Sustain Your Business Growth"

Jakarta Mori Tower, Lantai 30, 31 dan 32 Jl. Jend. Sudirman Kav. 40-41 Bendungan Hilir, Tanah Abang Jakarta Pusat 10210, Indonesia

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Response to US OFAC Regulations

(1) Overview of OFAC Regulations

The United States (US) implements economic sanctions through the Office of Foreign Assets Control (OFAC) under the Department of the Treasury for foreign policy and national security purposes. These regulations are generally referred to as OFAC regulations. OFAC regulations impose compliance obligations on US entities, including banks, US citizens (including US entities and US individuals domiciled outside the US), and US residents (including foreign entities and foreign individuals domiciled in the US) under Foreign Assets Control Regulations. Banks located in the US (including foreign bank branches) and US bank offices outside US territory must refuse to process prohibited transactions or freeze deposit account assets and/or remittances in accordance with applicable regulations. Violation of OFAC prohibitions may result in civil fines and criminal penalties.

(2) Application of OFAC Regulations

OFAC regulations may also apply outside US territory if the relevant transactions involve sanctioned entities/individuals in the case of:

- 1. Money transfer transactions from Indonesia to countries other than the US carried out by Indonesian companies/individuals with Indonesian citizenship, in USD currency and/or involving US companies/individuals with US citizenship; or
- 2. Trade transactions with countries other than the US, denominated in USD and/or involving US companies/individuals with US citizenship.

In above case, not only the subject transaction is at issue but subsequent transactions can also be rejected by the foreign bank. Additionally, in some sanctions programs, such as Iran sanctions, secondary sanctions may be imposed on foreign financial institutions (including banks located in Indonesia), non-US companies (including Indonesian companies), and non-US individuals who have conducted certain transactions with sanctioned person or country, even if the transaction has no direct contact with the US. In the case of secondary sanctions, there is a risk of being designated as a sanctioned entity or person. The sanctions imposed include a ban on access to the US foreign exchange market or restrictions on exports to the US. To Customers from the risk of sanctions, we will investigate related parties (such as

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subsidiaries, affiliates, etc.) that are under the Customer's control and the transactions that have been carried out. We are very grateful for your kind understanding.

(3) Our Policy

In accordance with economic sanctions regulations, including the OFAC regulations mentioned above, in principle we cannot handle transactions directly or indirectly, involving countries subject to comprehensive sanctions (Iran, North Korea, Cuba, Syria, the Crimea region, the Donetsk People's Republic and Luhansk People's Republic region), regardless of the currency used, with some exceptions. Therefore, we ask customers to ensure carefully that the transactions carried out do not fall into the above categories before making an application.

Please note that once a transaction is accepted, if there is a risk of violation of economic sanctions regulations, including OFAC regulations, we will review the details of the transaction. Depending on the outcome, we may postpone or cancel the transaction.

Evasion of sanctions is considered a serious violation under OFAC regulations. It is possible that the act of indirectly engaging in transactions (trade or payments) with a sanctioned country or individual through a third country or third party is considered sanctions evasion. If such actions are identified, we will request that the related transaction be stopped.

If action is taken to freeze assets due to economic sanctions regulations, including OFAC regulations, we are not be able to return funds received in exchange for such transactions. In such cases, Customers will need to take their own action, such as submitting a request to OFAC to lift the freeze.

In accordance with economic sanctions regulations, including OFAC regulations², in principal transactions cannot be handled by Bank Resona Perdania with several exceptions² regardless of currency, either directly or indirectly, are:

i. Transactions where the location, place of residence, relevant country, or affiliated location³ of the party involved in the transaction⁴ includes a country or region that is subject to comprehensive sanctions*

*Transactions involving North Korea, Iran, Cuba, Syria, Crimea region, Donetsk People's Republic region and Luhansk People's Republic region.

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- ii. Transactions involving the government of a country or region subject to comprehensive sanctions (North Korea, Iran, Cuba, Syria, Venezuela) or officials or employees of that government.
- iii. Transactions with individuals domiciled in countries or regions subject to comprehensive sanctions or with companies located in those countries or regions (including companies headquartered there).
- iv. Transactions involving persons subject to sanctions⁵, such as terrorists, narcotics traffickers,
 weapons of mass destruction dealers, and transnational criminal organizations
- ¹ Economic sanctions regulations: These regulations include regulations that fall under the jurisdiction of Indonesia, the United Nations, the UK Government, the European Union and other government authorities in the regions where we do business.
- ² Some exceptions: We may be able to process transactions if you have obtained a special license from OFAC or have confirmed that you are permitted by a general license.
- ³ Relevant countries and regions: This includes place of origin, distribution point (place of delivery, port of discharge, destination, or stopover), vessel registration, etc.
- ⁴ Parties involved in the transaction: This includes money senders, recipients, importers, exporters, consignees, banks, shipping companies, airlines, carriers, aircraft, cargo carriers, terminal and dock owners and operators, as well as collateral beneficiaries.
- Sanctioned parties: Includes North Korea, Iran, Syria, Cuba, Crimea region, Donetsk People's Republic region, Luhansk People's Republic region and the Government of Venezuela. This also includes individuals, companies, organizations, vessels, and people owned or controlled by those subject to asset freezes, transaction bans, etc. The things mentioned above are current examples. For details of the latest OFAC regulations, please refer to OFAC website: http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx

Sincerely,

PT Bank Resona Perdania

Oki Oktavianus

Compliance Director