



Viaro Energy Sanctions and Anti-Money Laundering Screening Procedures

I. Purpose

As set forth in the Viaro Energy (Viaro Energy) Sanctions and Anti-Money Laundering Policy, the company is committed to compliance with the economic sanctions laws of all jurisdictions in which it transacts or does business. This commitment is carried out through the identification, management, and mitigation of risk associated with parties targeted by economic sanctions and/or transactions involving sanctioned jurisdictions. Many countries around the world maintain economic and trade sanctions laws and regulations based on their own foreign policy objectives, or in accordance with requirements of international organizations, such as the United Nations. Sanctions are intended to deter a wide range of activities, including terrorism, narcotics trafficking, transnational-crime, nuclear proliferation, and human rights abuses. Furthermore, many sanctioned jurisdictions are also considered hotbeds of money laundering related to malign activities involving narcotics, public corruption, and terrorism.

Compliance with relevant sanctions regimes is essential to ensuring that Viaro Energy does not engage in direct or inadvertent transactions with identified individuals, entities, industrial sectors, or countries that may lead to a violation of the law or other actions adverse to Viaro Energy's interests. Accordingly, Viaro Energy recognizes that failure to comply and manage risks associated with sanctions laws and regulations could not only constitute a breach of legal requirements imposed upon the company, but also cause other concerned third parties to violate the law.

Further, Viaro Energy seeks to ensure that its activities do not provide benefit to parties who have been targeted for sanctions or are located in a sanctioned jurisdiction, unless a transaction is completely legal. In doing so, Viaro Energy acknowledges that violations can occur from the direct or indirect provision of services, as well as through causing the processing of

payments involving a sanctioned jurisdiction or party.

The following Sanctions and Anti-Money Laundering Screening Procedures are in furtherance of Viaro Energy's Sanctions and Anti-Money Laundering Policy. They are intended to ensure compliance with that Policy and all applicable economic sanctions that may impact Viaro Energy's global business operations, and to prevent any transactions or dealings of any kind whatsoever with sanctioned parties or jurisdictions. These procedures also outline the investigative process to be followed by Viaro Energy's designated Compliance Officer(s), as well as describe the screening tools available. Finally, these procedures describe the function and role of a designated Compliance Officer(s) in the overall screening and payment processing functions of Viaro Energy.

II. Sanctions Risks

To protect itself from legal and regulatory risks, Viaro Energy must undertake measures to prevent the processing of transactions prohibited by various global sanctions regimes. In certain cases, sanctions compliance is based on international law—such as with U.N. sanctions—while other sanctions requirements are based on the laws of a specific country through which a transaction(s) is conducted.

Viaro Energy's Sanctions and Anti-Money Laundering Policy requires it to screen for and identify transactions prohibited by the sanctions regimes administered by the United States Department of the Treasury's Office of Foreign Assets Control, the United Kingdom HM Treasury's Office of Financial Sanctions Implementation, the European Union, and the United Nations. The framework for these sanctions may take the following forms:

1. List-based sanctions targeting specific individuals and legal entities, as well as any entities owned 50% or more by those persons;
2. Comprehensive jurisdictional sanctions or embargoes preventing most transactions with specific countries and regions unless allowed by authorization or exemption; and
3. Narrow sanctions measures that may combine and tailor other types of sanctions, for example, list-based restrictions on arms sales or limited prohibitions on specific types of transactions or economic

sectors.

III. Scope

As a general matter, Viaro Energy does not engage in any transactions or dealings that are prohibited by applicable sanctions laws and regulations, or which may lead to adverse consequences for the company, such as being sanctioned itself.

Many sanctions are not comprehensively focused on specific countries, but rather target certain identified individuals, entities, or specific economic sectors of a country. For example, the United States, through the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), administers numerous economic sanctions programs targeting the persons included on in its Specially Designated Nationals and Blocked Persons List ("SDN List"), its Sectoral Sanctions Identifications ("SSI List"), as well as certain other sanctions lists. The SDN List, the SSI List, and the various other lists maintained by OFAC are incorporated into a Consolidated Sanctions List.

OFAC's Consolidated Sanctions List includes the names of thousands of entities and individuals who are specifically targeted under various U.S. sanctions programs. Persons who appear on the SDN List ("SDNs") are blocked with respect to all their property and interests in property within U.S. jurisdiction. Furthermore, entities that are 50% or more owned in the aggregate by sanctioned individuals or entities are also similarly sanctioned (*i.e.* as if those entities were themselves designated on the same corresponding list).

U.S. persons, including foreign branches of U.S. entities and foreign persons conducting business within the United States, are prohibited from engaging in virtually all transactions or dealings with persons appearing on the SDN List. Violations of those prohibitions carry substantial civil penalties and the potential for criminal investigations by U.S. authorities. Additionally, non-U.S. persons also must not cause any U.S. person to engage in a prohibited transaction (*e.g.* by causing a payment transaction to be conducted through a U.S. financial institution or its foreign branches).

Furthermore, non-U.S. persons transacting or dealing with SDNs or persons appearing on the Consolidated Sanctions List, even if outside U.S.

jurisdiction, may result in adverse consequences, including the imposition of certain menu-based secondary sanctions against them and/or designation for providing support to SDNs. Those who knowingly engage in significant transactions for the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from designated countries—such as Iran or Syria—or knowingly provide significant support to SDNs or other blocked persons are at serious risk of being targeted for sanctions themselves, regardless of their location or nationality.

Therefore, in addition to compliance with the applicable sanctions rules of each jurisdiction in which it operates, all Viaro Energy business operations are prohibited from engaging in any transactions or dealings of any kind whatsoever with any individual or entity appearing on the SDN List, parties owned or controlled by SDNs or other blocked persons, or for which negative information was obtained through screening that suggests the party may be involved in sanctionable conduct or money-laundering.

These Sanctions Screening Procedures apply to all of Viaro Energy's business operations, including by any subsidiaries, affiliates, and third-party actors, wherever located. Viaro Energy's staff, management, and executives, especially those responsible for compliance efforts, are expected to review and understand these procedures to ensure that they are faithfully executed.

IV. Compliance with Economic and Trade Sanctions Laws and Regulations

To ensure compliance with all economic and trade sanctions, Viaro Energy's executives, board of directors, staff, and third-party actors shall not engage in any transaction or dealing with a country, jurisdiction, industrial sector, entity, or individual that is designated under any applicable sanctions program. Jurisdictions in which Viaro Energy operates are likely to implement and enforce economic and trade sanctions imposed by the United Nations, the European Union, and the United States. The sanctions regimes enforced by the United Nations, European Union, and United States may be similar, but they are not identical. Caution should be taken to ensure that Viaro Energy's activities do not violate any of these sanctions regimes. Individuals, entities, vessels, and countries that Viaro Energy plans on transacting with should be screened against the lists maintained by each country and international organization.

U.N. economic and trade sanctions may broadly or narrowly prohibit defined transactions with certain countries and/or identified individuals or entities, with focus on supporting political settlement of conflicts, nuclear non-proliferation, and counterterrorism. Information on U.N. administered sanctions regimes, including the Consolidated United Nations Security Council Sanctions List which identifies all individuals and entities subject to U.N. sanctions, can be found here:

<https://www.un.org/sc/suborg/en/sanctions/information>.

Information on the E.U. sanctions, including a consolidated list of persons subject to its regimes, can be found here:

<http://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>.

Viaro Energy must ensure proper protocols are in place for each jurisdiction in which it conducts business to ensure compliance with those jurisdictions' respective economic and trade sanctions. In addition, any Viaro Energy executives, staff, and/or third-party actors who are themselves *U.S. persons* must comply with all U.S. sanctions programs, including those administered by OFAC, as well as the Department of Commerce's Bureau of Industry and Security ("BIS"). These programs prohibit nearly all commercial or financial transactions involving U.S. persons or U.S.-origin goods and services with certain targeted countries and jurisdictions, currently including Iran, Cuba, Syria, North Korea, and the Crimea Region of Ukraine, as well as with the Government of Venezuela. OFAC sanctions also prohibit virtually all commercial or financial transactions by U.S. persons involving persons appearing on the SDN List. U.S. persons are generally defined as U.S. citizens or permanent residents (Green Card holders) located anywhere in the world, anyone physically present within the United States, or any corporate entity formed under the laws of any jurisdiction of the United States and its foreign branches or affiliates.

As noted above, Viaro Energy's Sanctions and Anti-Money Laundering Policy prohibits Viaro Energy and its executives, staff, and/or third-party actors, regardless of whether or not they are *U.S. persons*, from engaging in any transactions or dealings of any kind whatsoever with entities, individuals, or vessels appearing on the OFAC SDN List. It further prohibits Viaro Energy and its executives, staff, and/or third-party actors,

regardless of whether or not they are *U.S. persons*, from engaging in any transactions or dealings with countries and jurisdictions that are the target of comprehensive U.S. sanctions and trade embargoes. Those countries or jurisdictions currently include Iran, Cuba, Syria, North Korea, and the Crimea Region of Ukraine, as well as the Government of Venezuela. Failure to comply with Viaro Energy's Sanctions and Anti-Money Laundering Policy could expose Viaro Energy to adverse consequences, including being designated on various sanctions lists, for instances, OFAC's SDN List.

Viaro Energy executives, board of directors, staff, and/or third-party actors, especially Viaro Energy's designated Compliance Officer(s), must familiarize themselves not only with Viaro Energy's Sanctions and Anti-Money Laundering Policy, but also with the below Sanctions Screening Procedures.

V. Sanctions Screening Procedures

Viaro Energy shall not engage in a transaction or dealing that is prohibited by applicable sanctions laws and regulations and not otherwise authorized, including any transaction to, from, or for the benefit of a designated individual or entity. All of Viaro Energy's new customers, vendors, suppliers, third-party actors/agents, independent contractors, or other persons with whom Viaro Energy intends on entering into a business or financial relationship of any kind whatsoever must be screened for sanctions risks by the designated Compliance Officer(s). In addition, Viaro Energy must periodically rescreen those persons, as detailed below. In order to properly screen those persons, all of their identifying information must first be obtained.

A. Fact Gathering Process

As a standard practice, Viaro Energy should conduct Know Your Customer ("KYC") due diligence. KYC due diligence helps to ensure that Viaro Energy is aware of the activities and transactions of the parties it is engaged with, as well as the geographies and country- of-origin and destination of the goods involved in any transactions. In the maritime petroleum shipping industry, this includes not only gathering complete information on the companies and individuals involved in any transactions, but also the vessels, vessel owners, and operators involved in any contracts, shipments, or related activities. Therefore, Viaro Energy should gather complete information about all persons with whom Viaro Energy intends on

entering into a business or financial relationship with. Proper KYC due diligence facilitates screening for purposes of complying with applicable sanctions laws.

In order to perform proper KYC due diligence, complete identifying information for individuals should be gathered. This includes:

- (1) full legal name;
- (2) nationality or citizenship;
- (3) addresses;
- (4) employer; and
- (5) whether the person is an agent or principal.

Complete identifying information for entities includes:

- (1) name;
- (2) country of formation and/or registry;
- (3) primary company address;
- (4) relocation address;
- (5) satellite office addresses;
- (6) full name and national registry of parent company;
- (7) names of any subsidiaries or aliases;
- (8) full name of senior management officials;
- (9) full name of shareholders; and
- (10) respective ownership percentage of each shareholder.

For vessels, Viaro Energy must ensure that the information collected includes:

- (1) the vessel's name;
- (2) its International Maritime Organization ("IMO") number;
- (3) its owners;
- (4) its operators; and
- (5) the nationality or country of registration of all the foregoing.

Best practices for conducting KYC on a vessel include researching and collecting its IMO number, which may provide more comprehensive information about the vessel's history, travel patterns, any ties to illicit activities, actors, or regimes, and potential sanctions risks associated with the vessel or its owners or operators.

Information about the goods, technology, or services intended to be

offered and/or received may also be necessary to determine whether certain sanctions programs would be implicated. For example, identifying information indicating that the screened party is located in North Korea would implicate global sanctions programs imposed against that country, including by the United States and under numerous U.N. Security Council Resolutions.

Fact gathering should also seek information regarding the parties in the transactional chain, including the identities of any other parties, account holders, and financial institutions involved with payments related to Viaro Energy's receipt or provision of goods or services. This would include, for instance, information about the beneficial ownership of any entities involved in a particular transaction. As appropriate, Viaro Energy staff and third-party agents should seek to identify this information for customers, vendors, suppliers, or other persons with whom Viaro Energy intends on entering into a business or financial relationship.

Furthermore, identifying information for existing customers, suppliers, and vendors should be periodically updated or confirmed by Viaro Energy. This information should also be updated when any changes occur with respect to existing customers, suppliers, or vendors. In the event that Viaro Energy becomes aware that a party it has previously screened has had a change in its ownership structure, or where the financial accounts or institutions used by those persons have changed, Viaro Energy should seek updated information for those customers, suppliers, or vendors.

B. Potential Red Flags

If the underlying documents related to a customer's transaction(s) present any abnormal circumstances that indicate that a dealing or transaction may be destined for or involve an inappropriate end-use, end-user, vessel, or destination, those circumstances are referred to as "Red Flags," and may indicate potential sanctions issues. Viaro Energy must inquire about the facts of dealings or transactions where there are Red Flags, evaluate that information, and refrain from engaging in the transaction if those Red Flags cannot be resolved. As noted, the applicability of the various requirements of sanctions laws and regulations are often dependent upon the end-use, end-user, or ultimate destination of a dealing or transaction. The following are examples of Red Flags or activities likely to present Red Flags that would require further inquiry by

Viaro Energy:

- A proposed delivery by a customer to a sanctioned person or jurisdiction without a necessary OFAC license.
- A customer's instructions seem inconsistent with the intended end-use, end-user, or the ultimate destination.
- A customer's reluctance to offer information or being unclear or otherwise evasive about the items they request, their end-use, their end-user, or their ultimate destination.
- Any indication that vessel or cargo documentation has been altered, falsified, or obscured. Complete and accurate shipping documentation is critical to ensuring all parties to a transaction understand the parties, goods, and vessels involved in a given shipment.
- Ship-to-ship ("STS") transfers can be conducted to conceal the origin or destination of cargo.
- Ships meeting certain tonnage thresholds and engaged in international voyages are required to engage their Automatic Identification System ("AIS") collision avoidance system at all times; however, vessels carrying petroleum from sanctioned countries have been known to intentionally disable their AIS transponders or modify transponder data to mask their movements. This tactic can conceal the cargo's origin or create uncertainty regarding the location of designated vessels and obfuscate STS transfers of illicit cargo.
- Vessels should be screened by name as well as IMO number. The owners of vessels that have engaged in illicit activities are known to change the name of a vessel in an attempt to obfuscate its prior illicit activities.

When "Red Flags" arise, Viaro Energy should inquire about the end-use, end-user, ultimate country of destination, and any applicable licensing requirements for the underlying dealing or transaction. In those cases, transactions involving U.S. sanctioned countries or jurisdictions, including as transshipment points, should be subject to heightened scrutiny,

including Iran, Cuba, Syria, North Korea, and the Crimea Region of Ukraine. In addition, the Government of Venezuela and its state-owned oil and natural gas company Petróleos de Venezuela, S.A. (“PdVSA”) are also currently sanctioned by the United States.

C. Screening for Red Flags

OFAC publishes various advisories and other guidance to assist companies in identifying and mitigating sanctions risks stemming from activities involving the procurement and shipment of petroleum. This guidance is useful to consult when inquiring about and screening for sanctions risks specific to the petroleum industry. OFAC’s advisories are published and can be searched on its press release page located at:

https://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran_advisory_09032019.pdf.

Sanctions risks related to maritime petroleum shipping can be addressed or mitigated by implementing the following types of measures:

- Verify cargo origin. Conduct appropriate due diligence to corroborate the origin of shipments when transported or delivered by vessels exhibiting deceptive behaviors or where connections to sanctioned persons or locations are suspected. Testing samples of oil cargo’s composition can reveal chemical signatures unique to oil fields in sanctioned countries, such as Iran or Syria.
- Monitor for AIS manipulation. Investigate vessels that appear to have turned off their AIS transponders while operating in the Mediterranean and Red Seas and near China. Any signs of manipulating AIS transponders should be considered Red Flags for potential illicit activity and should be investigated fully prior to continuing to provide services to, processing transactions involving, or engaging in other activities with such vessels.
- Review all applicable shipping documentation. Request and review complete and accurate shipping documentation, which should reflect the details of the underlying voyage and reflect

the relevant vessel(s), flagging, cargo, origin, and destination. Any indication that shipping documentation has been manipulated should be considered a Red Flag for potential illicit activity and should be investigated fully prior to continuing with the transaction. In addition, documents related to STS transfers should demonstrate that the underlying goods were delivered to the port listed on the shipping documentation.

D. Determining Sanctions Relevant Attributes in Gathered Facts

Not all data obtained through the fact gathering process will be relevant to the sanctions screening process. When determining what data should be screened, Viaro Energy should identify and differentiate data that is relevant to sanctions risk to ensure that it is effectively screened. For example, names of individuals and entities with whom Viaro Energy proposes to enter into business relationships are relevant for screening against list-based sanctions; however, that information may not be relevant for country-based sanctions. On the other hand, while address data for a party (most commonly cities and countries) is relevant for screening against geographic sanctions, detailed address data is also relevant as an identifier in list-based programs.

These identifiers can serve to differentiate a true match from a false match in list-based programs. Other identifier data may also be relevant for sanctions screening in some situations but not others. Date of birth, for example, is a distinguishing factor to assess a true match from a false match for an individual under list-based programs.

In the case of corporate entities, the ultimate beneficial shareholder information for a corporate entity should be obtained, and the persons that own the entity—whether other corporate entities or natural persons—should themselves be screened for sanctions risks.

E. Manner, Timing, and Frequency of Sanctions Screening

As a general principle, screening must initially be conducted when establishing a new relationship, and then at either regularly defined intervals, or upon a trigger event—*e.g.* a change in customer information, an update to a relevant sanctions list, or a Red Flag arising in a dealing or transaction—to validate that the

relationship remains permissible. Where either internal or external data sets change frequently, such screening may be very frequent, but longer intervals between periodic rescreening may be acceptable where change is less frequent and sanctions exposure otherwise remains low.

Notwithstanding any screening prompted by change in internal or external data sets, Viaro Energy shall also screen its business relationships on an annual basis. This is to ensure that Viaro Energy does not miss any potential sanctions risks from ongoing business, and that it confirms its full compliance with sanctions obligations at regularly defined intervals. This annual screening may coincide with the periodic update and confirmation by Viaro Energy of identifying information for existing customers, suppliers, and vendors, as detailed above.

F. Cross-Checking Against Applicable Sanctions Lists¹

Once appropriate identifying information for all relevant parties is obtained, it will need to be cross-checked against all applicable sanctions lists, including the Consolidated Sanctions List administered by OFAC. It should be noted with respect to U.S. sanctions that an entity owned 50% or more in the aggregate by persons identified on the SDN List is also deemed blocked regardless of whether that entity itself appears on the SDN List. This blocking due to beneficial ownership of an entity is known as OFAC's "50 Percent Rule." Therefore, it is important to obtain and separately screen the full name of the shareholders of an entity. The prohibition of Viaro Energy's Sanctions and Anti-Money Laundering Policy on engaging in transactions or dealings with persons appearing on the SDN List also applies to parties that are blocked by application of OFAC's 50% Rule.

a. OFAC Search Tools

The OFAC SDN List is available at:

<https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

OFAC individually publishes the lists that comprise the Consolidated Sanctions List on its website at:

<https://www.treasury.gov/resource-center/sanctions/SDN->

List/Pages/Other-OFAC- Sanctions-Lists.aspx.

Those lists are disseminated in various formats, including fixed field/delimited files that can be integrated into databases.

The Consolidated Sanctions List, including the SDN List, can be searched at: <https://sanctionssearch.ofac.treas.gov/>.

This web-based search service is maintained by OFAC and has an effective, user- friendly interface enabling the public to search some or all of OFAC's sanctions programs by name, address, city, state, country, and ID number. This search function can also use fuzzy logic to account for spelling mistakes or variations. When using fuzzy logic, the "minimum name score" scale adjusts the scope of the search and the number of names returned. A value of 100 will return only names that exactly match the characters entered in the name search field. A value of 50 will however return any names that are 50% similar to the search term. By lowering the scale value, the search tool will return a broader result set of potential matches.

The listings on the SDN List can contain useful due diligence information, including:

- (1) strong aliases (which are not inside double quotation marks);
- (2) dates of birth (if known);
- (3) known addresses or residences;
- (4) an indication of whether the person is an individual, entity, aircraft, or vessel;
- (5) citizenship or nationality; and
- (6) the sanctions program(s) under which the person is listed (contained in brackets).

For reference, the identifiers corresponding to the various sanctions programs are available at:

https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/program_tags.aspx.

The SDN List includes individuals, entities, vessels, and aircraft which have been sanctioned by the United States. Sanctioned vessels will be

clearly distinguished from other entities by the indication “(vessel)” before the bracketed program tag. In addition to the vessel’s name, the SDN list includes the vessel’s IMO number. The following is an example of a sanctioned vessel:

BONITA QUEEN (f.k.a. KAMILA) Crude Oil Tanker St. Kitts & Nevis flag;
Vessel Registration Identification **IMO 9105906 (vessel)** [SDGT]
(Linked To: KHADIJA SHIP MANAGEMENT PRIVATE LIMITED).

The SDN List also includes any known weak aliases, or “weak AKAs,” of an SDN. A weak AKA describes a broad or generic alias that may generate a large volume of false hits. Weak AKAs can include nicknames, noms-de-guerre, and common acronyms. OFAC includes these weak AKAs where it has information that SDNs are referred to by these names. As a result, weak AKAs may be particularly useful for confirming a possible match triggered by another identifier. Realizing the large number of false hits that these names may generate, OFAC qualitatively distinguishes these AKAs by designating them as weak. Accordingly, hits that only occur because of weak AKAs should be given less weight than other identifying information, but if there is any correlation that other information, it may indicate an actual match.

Weak AKAs appear differently depending on which file format of the SDN List is utilized. For example, in the TXT and PDF versions of the SDN List, weak AKAs are reflected inside double quotation marks within the AKA listing:

ALLANE, Hacene (a.k.a. ABDELHAY, al-Sheikh; a.k.a. AHCENE, Cheib; a.k.a. **“ABU AL-FOUTOUH”**; a.k.a. **“BOULAHIA”**; a.k.a. **“HASSAN THE OLD”**);
DOB 17 Jan 1941; POB El Menea, Algeria (individual) [SDGT]

In conducting searches using OFAC’s Sanctions List Search tool, consider the following steps:

- A. Set the search value scale to the desired level (recommended 80%) and enter a party’s name into the search field. Compare the party’s name with any name(s) that result from the search. If there is a similar name and party type (individual or entity), proceed to the following step.
- B. Review the party’s name against the name(s) returned from the

search to determine the level of similarity. If the party name(s) appear substantially similar, proceed to the following step.

- C. Compare the complete SDN List entry with all available information within Viaro Energy's possession. An SDN List entry often will have a full name; address; nationality; passport, tax ID, and/or cellular phone number; place of birth; date of birth; and/or former names and aliases. The more the information in the SDN List corresponds with the information possessed by Viaro Energy, the higher the likelihood there is a valid sanctions match. Ultimately, Viaro Energy should determine with reasonable certainty that the party is not designated on the SDN List prior to proceeding.
- D. If there is a positive match to an entry on the SDN List, any transaction or dealings with that person should be cancelled and/or abandoned, and Viaro Energy should summarize its findings and maintain transactional records.

OFAC compiles all of its recent actions on its website. Additionally, OFAC provides the option for users to be notified of any recent actions and updates. Viaro Energy's designated Compliance Officer(s), and/or legal counsel can review or sign up for OFAC's recent action updates here:

<https://www.treasury.gov/resource-center/sanctions/ofac-enforcement/pages/ofac-recent-actions.aspx>.

In addition, OFAC provides periodic guidance describing vessels which have engaged in sanctionable conduct but have not been designated as SDNs. These vessels will not be found on the SDN list as they are not themselves sanctioned. Those vessels, however, are at risk of being sanctioned due to their conduct, and any party that engages with them would increase its risk of being sanctioned by the United States as well. An example of a shipping advisory guidance from OFAC can be found here:

https://www.treasury.gov/resource-center/sanctions/Programs/Documents/syria_shipping_advisory_03252019.pdf.

	Individual	Entity	Vessel	Country
Individual <i>rationale:</i>	<p style="text-align: center;">x escalate</p>	<p style="text-align: center;">✓</p> <p>individual matching entity name matching entity address partial name matching entity name matching partial entity broad alias match</p>	<p style="text-align: center;">✓</p> <p>individual matching vessel partial name matching vessel</p>	<p style="text-align: center;">✓</p> <p>individual matching country</p>
Entity <i>rationale:</i>	<p style="text-align: center;">✓</p> <p>entity matching individual entity name matching address partial name matching individual broad alias match non-context match</p>	<p style="text-align: center;">x escalate</p>	<p style="text-align: center;">?</p> <p>entity matching vessel name partial name matching vessel broad alias matching vessel</p>	<p style="text-align: center;">?</p> <p>partial name matching country broad alias match non-context match</p>
Vessel <i>rationale:</i>	<p style="text-align: center;">✓</p> <p>vessel matching individual vessel matching address partial name match</p>	<p style="text-align: center;">?</p> <p>vessel matching entity name vessel matching address partial name match vessel matching broad alias</p>	<p style="text-align: center;">x escalate</p>	<p style="text-align: center;">x escalate</p>
Country <i>rationale:</i>	<p style="text-align: center;">✓</p> <p>country matching individual partial name match</p>	<p style="text-align: center;">?</p> <p>partial name match broad alias match non-context match</p>	<p style="text-align: center;">x escalate</p>	<p style="text-align: center;">x escalate</p>

The above table is a matrix to guide the review by Viaro Energy—especially those officials responsible for screening transactions and relationships—of potential hits encountered in the sanctions screening process. All hits should be reviewed individually and determinations should be justified. Hits should not be dismissed based on linguistic or spelling differences (*e.g.* Muhammad vs. Mohamed), nor if part of a name is missing (*e.g.* Sheik Seyed Nasser Seyyedi vs. Seyed Nasser Mohammad Seyyedi). If it is unclear whether the match in question is an individual, entity, or vessel, the reviewer should take the most conservative course of action.

A hit determined to fall under green or gray areas of the matrix can only be dismissed by Viaro Energy if it is a false positive, and only if that determination is based on the rationale reflected in the appropriate box. Green boxes signify obvious false matches, such as an individual name matching that of a vessel. Grey boxes signify instances where a hit may not constitute an exact match but might still warrant further investigation based on the closeness of the match. Gray box matches can only be cleared by Viaro Energy if a rationale reflected in the appropriate box is satisfied.

Any hit determined to fall in a red box must always be escalated to Viaro Energy’s designated Compliance Officer(s) for further investigation.

G. Possible Violations, Internal Investigations, and Self-Reporting

If Viaro Energy staff, agents, or affiliates become aware or suspect that a transaction that they are engaged in or which involves Viaro Energy violates Viaro Energy's Sanctions and Anti- Money Laundering Policy, these procedures, or any applicable sanctions laws they must immediately alert senior management, the designated Compliance Officer(s), and/or Viaro Energy's legal counsel. Viaro Energy's senior management will submit all escalated Red Flags and hits to the designated Compliance Officer(s).

Viaro Energy's designated Compliance Officer(s) is responsible for performing due diligence on all escalated sanctions hits and for identifying from those hits any relevant party or transactions that may pose sanctions risks to the company. Upon receipt of escalated hits, Compliance Officer(s) will investigate and make determinations after thorough review of a customer's account information and expected activity, requesting additional information as necessary, to determine whether sanctions-exposed parties are involved. The Compliance Officer(s) will have access to all databases and files necessary to identify relevant information and assess associations, aliases, news stories, or any other sources to determine whether a transaction presents sanctions risk to Viaro Energy.

The designated Compliance Officer(s) may send a Request for Information ("RFI") to a customer or vendor to uncover more information about a particular party or transaction. An RFI may contain questions concerning the customer or vendor itself, the nature or purpose of a particular transaction, the method of payment, and the expected activity of the customer or vendor. The information provided in response to an RFI should be investigated for evidentiary support. That evidence may include copies of national ID cards or passports, company registration documents, invoices, receipts, or other relevant data outlined in the fact-gathering process above.

If the Compliance Officer(s) determines that a hit is a false positive, a file must be compiled to document the investigation process and findings. This file should include emails from relevant Viaro Energy staff, copies of any due diligence searches, and copies of any RFIs and responses.

If it is determined that a prohibited transaction may have occurred, Viaro Energy's legal counsel must be contacted immediately. Upon being notified of a possible violation, legal counsel should request the production of all retained documents and information related to the transaction in

question. Legal counsel should analyze the scope of potential liability from the transaction.

Additionally, it is of critical importance to determine whether a potential violation is ongoing or historic. If ongoing, all efforts must be made to cease the transaction or customer or vendor relationship as quickly as possible. Continuing to engage in an ongoing violation may be deemed evidence of willful disregard for sanctions laws and regulations.

Viario Energy staff directly and indirectly involved in the possible violation should be interviewed. These interviews should address and complement the documentary evidence retained for the transaction.

Any transaction in potential violation of applicable sanctions laws and regulations must be reported to Viario Energy's CEO. Where Viario Energy believes that it has unwittingly engaged in conduct potentially prohibited by sanctions, the CEO—upon advice of outside legal counsel—will report that conduct to the relevant authorities responsible for administering those sanctions. The below internal and external reporting processes are intended to ensure that Viario Energy's sanctions compliance obligations are understood and that any potential violations are accurately and timely reported to appropriate authorities as soon as they are discovered and confirmed.

Viario Energy's Sanctions and Anti-Money Laundering Policy and Sanctions Screening Procedures recognize and reflect that self-reporting possible violations to relevant sanctions authorities is usually the appropriate course of action. If Viario Energy, after consulting with counsel, determines to self-report a possible violation, it will proceed with a voluntarily disclosure as soon as possible. A self-disclosure should comply with the specific reporting requirements of OFAC or any other relevant sanctions authority and include all relevant associated information.

At a minimum, Viario Energy will report the following information to the relevant authorities:

- a) A description of how Viario Energy became aware of the conduct potentially implicating the relevant sanctions prohibitions;
- b) A description of the conduct that Viario Energy believes potentially implicates the relevant sanctions prohibitions;
- c) Any information identifying the parties to the potentially

- prohibited transaction(s);
- d) Any relevant dates identifying when the potentially prohibited transaction(s) occurred;
 - e) A description of the nature and amount or quantity of any funds or economic resources involved in the transaction(s), including whether any payment(s) was blocked or rejected by a financial institution processing transfers related to the potentially prohibited transaction(s).

Self-reporting demonstrates Viaro Energy's willingness to cooperate with all relevant regulatory authorities and fosters a culture of sanctions compliance within the company. Further, self-disclosing potential violations is generally considered a mitigating factor by regulatory authorities in determining whether and to what extent a penalty should be imposed.

H. Recordkeeping

Viaro Energy staff and third-party agents shall maintain complete records of every transaction involving an interest of a sanctioned country, entity, or individual for at least five (5) years.

Maintaining complete records means keeping a true and legible copy of all sales, service, distribution, marketing, partnership, delivery or supply contracts or agreements; requests for proposals; and correspondence between Viaro Energy, any of its subsidiaries, affiliates, branches, offices, agents, representatives, or distributors and any individual or entity.

Viaro Energy, its staff, and third-party agents should also retain for five (5) years all other documents arising from international or foreign transactions where a sanctioned interest is present, such as invoices, financing and payment information, wire requests, and other correspondence (including electronic mail and facsimile transmissions).

Document retention is critically important to Viaro Energy's overall sanctions compliance efforts. Maintaining complete and accurate records will also help Viaro Energy conduct internal audits and investigate any possible violations.