MF Corporation

MF Corporation Company Limited
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MF Sanctions and Export Control Compliance Policy

Internal Compliance Program · Version 1.1

1. General provisions

Company	MF Corporation Company Limited — Business Registration No. 0835565024547 (registered 22 November 2022)
Registered address	9/31 Moo 5, Choeng Thale Sub-district, Thalang District, Phuket 83110, Thailand
Document	Sanctions and Export Control Compliance Policy
Version	1.1
Version date	21 January 2023
First approved	Director's Resolution No. 6/2023 dated 15 January 2023 (version 1.0)
Effective date	18 January 2023 (version 1.0); version 1.1 from 21 January 2023
Policy owner	Director (acting as Compliance Officer)

1.1 Purpose. This Policy sets out how MF Corporation Company Limited (the "Company") ensures that its sale of aircraft components and the export, re-export, transit and transshipment connected with those sales comply with applicable sanctions and export control laws. It forms the Company's Internal Compliance Program ("ICP").

1.2 Scope. This Policy applies to:

- all directors, officers, employees, agents and contractors of the Company;
- all aircraft components the Company sells, whatever their condition, and the documents supplied with them;
- all customers, suppliers, freight forwarders, intermediaries and other counterparties, wherever located.

1.3 Legal framework. The Company complies with:

- the Trade Controls on Weapons of Mass Destruction Related Items Act B.E. 2562 (2019) and the notifications of the Ministry of Commerce and the Department of Foreign Trade ("DFT") issued under it, including the lists of controlled dual-use items and catch-all controls;
- the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act B.E. 2559 (2016) and the designated persons lists published by the Anti-Money Laundering Office ("AMLO");
- sanctions imposed by the United Nations Security Council;
- the Customs Act B.E. 2560 (2017) and other applicable Thai laws;
- foreign export control and sanctions laws to the extent they apply to the Company's transactions or goods, including the US Export Administration Regulations (EAR), OFAC sanctions, EU and UK sanctions and export controls. In particular, US-origin aircraft parts remain subject to the EAR after export to Thailand.

1.4 Priority. Where this Policy is stricter than the law, this Policy applies. Where laws conflict, the employee must escalate to the Compliance Officer before acting.

2. Definitions

Sanctioned Person	Any person or entity listed on the UN Security Council Consolidated List, AMLO designated lists, or applicable foreign lists (OFAC SDN, US Entity List, EU, UK), or owned 50% or more or controlled by such persons
Sanctioned Jurisdiction	A country or territory subject to comprehensive sanctions, as listed in Annex A
Dual-Use Item (DUI)	Goods, software or technology listed by the Ministry of Commerce under the WMD Act, or caught by catch-all controls
Controlled Item	A DUI, a military item, or an item requiring a license under Thai or applicable foreign law
End User	The person that will finally use the goods, as opposed to an intermediary or distributor
Red Flag	A circumstance indicating possible diversion, sanctions evasion or prohibited end use (Section 4.5)
Transaction	Any quotation, sale, export or re-export of aircraft components

3. Policy statement and responsibilities

3.1 Commitment. The Company does not engage, directly or indirectly, in any Transaction that would breach applicable sanctions or export controls. In particular, the Company does not:

- deal with Sanctioned Persons or for their benefit;
- supply goods to Sanctioned Jurisdictions, or to anyone who it knows or suspects will re-export them there;
- supply goods for military end use or WMD-related end use without the required license;
- assist any party to evade or circumvent sanctions.

No commercial target justifies a breach of this Policy. An employee who refuses a Transaction in good faith on compliance grounds will not be penalized.

3.2 Director. The Director is ultimately responsible for this Policy. The Director approves the Policy, provides resources, appoints the Compliance Officer and decides on escalated Transactions.

3.3 Compliance Officer. The Director, Miss Katika Sakornnoi, acts as Compliance Officer, as confirmed by Director's resolution. The Compliance Officer:

- runs the counterparty checks and classification under Section 4;
- approves or blocks Transactions and may stop any shipment;
- maintains the list of Sanctioned Jurisdictions (Annex A) and the screening tools;
- files license applications with the DFT through the e-TCWMD system and liaises with authorities;
- runs training and keeps records;
- supports the Director's annual review of this Policy and records any suspected breach immediately.

The Compliance Officer has unrestricted access to Transaction records. Sales staff may not overrule the Compliance Officer.

3.4 Employees. Every employee must follow this Policy, complete training, and report Red Flags to the Compliance Officer without delay.

4. Transaction controls

4.1 Order of checks. No quotation is confirmed and no goods are shipped until all steps below are completed and recorded:

1. **Know your customer** — collect the counterparty's registration documents, ownership structure (beneficial owners of 25% or more), address and business profile.
2. **Screening** — screen the counterparty, its owners, the End User, the consignee, freight forwarder and bank against the lists in Section 2.
3. **Product classification** — determine whether the item is a Controlled Item under Thai lists, and its US ECCN or EU classification where relevant.
4. **End-use check** — where the Compliance Officer requires it, obtain a signed End-Use / End-User Statement (Annex B) before the Transaction is confirmed. The Compliance Officer decides on a risk basis, for example on a Red Flag, for a Controlled Item or for the destination. Confirm the aircraft type, registration and operator where the part is for a specific aircraft.
5. **Destination check** — confirm the final destination and route are not a Sanctioned Jurisdiction or a known diversion route.
6. **License check** — obtain any DFT export license or foreign license required before shipment.
7. **Compliance approval** — the Compliance Officer signs off the Transaction in the compliance log.

4.2 Screening frequency. The counterparty is checked before each Transaction.

4.3 Classification. Each part number is classified once and recorded in the product register. Classification is reviewed when the Ministry of Commerce or the DFT updates the control lists. Where classification is uncertain, the item is treated as controlled until confirmed.

4.4 Licensing. Where a license is required, the Company applies through the DFT e-TCWMD system and does not ship until the license is issued. The Company complies with all license conditions.

4.5 Red Flags. The following require escalation to the Compliance Officer before the Transaction continues:

- the customer is reluctant to name the End User, aircraft type or operator;
- the delivery address is a freight forwarder, free zone or a country with no apparent link to the customer;
- the customer is newly incorporated, has no aviation history, or its ownership is unclear;
- the order does not fit the customer's fleet or business (e.g. parts for aircraft types it does not operate);
- payment from a third party, from an unrelated country, in cash or cryptocurrency, or above market price;
- requests to remove serial numbers, change documentation, split shipments or describe goods vaguely;
- the customer declines installation, warranty or after-sales support that would normally be expected;
- links to a Sanctioned Jurisdiction or Sanctioned Person appear anywhere in the chain.

4.6 Decision. A Red Flag is cleared only by documented evidence. If it cannot be cleared, the Transaction is refused.

5. Governance

5.1 Escalation and reporting. Employees report concerns to the Compliance Officer at compliance@mf-corporation.com. Retaliation against anyone reporting in good faith is prohibited.

5.2 Recordkeeping. The Company keeps screening results, classification records, End-Use Statements, licenses, contracts, invoices, shipping documents and compliance approvals for at least five years from the date of the Transaction. Records are produced to the DFT, AMLO or other authorities on lawful request.

5.3 Training. Staff involved in sales receive training on this Policy at onboarding and annually. A training log is kept.

5.4 Audit. Where needed, the Director arranges an independent review of the compliance program. Findings and corrective actions are recorded.

5.5 Breaches. On a suspected breach, the Compliance Officer suspends the Transaction, preserves records and informs the Director. The Company considers voluntary disclosure to the competent authority. Employees who breach this Policy are subject to disciplinary action up to dismissal.

5.6 Review. The Director reviews this Policy at least annually and whenever relevant laws or control lists change.

5.7 Publication. This Policy is published on the Company's website and provided to counterparties on request.

Annexes

- **Annex A** — List of Sanctioned Jurisdictions. Jurisdictions subject to comprehensive sanctions:
  - Cuba;
  - Iran;
  - North Korea (DPRK);
  - Syria;
  - the Crimea, so-called Donetsk People's Republic, so-called Luhansk People's Republic, Zaporizhzhia and Kherson regions of Ukraine.

  This list is maintained by the Compliance Officer, reviewed at least annually and updated when sanctions regimes change.

  Russia and Belarus. The Company does not supply goods to Russia or Belarus, directly or through third countries, and complies with the sanctions and export restrictions that apply to them.
- **Annex B** — End-Use / End-User Statement under Policy version 1.1, a separate form used where the Compliance Officer requires it (Section 4.1, step 4): the buyer confirms the End User, aircraft type and registration, final destination, civil end use only, no use connected with WMD or military purposes, no re-export contrary to applicable law, no sale, export or re-export to Russia or Belarus or for use there, directly or indirectly, and that neither the buyer, the End User nor the consignee is a Sanctioned Person.
- **Annex C** — Transaction compliance checklist (internal record kept by the Compliance Officer; Section 4.1, steps 1–7).

> **Approval**
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> Version 1.0 approved by Director's Resolution No. 6/2023 dated 15 January 2023.
> Version 1.1 approved by the Director on 21 January 2023.

Revision history

Version	Date	Approval	Changes
1.0	15 January 2023	Director's Resolution No. 6/2023, effective 18 January 2023	First issue.
1.1	21 January 2023	Approved by the Director	Scope: the sale of aircraft components (no repair, exchange, loan or lease). End-Use Statement (Annex B) obtained where the Compliance Officer requires it, decided on a risk basis, for example on a Red Flag, for a Controlled Item or for the destination (Section 4.1, step 4). Annex A: Russia and Belarus named as destinations the Company does not supply, directly or through third countries. Annex B: declarations that the goods do not go to Russia or Belarus and that no party is a Sanctioned Person. Contact details and publication on the company website.