

## **HIGH-RISK THIRD-PARTY SCREENING GUIDELINES**

Our Code of Conduct sets out our principles regarding compliance with trade sanctions. This document supplements those principles and aims to provide guidelines on dealing with high-risk third parties. It is important to observe this guidance, because a sanctions violation could result in breaches under our group financing arrangements, a damaged reputation, high fines, and civil and criminal penalties. In case of doubt, please contact the central compliance team at [compliance@banijay.com](mailto:compliance@banijay.com) or Banijay's Ethics & Compliance Counsel at [karolina.szostek@banijay.com](mailto:karolina.szostek@banijay.com).

### **1. Introduction**

We comply with all applicable trade sanctions and regulations, and we are not involved with persons, entities, governments, or countries if doing so violates applicable sanctions. While sanctions targets can be located in any country, we have taken a risk-based approach to mitigate the risk of violating sanctions, based on the country location of the counterparty, as some countries have a relatively high number of sanctions targets. In this regard, the following rules should be followed when dealing with third parties located in the high-risk countries mentioned below.

- **Prohibited Countries:** Due to the business and compliance risks involved, we do not engage in transactions that directly or indirectly involve **Crimea, Russia, Iran, North Korea, and Syria**.
- **Authorization from compliance:** Due to heightened restrictions on Cuba, authorization is required from the central compliance team and Banijay Executive Team before taking part in any transaction with individuals and entities located in or owned/controlled by parties located in Cuba.
- **Screening:** Higher-risk third parties as indicated below need to be screened before undertaking any transactions/business with them.

At the date of this policy, these are **the high-risk third parties**:

- a) Individuals and entities located in Afghanistan, Belarus, Burma (Myanmar), Burundi, Central African Republic, Cuba, Democratic Republic of Congo, Guinea, Guinea-Bissau, Iraq, Lebanon, Libya, Mali, Nicaragua, Somalia, South Sudan, Sudan, Tunisia, Turkey, Ukraine, Venezuela, Yemen, and Zimbabwe.
- b) Individuals and entities in other countries which are connected with the prohibited countries, the above countries, or sanctioned individuals or entities in those countries.
- c) Any other individual or entity which you know or suspect is subject to sanctions.
- d) Any other individual or entity which you know or suspect is owned or controlled or acting on behalf of any individual or entity which falls within (a) to (c) above.

### **2. Screening**

If you want to transact directly or indirectly with a high-risk third party, you must first carry out sanctions screening with the help of your local legal team to make sure that dealing with the third party does not violate applicable sanctions. You should also get in touch with your local legal team if you are unsure of whether a third party poses a high(er) risk.

Two-step approach to screening:

**Step 1:** Identify the third party, its shareholders (and ultimate beneficiaries) and directors. For that purpose, please use the "Statement on the identity of the directors & ultimate beneficial owner(s)" in Annex 2.

If the third party does not want to provide the information, please get in touch with the central compliance team.

**Step 2:** Screening with the Vantage Due Diligence Screening Tool (known as 'Vantage'). Once you have identified the third party, its shareholders, ultimate beneficiaries and directors, you need to screen these persons through Vantage.

We have an unlimited number of licenses to use Vantage whereby the annual license fee is based on the number of screenings. If neither you nor any of your colleagues has a license and has to carry out a Vantage screening, please contact your local Head of Legal or the central compliance team. They will perform the screening for you, share the results and provide advice.

Screening must also be undertaken if you suspect that a sanctioned entity or individual may be involved in the transaction.

**When to screen and what to look out for.** Please always make sure you:

- a) Screen the third party itself and its shareholders, owners, and management.
- b) Screen at the start of negotiations or placing the order and next orders.
- c) Read the screening report carefully to see what issues are identified. If any party you have screened appears on a sanctions list, please get **approval** from the central compliance team before proceeding.

**Understanding the results.** Vantage lists various categories. These and the actions to take if a result falls within one or more of these categories – are briefly explained in Annex 1 (Using Vantage and understanding the results). In addition, you will find 'How to' tutorials on the main page of your Vantage account.

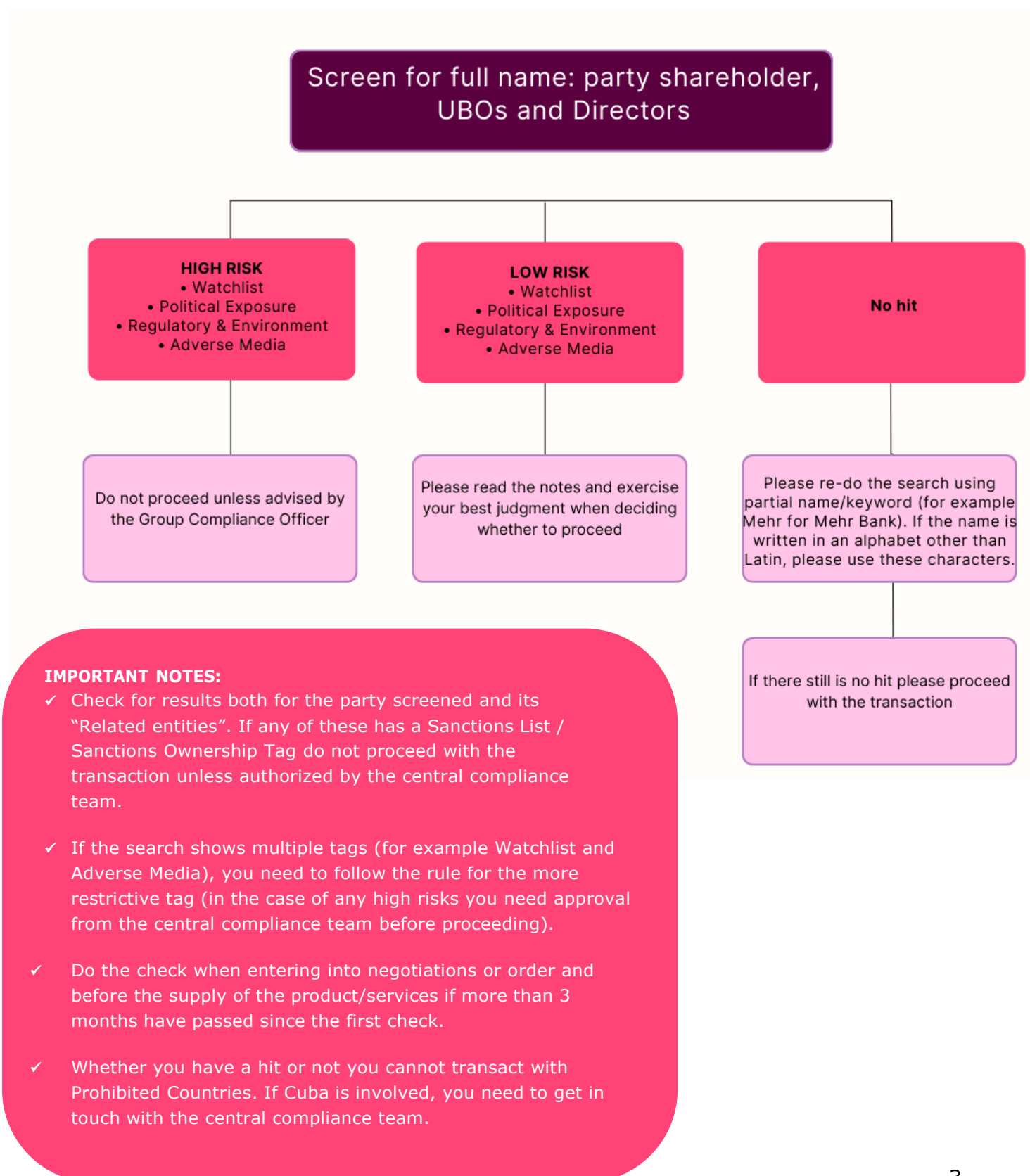
We have also included a Screening Flow Chart at the end of this document to help you.

**What if I've been dealing with a particular third party for a long time?**

Because sanctions lists are always changing, with new individuals and entities being added, a party you have been doing business with for some time could be added to the list at any time. You, therefore, need to use Vantage for all contracting parties every time you transact.

**Keeping records.** Please keep and file complete records of third-party transactions in accordance with local retaining requirements. Please save all due diligence reports and Vantage screening results in the client/customer/supplier file.

### 3. Quick Reference Card



## Annex 1: Using Vantage and understanding the results

To run a screen, first create a new third party on the Third-Party Manager page. When creating a new third party, the information needed is the full legal name and the jurisdiction of the company or the individual's primary country. Once a third party has been created, select "Initiate due diligence" in the third-party profile. The screen is run and automatically generated after submitting the request.

If there are matches to review, these will come up automatically. Review the matches, marking them as 'Possible' or 'Confirmed'. Discard them by selecting nothing. Before clicking 'Finalise review' comments can be added about confirmed matches to the report.

Showing 1 - 3 of 3

Filter by country ▼

Filter by reason listed ▼

|                                       |              |                                                |                                |                                                                                                |
|---------------------------------------|--------------|------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|
| Name<br>Tesla, Inc.                   | Score<br>100 | Country<br>Saudi Arabia, United States         | Reason<br>SOE:Govt Linked Corp | Match<br><input type="radio"/> Possible <input type="radio"/> Confirmed <button>Clear</button> |
| Name<br>Tesla Energy Operations, Inc. | Score<br>93  | Country<br>United States, United Arab Emirates | Reason<br>SOE:Govt Linked Corp | Match<br><input type="radio"/> Possible <input type="radio"/> Confirmed <button>Clear</button> |
| Name<br>Tesla Energy Solutions        | Score<br>91  | Country<br>United States                       | Reason<br>Enforcement:Fraud    | Match<br><input type="radio"/> Possible <input type="radio"/> Confirmed <button>Clear</button> |

Commentary notes

Finalise review

Cancel & unlock

After Finalising the review, a screening report will be produced and saved in the system. The Vantage Screening report can be viewed and downloaded by clicking the 'View Vantage report' button.

Results for: TESLA, INC.

Third Party Case - TESLA, INC.

Self Service Screening

Status: Complete - Possible matches

Target entity details

Screening settings

View vantage report

Edit monitoring

Edit Status

Name screened: TESLA, INC.

Alternative name: Tesla US

Primary country: US

Address: 13101 HAROLD GREEN ROAD, 78725

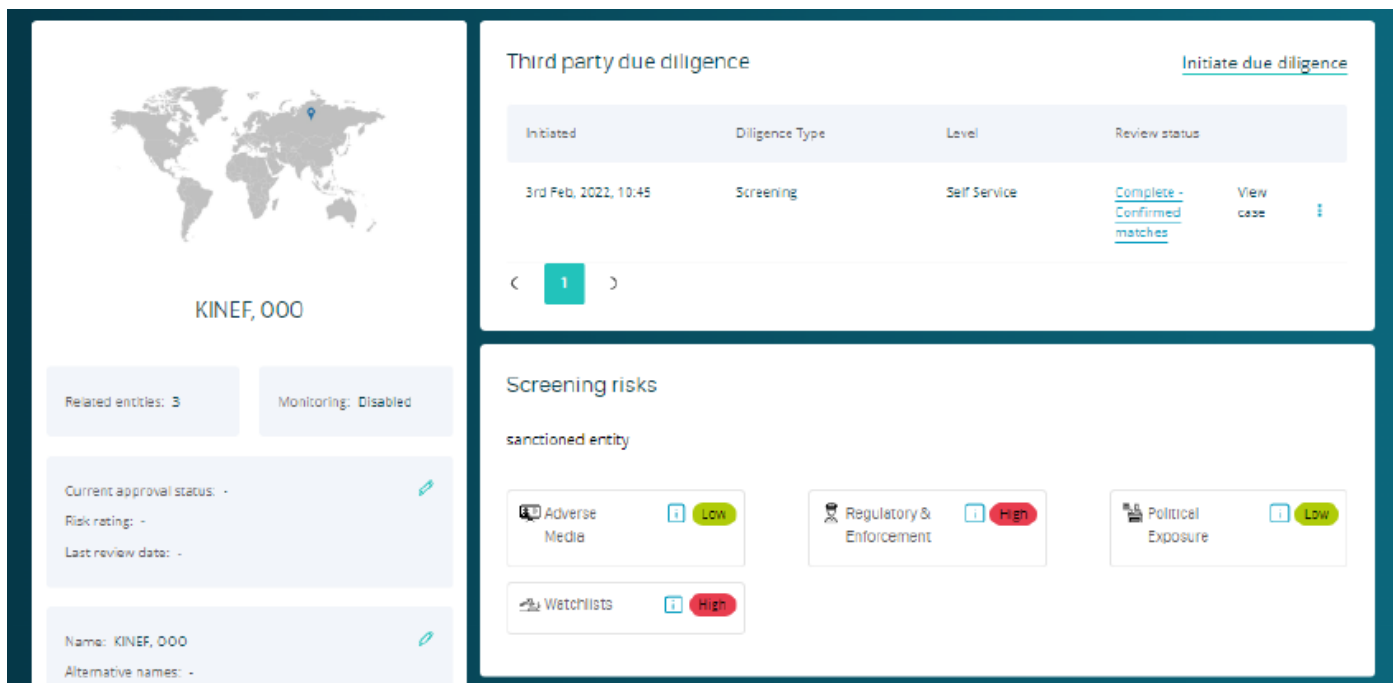
Screening ID: NNN-37

Company Registration Number: 912197729

DUNS Number: 148284255

Entity type: Business

The screening risks will be automatically filled out in the Third-Party profile once the report is completed.



**Third party due diligence** [Initiate due diligence](#)

| Initiated            | Diligence Type | Level        | Review status                                                          |
|----------------------|----------------|--------------|------------------------------------------------------------------------|
| 3rd Feb, 2022, 10:45 | Screening      | Self Service | <a href="#">Complete - Confirmed matches</a> <a href="#">View case</a> |

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**Screening risks**

sanctioned entity

- Adverse Media Low
- Regulatory & Enforcement High
- Political Exposure Low
- Watchlists High

### There are four Screening risks:

- **Adverse Media** – this information originates from credible open news sources that meet the qualifying standards and definitions.
  - Low Risk: The most recent screening identified no known adverse media coverage for the subject.
  - High Risk: The most recent screening identified one or more “confirmed” or “possible” matches indicating the subject has adverse media coverage.
- **Regulatory & Environment** – this information originates from official government agencies, industry regulators and disciplinary boards for events that meet the qualifying standards and definitions.
  - Low Risk: The most recent screening identified no known enforcement actions concerning the subject.
  - High Risk: The most recent screening identified one or more “confirmed” or “possible” matches indicating a government has taken enforcement action(s) against the subject.
- **Political Exposure** – this category identifies individuals who act in a senior prominent public function or are family members or associates of

an individual in a senior prominent public function.

- Low Risk: No known political connection was identified as part of the most recent screening undertaken on this entity.
  - High Risk: A profile identified as either “confirmed” or “possible” in the most recent screening undertaken on this entity/person has a known political connection.
- **Watchlist** – Sanctions are legal decrees issued on a national or international level that impose restrictive measures to advance certain political or national security objectives.
- Low Risk: The most recent screening identified no direct sanctions exposure for the subject.
  - High Risk: The most recent screening identified one or more “confirmed” or “possible” matches indicating the subject is directly sanctioned or has a known connection to sanctioned entity.

If one of the above risks is high, you will see ‘Reason for Inclusion’ in the report. This will give you an overview of the risks associated with the Third-Party, its summary and sources.

In the ‘Profile Notes’ section of the report, there is a detailed description of the third party, including: date and institutions that imposed sanctions, types of measures taken against the third party, third-party ownership.

High-risk may not necessarily stop you from entering into a transaction with the third party, however you need to get prior written approval from the central compliance team. If the high-risk is associated with sanctions, do not proceed with the transaction.

## **Annex 2: Statement on the identity of the directors & ultimate beneficial owner(s)**

To comply with our legal duties and internal policies including, but not limited to, Trade Sanctions, Anti-Bribery and Corruption and Anti-Money Laundering, Banijay requires the persons who are authorized to represent the legal entity need to complete and sign a 'Statement on the identity of the directors & ultimate beneficial owner(s)'.

### **Section I – Identity of the Directors of the Legal Entity**

| First Name | Last Name | Date of birth | Address |
|------------|-----------|---------------|---------|
|            |           |               |         |
|            |           |               |         |
|            |           |               |         |
|            |           |               |         |
|            |           |               |         |
|            |           |               |         |

### **Section II – Ultimate beneficial owners of the Legal Entity**

“**Ultimate beneficial owners**” are the natural persons (individuals) who ultimately own or control a legal entity through direct or indirect ownership of more than 25% of the capital/shares or voting rights or ownership interest in that entity, including through bearer shares, or the individuals who exercise control over the legal entity through other means (i.e. the ultimate decision-makers).

| First Name | Last Name | Date of birth | Address | Percentage of Shares                                        | Ultimate Decision Maker |
|------------|-----------|---------------|---------|-------------------------------------------------------------|-------------------------|
|            |           |               |         | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |                         |
|            |           |               |         | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |                         |
|            |           |               |         | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |                         |
|            |           |               |         | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |                         |