



# **COMPLIANCE POLICY**

**with regard to regulations of the**

## **OFFICE OF FOREIGN ASSETS CONTROL**

**(“OFAC”)**

Amira Nature Foods Ltd (the “Company”) requires strict compliance with all applicable laws and regulations, including those that pertain to regulation of financial dealings with overseas companies. In that regard, the Company requires and expects its employees and those with whom it deals fully to comply with United States OFAC.

OFAC stands for "Office of Foreign Assets Control," which administers and enforces economic sanctions programs of the United States, primarily against terrorists and narcotics traffickers. OFAC prohibits a broad range of unlawful transactions and other dealings in which U.S. persons may not engage (unless exempt or authorized by OFAC). The Company will not tolerate any commerce with terrorists, drug dealers, money launderers and the like, and it is the responsibility of Company employees to ensure that the Company not knowingly or recklessly aid others in violation of these laws. We do so by taking steps to know our customer, to be diligent in identifying “red flags” of irregularity, by observing all applicable regulations, and by reporting any suspicious behavior. We set forth below the steps all personnel should take to ensure compliance to the extent possible.

### **I. KNOW YOUR CUSTOMER**

When dealing with a purchaser or supplier, it is important that you exercise appropriate due diligence to know that customer and to be secure that the customer is legitimate and not a money launderer. Thus, for those with whom you do business (customers and suppliers) you should know:

- A. The address of the counterparty's principal place of business;
- B. The countries in which the counterparty conducts business; and
- C. The type(s) of business in which the counterparty engages.

The U.S. maintains a lists of countries into which funds cannot be sent. You should be aware of this list. It also maintains a list of Specifically Designated Nationals and Blocked Persons (“SDN”). If a person or company is on the SDN list, we should not do business with them. The

list is available to the Company's Chief Financial Officer and customer and vendor names should be cleared with the Chief Financial Officer.

## **II. WATCH FOR RED FLAGS**

You must always be diligent in being aware of indications that the party with whom you are dealing might be a terrorist, drug trafficker, or money launderer. Of course, such persons rarely announce that fact, but there are certain irregularities that we all must keep in mind and look out for. In the event that one of the circumstances set forth below arises, or anything else that seems out of the ordinary and reason for concern, you should immediately report the matter to a superior or the Chief Financial Officer:

A. Where we ship products to a foreign country, payment in connection with such transaction should come from funds originating from (a) the country to which the goods are shipped, or (b) the country where the customer has its principal place of business, unless the customer has a good reason for us to do otherwise.

B. Likewise, where we buy supplies from a vendor in a foreign country, we should direct our payment to that country unless the vendor has offices in another country (to which we make payment) or a good reason to do otherwise.

C. Payment for sales to customers should come only from the customer itself and not from some third party. Similarly, we should pay vendors and not direct payments to third parties (at the vendor's request).

D. No one should allow any customer or vendor to (i) operate under our business name; (ii) cause or conduct financial transactions using our bank accounts; or (iii) conduct business pursuant to a license issued to us.

E. We shall not open bank accounts for third parties under our business name.

F. We should not be conducting large transaction in cash (currency) unless there is a good reason for it.

G. No counterparty should offer to give you something of substantial value.

Should a customer or vendor engage in any of the above conduct, ask you to do one of the things mentioned above, or act in a manner that you consider suspicious, do not do the prohibited act and immediately report the matter to your superior or the Chief Financial Officer.

## **III. COMPLY WITH ALL APPLICABLE REGULATIONS**

A. Of course, we are all required to comply with all applicable laws and regulations in every country in which we do business. A very important regulation that provides an important tool to US law enforcement with regard to OFAC are cash reporting requirements. Where transactions are made in whole or in part with currency,

we must file IRS Form 8300s and any other required cash reporting documents. In the event of a cash transaction, you must contact your superior or the Chief Financial Officer.

B. We must keep and maintain records for all transactions (sales and purchases) involving the shipment to or receipt from foreign country and/or international transfers of funds (both sent and received) for five years. This should also include any documents generated in the course of the know-your-customer efforts described above.

#### **IV. REPORT SUSPICIOUS ACTIVITY**

As noted above, if you see any of the red flags that are discussed above, immediately report the matter to your superior or the Chief Financial Officer. However, you are not limited to the red flags that are discussed above. In the event that you have any reason to suspect that a customer or a vendor is involved in some wrongdoing or behaving in a suspicious manner, report that too. In this case, there is no question but it is better to be safe than sorry. Both you and the Company can be held liable if we enter into transactions where we have reason to believe that the counter party is affiliated with or does business with terrorists, drug dealers, or money launderers.