

The background image is a blurred office setting. In the center-left, a man with glasses and a dark jacket is looking down at a desk. He has large headphones around his neck. In the foreground on the right, the back of a person's head is visible, out of focus. The desk has two computer monitors; the left one shows a line graph with a green peak. The right monitor shows a document with text and a table. There are some papers and a small plant on the desk. Large windows are in the background, letting in natural light.

# **Export Control Compliance Policy**

## Export Control Compliance Policy

### WHAT IS EXPORT CONTROL?

Export control can be defined as restrictions on the export of certain products to certain countries or end users.

Export control rules may be based on national legislation, but overall the export control rules are based on international agreements.

Exports are controlled for various reasons including:

- Regional instability, repression, or other human rights violations
- Concerns about the development of weapons of mass destruction ("WMD")
- Foreign policy and international treaty commitments including the abiding of US, EU, or UN trade sanctions

In Denmark, the Danish Business Authority ("Erhvervsstyrelsen") is the authority in charge of the administration of international export control rules.

### WHO ARE THE SUBJECTS OF EXPORT CONTROLS RULES?

Generally, it is the exporter's (i.e., the producer's) responsibility to ensure that the export control rules are complied with.

However, as a transporter, Clipper may also be subject to export control if involved in the transfer of goods between two overseas countries and consequently in need of a license as described below.

### WHAT ARE THE CONSEQUENCES OF VIOLATING THE EXPORT CONTROL RULES?

Non-compliance with the export authorization requirement may be subject to criminal liability in the form of a fine or imprisonment.

It is the exporter's responsibility to seek information about any risks related to his export markets, and the exporter must collect information about the end-user and the end-use of the product in the form of an end-user certificate and present this to Clipper prior to Clipper commences the transportation. However, this responsibility may also be Clipper's in our capacity as the transporter. Please always contact the Legal Department to obtain advice and guidance if in doubt.

## **HOW TO DETERMINE WHETHER AN EXPORT PERMIT IS REQUIRED**

The assessment of whether or not an export permit is required can be determined by the following factors:

- i. The nature of the goods/cargo due to be exported/transported
- ii. The destination concerned
- iii. The ultimate end-user of the goods/cargo and "Catch All"

### **Ad. i. Nature of Goods/Cargo**

Is the cargo a critical product either because it is contained in the US and or EU list of critical products, or because it is comprised by the catch-all provisions, (i.e., can the product be applied in relation to WMD or military use in a country under an arms embargo?)

### **Ad.ii. Destination Concerned**

Different rules apply to, for example, EU Member States and critical countries, such as North Korea and Iran.

In the assessment of whether an export destination is critical, particular attention should be paid to markets where the risk of development and build-up of WMD is generally known, for example in certain countries in the Middle East, North Africa, and Asia, such as Iran, India, Pakistan, Iraq, Afghanistan, China, Malaysia, North Korea, Taiwan, Israel, Ukraine, Libya, Syria.

Please also use the Clipper Bulk Sanction Manual in relation to the assessment of a critical destination.

**Ad. iii. Ultimate end-user and “Catch All”**

In order to ensure that Clipper Group is in compliance with export control rules when undertaking transportation of cargo for customers a due diligence investigation should be undertaken if the customer or the end-user or the product is not known to Clipper. For this purpose, please make use of the Clipper Due Diligence Questionnaire available for download at Bridge.

You may still need an export permit even though the cargo is not critical if the cargo is likely to be sent to an end-user where there are concerns about the possible use of the goods in the WMD program. Awareness should also be taken in circumstances indicating that the export/cargo in relation to the customer or the end-user is destined or in any way related to the defense/ military industry.

There may also be other circumstances that seem unusual for one reason or another which ought to raise awareness and clarify whether an export authorization is required such as:

- Unusual payment terms
- Unusual requests in terms of trading lines
- Unusual packaging requirements
- Credit information is not available from normal business sources
- Unusual signs in relation to the customer or the envisaged use of the cargo

Please always contact the Legal Department to obtain advice and guidance if in doubt about whether or not an export permit is required.

**WHISTLEBLOWER REPORTING**

The Clipper Bulk has available a Whistleblower Scheme that allows employees as well as the public in general to report any irregularities and or violations that any employee may deem serious and subject to reporting, and which fall under the scope of the scheme.

Further information about the Whistleblower Scheme and reporting under the same are available at [clipper-bulk.com](http://clipper-bulk.com).

**REVIEW AND AMENDMENT**

The Senior Management Team will annually review and if relevant update this policy.

Adopted by the Clipper Group Ltd. Board on 12 June 2023 and latest reviewed by the Senior Management Team on 13 June 2025.