are automatically marked as sanctioned, accordingly.



3. KNOW YOUR CLIENT

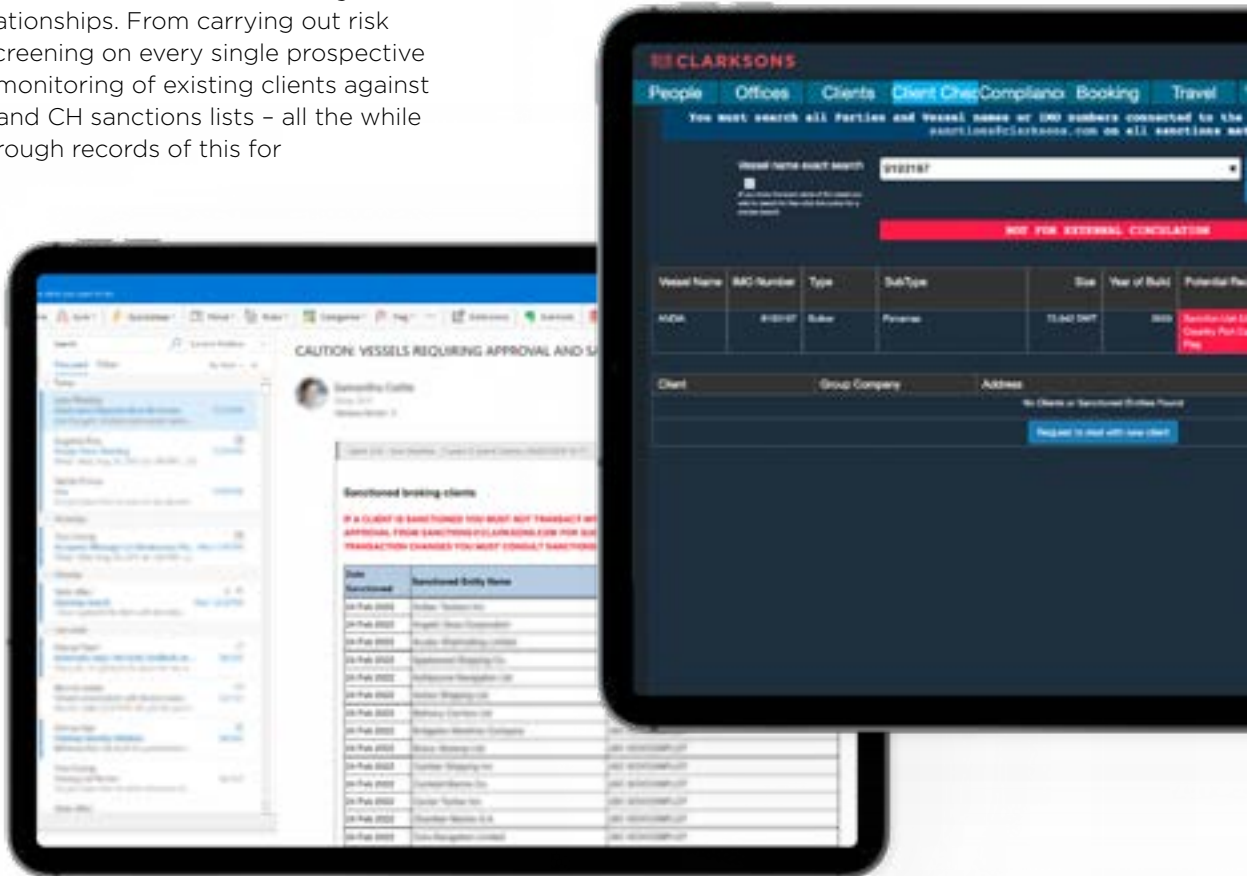
The breadth and depth of our KYC checks makes us unique amongst shipbrokers

It's crucial we know who we're doing business with. That's why Clarkson's has a team of knowledgeable KYC professionals in the UK and Asia focusing exclusively on performing due diligence on our clients and partners.

We are unique in our industry in having a dedicated global KYC team. The team utilises rigorous screening processes that incorporate our unparalleled knowledge and wealth of shipping intelligence, proprietary in-house sanctions and KYC technologies and multiple third-party databases containing corporate ownership information on over 300 million companies globally.

At a Group level, our KYC work covers all stages of our business relationships. From carrying out risk and sanctions screening on every single prospective client to hourly monitoring of existing clients against US, EU, UN, UK and CH sanctions lists – all the while maintaining thorough records of this for audit purposes.

We also ensure all relevant employees complete KYC training, including how to use our in-house screening tools, and are aware of our escalation mechanisms and well-established internal audit processes.



4. AUDIT & OVERSIGHT

Our audit and oversight ensure our rules are implemented

It's crucial that we monitor the compliance measures we have in place and ensure they're implemented correctly. Our three-step audit and oversight structure does just that:

Responsibility

The Group General Counsel/Head of Compliance takes ultimate responsibility for compliance across Clarksons. As a senior executive, she has the authority and experience to implement compliance measures effectively and efficiently.

Implementation

We have a substantial network of compliance support members who monitor and implement compliance 'on the ground'. Located in all our offices around the world, together the team performs a key role in applying relevant policies and procedures as well as attending monthly global group compliance calls to review implementation and training outcomes.

Audit

We're dedicated to excellence in all aspects of our operations. In order to uphold the high standards we have set for ourselves, the Group General Counsel/Head of Compliance conducts an annual compliance audit and we use an in-house audit dashboard on an ongoing basis.

This monitors and audits our use of KYC tools and sanctions checks, as well as the performance of our training modules. In the event that we identify an instance of poor compliance performance, senior management will intervene to investigate and take remedial action.



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