

# **StealthGas Inc.**

## **Sanctions Compliance Policy**

### **I. Introduction**

StealthGas Inc. is committed to complying with relevant economic and trade sanctions laws (“Sanctions”) in all jurisdictions in which it operates, as these may apply to its operations, through identifying, mitigating and managing the risks of both primary and secondary Sanctions violations.

### **II. Policy Applicability**

This Sanctions Compliance Policy (“Policy”), applies to all directors, officers, contractors, and offshore and onshore employees of (1) StealthGas Inc. and its subsidiaries and other business entities controlled by it (collectively, “StealthGas” or the “Company”); (2) affiliates and entities that regularly provide management services to the Company, including but not limited to Stealth Maritime Corporation S.A. and Brave Maritime Corporation Inc. (a “Management Company”); and (3) any person or entity (and their respective employees, officers and directors) performing duties for, providing services to, or acting on behalf of the Company or the Management Companies (each a “Third Party”) (collectively, the Company, the Management Companies, and Third Parties are referred to as “Covered Persons”).

Contracts and agreements executed between the Company and/or a Management Company and Third Parties may contain more specific provisions addressing some of the issues set out in this Policy. Nothing in this Policy is meant to supersede any more specific provision in a particular contract or agreement executed between Company and/or a Management Company and a Third Party, and to the extent there is any inconsistency between this Policy and any other provision of a particular contract or agreement, the provision in the contract or agreement will prevail.

This Policy is intended to supplement and not replace other StealthGas codes of conduct, policies, rules and procedures that are applicable to Covered Persons from time to time. If any Covered Person has any doubt as to the codes, policies, rules and procedures applicable in a given situation, or if any Covered Person perceives any conflict or inconsistency between this Policy and any other StealthGas code of conduct or any other StealthGas policies, rules or procedures, then he/she should raise the issue with, and seek direction from the Audit Committee at [AuditCommittee@stealthgas.com](mailto:AuditCommittee@stealthgas.com)

### **III. Overview of Sanctions and Prohibited Conduct**

#### **Purpose**

This Policy sets out the Company’s approach to identifying and managing Sanctions-related risks, including:

- Guidance about the meaning of Sanctions and how to comply;
- Principles and measures that the Company and its Management Companies follow to comply with Sanctions legislation and to identify, mitigate and manage Sanctions risk in the jurisdictions where it operates; and

- Consequences of failing to comply with this Policy.

This Policy applies to all countries and/or jurisdictions in which the Company operates and extends to any additional countries and/or jurisdictions where the Company commences operations and/or has an active registration or license.

#### **IV. Meaning of Sanctions and How to Comply**

Sanctions are laws and regulations enacted by governments (such as the government of the United States (“U.S.”), international organizations (such as the United Nations (“U.N.”) and supranational bodies (such as the European Union (“E.U.”) to promote foreign policy and other objectives, including:

- limiting the adverse consequences of a situation of international concern (for example, by denying access to military or paramilitary goods, or to goods, technologies or funding that enable international terrorism or the proliferation of weapons of mass destruction);
- seeking to influence other persons or governments to modify their behavior; and
- penalizing other persons or entities (for example, by blocking or “freezing” their assets, or denying access to international travel or to the international financial system).

Sanctions are intended to deter a range of activities, which may include political or military aggression, providing sanctuary for criminals and terrorists, developing nuclear or other weapons programs, and abusing human rights.

Sanctions are implemented largely by prohibiting companies and individuals from doing business with persons, entities, countries and governments that are the targets of the Sanctions. Such restrictions can include:

- export bans, import bans and prohibitions on the provision of certain specified services;
- prohibiting certain commercial activities (such as joint ventures and other investment);
- barring the transfer of funds to and from a sanctioned country;
- targeted financial Sanctions, which include freezing the assets of and prohibiting any dealings with, a government, country, or territory, and designated entities and individuals;
- travel bans; and
- other financial restrictions.

One key method of imposing Sanctions is to designate a country, territory, government, individual or entity as a target of Sanctions (a “Sanctions Target”). For example, the United States publishes a list of Specially Designated Nationals (or “SDNs”), which includes individuals and entities. In general, persons subject to U.S. jurisdiction must block (or freeze) any assets of an SDN within the U.S. person’s possession or control, and may not have any dealings with, or provide any services to, an SDN. The United States also imposes economic sanctions and embargoes that target geographic regions and governments; some programs are comprehensive in nature and block the government and include broad-based trade restrictions, while others target specific individuals and entities. In non-comprehensive programs, there may be broad prohibitions on dealings with countries, and also against specific named individuals and entities.

Most Sanctions regimes prohibit actions taken to circumvent applicable Sanctions or to facilitate activities by another person or entity that would violate Sanctions if undertaken directly. Covered

Persons shall be careful not to inadvertently violate sanctions by facilitating or brokering a transaction that would be prohibited if conducted by the Company. Covered Persons cannot facilitate, swap, approve, finance, or broker any transaction or activity if such transaction or activity would be prohibited if performed by the Company. This prohibition also includes referrals to a foreign person of business opportunities involving any nation subject to comprehensive sanctions or any persons designated on an SDN list. Example: if a Covered Person introduces a person from a Sanctioned Country (with whom no business can be made as per applicable Sanctions) to a foreign person for the purpose of facilitating or fostering a business opportunity, then that Covered Person would be in violation of the “facilitation” clause of the Sanctions.

Moreover, some Sanctions regimes have extraterritorial application, such that they may be extended to persons abroad who cause a domestic person to violate Sanctions, for example, by removing SDN-identifying information from funds transfers or other business records so that a domestic person cannot properly screen the transaction for Sanctions violations.

## **V. Key Principles**

The following key principles govern the Company’s approach to Sanctions and export controls. All other requirements in this document are to be read in the context of these principles. In the event of a conflict between principles and requirements, the principles will prevail.

- The Company maintains a Sanctions policy to meet obligations under Sanctions regimes of the jurisdictions in which it operates, is registered and/or licensed.
- The Company complies with the requirements of the U.S., U.N. and E.U. Sanctions regimes (whenever these apply to its operations) wherever it operates, and will not undertake any business that would breach those Sanctions regimes.
- In addition to complying with the requirements of the U.S., U.N. and E.U. Sanctions regimes (whenever these apply to its operations), the Company and the Management Companies each comply with other Sanctions regimes whenever they apply to particular operations, and will not undertake any business that would breach those Sanctions regimes.
- The Company considers Sanctions regimes imposed by other jurisdictions where the facts of the transaction make it appropriate to do so.
- The Company may decide not to provide services even where it is permitted by law, particularly where the circumstances presents reputational risk.
- The Company will not undertake any business that would breach any export laws that apply to it.

## **VI. Measures to Comply with Sanctions**

Before engaging in any commercial relationship or transaction, the Company ensures that these relationships and transactions comply with applicable U.S., U.N., and E.U. Sanctions laws, by

screening those individuals or entities against the SDN list and other relevant Sanctions lists. The Company shall also screen its transactions as to potential violations on country specific sanctions.

The level of screening and due diligence undertaken depends on the risk profile of the particular relationship or transaction, with enhanced screening and diligence undertaken where the risks are greater. For example, where a relationship or transaction is with an internationally recognized individual or business in a country or countries that are not subject to Sanctions, a lower standard of diligence may be applied. Conversely, where a relationship or transaction is with an individual or business located in a high-risk jurisdiction, enhanced due diligence must be undertaken.

In carrying out such screening, Covered Persons may rely on information provided to it by its customers, and business partners unless it is aware or suspects that those customers and business partners, or the information provided, is unreliable or dishonest, or relates to a high-risk jurisdiction.

The Company also requires contractual undertakings from its counterparties to ensure that the Company does not transport cargo in violation of applicable export control laws. For example, the U.S. controls exports of sensitive equipment, software and technology as a means to promote the national security interest of the U.S. and foreign policy objectives.

Contracts with Third Parties must include provisions (i) representing that the Third Party is not itself an SDN or otherwise the subject or target of Sanctions; (ii) requiring compliance with U.S., U.N. and E.U. Sanctions laws and with this Policy, (iii) requiring that counterparties do not engage in or facilitate any business activity that would lead a Covered Person to breach any applicable Sanctions obligations; and (iv) permitting the Company or a Management Company to exit the contract if the Third Party violates its contract with the Company or the Management Company, as applicable, or this Policy, or becomes an SDN or otherwise the subject or target of Sanctions.

**None of the Company, the Management Companies nor any other Covered Person shall engage in any commercial relationship or transaction that directly or indirectly involve:**

1. **Countries that are subjects or targets of Sanctions (“Sanctioned Countries”); or**
2. **Nationals of Sanctioned Countries;**

unless the contemplated commercial relationship or transaction has been screened and cleared for action in accordance with the applicable sanction screening systems, processes and procedures that are implemented by the Company and the Management Companies from time to time. For clarity, the fact that a country is a Sanctioned Country or a person is a national of a Sanctioned Country does not automatically mean that the Company, a Management Company or another Covered Person cannot engage in any commercial relationship or transaction involving any such Sanctioned Country or person; however the transaction or commercial relationship intended by the Company, a Management Company or such other Covered Person would first need to be thoroughly screened by the Company to ensure that it does not breach any Sanctions related legal obligation. If in doubt advice should always be obtained from the Audit Committee or CEO immediately. **From time to time relevant Covered Persons shall be informed by the Company of those countries that are Sanctioned Countries. Because Sanction programs are dynamic and constantly changing, the countries that are Sanctioned Countries can change quickly; the Company regularly reviews the U.S., U.N. and E.U. Sanctions regimes, and may update the list of Sanctioned Countries at any time.**

**Third Parties shall also ensure that they do not engage in any commercial relationship or transaction that directly or indirectly involve countries that are subjects or targets of Sanctions and nationals of such countries,** unless the commercial relationship or transaction would have been screened and cleared for action in accordance with the applicable screening procedures and processes implemented by each Third Party. Third Parties shall at all times have in place systems, processes, policies and procedures to ensure compliance with this limitation. If in doubt as to whether any commercial relationship or transaction conducted by a Third Party violates this policy, the Third Party shall notify the Company as soon as practicable.

**For clarity and avoidance of any doubt:**

- i. all commercial relationships and transactions, directly or indirectly, involving Sanctioned Countries and nationals of Sanctioned Countries shall be immediately cancelled and/or not pursued until screened and cleared for action in accordance with the applicable sanction screening systems, processes and procedures that are implemented by the Company or a Management Company from time to time; and,**
- ii. commercial relationships and transactions with persons whose name is not on a list of Specially Designated Nationals may still be prohibited if that commercial relationship or transaction directly or indirectly, involves Sanctioned Countries and nationals of Sanctioned Countries. In such cases commercial relationships and transactions shall also be immediately cancelled and/or not pursued until screened and cleared for action in accordance with the applicable sanction screening systems, processes and procedures that are implemented by Company or a Management Company from time to time.**

Covered Persons, including Third Parties, must not facilitate activities by any persons, including customers or suppliers that involve Sanctioned Countries or nationals of Sanctioned Countries, including by referring such business to other persons or entities.

If any Covered Person, including any Third Party, becomes aware of an actual or potential breach or a Sanctions regime, then he/she must notify the Legal Department immediately. The Company will then assess any notifications so received in the light of, amongst other things, any applicable reporting legal obligations.

## **VII. Obligations of Covered Persons**

Covered Persons must read and apply this Policy and must ensure compliance with this Policy.

The relevant Covered Persons dealing with customers, suppliers and other business partners/counterparties shall screen and perform due diligence on each prospective customer, and potential business partner/counterparty. If there is any doubt whether screening and due diligence has been conducted with respect to any such person or entity, the Legal Department must be contacted immediately.

Under no circumstances may a Covered Person act to avoid Sanctions obligations or detection of a relationship or transaction that would breach this Policy. Covered Persons cannot advise customers, or others as to how transactions may be structured or presented to evade applicable Sanctions or this Policy. This includes, but is not limited to, advising customers, and others to amend any information or documents to include false or misleading information, to omit accurate

information, or changing, removing or omitting information from a transaction or any business record that would otherwise lead to detection of a Sanctions issue.

Covered Persons may be subject to the Sanctions laws not only of the country or countries in which they live and work, but also of the country or countries of which they are a citizen, permanent resident, or visa holder. In addition, mere presence in a country, even on a transitory basis, generally will make the Covered Person subject to the laws of that country while they are within or transiting through it. It is the responsibility of each Covered Person to understand and meet their Sanctions obligations as a citizen of a particular country or as a result of their presence in a particular country. Questions about particular circumstances should be directed to the Legal Department. Depending on such circumstances, the Company may require the Covered Person to adhere to certain practices to ensure that the Company and the individual Covered Person comply with all applicable Sanctions requirements.

### **VIII. Consequences of Failure to Comply**

Failure to comply with relevant Sanctions laws would constitute a breach of legal and/or regulatory requirements, and can expose the Company to significant reputational damage, legal and regulatory actions, and financial loss, and can expose individual Covered Persons involved in any violation to substantial fines and imprisonment.

The Company has a zero-tolerance approach to intentional violations of this Policy or applicable Sanctions regimes. If an employee fails to comply with this Policy, then he/she may be subject to disciplinary action that may include dismissal from employment. Disciplinary measures will depend on the circumstances of the violation and will be applied in a manner consistent with the Company's policies. In addition, employees who violate the law during the course of their employment may also be subject to criminal and civil action.

The Company and any Management Company may terminate a business relationship with any Third Party (including terminating all contracts and agreements in force between the Company and/or the Management Company and any such Third Party) by means of written notice to the Third Party, with immediate effect, without need of judicial recourse, and without liability for compensation or damages (whether direct and/or indirect) of any type or nature in favor of the said Third Party, in the event that: (1) the Third Party fails to comply with any provision in this Policy and fails to remedy (if such a failure is remediable) that failure within 10 days of the Third Party being notified in writing of the failure; or (2) the Third Party becomes a Specially Designated National or the subject or target of Sanctions. The Company may also terminate a business relationship with any Management Company on an equivalent basis.

### **IX. Reporting of Violations**

9.1 Any Company or Management Company employee who witnesses an act involving a potential violation of any Sanctions or this Policy, shall take reasonable and appropriate measures to stop such activities.

9.2 Any Company or Management Company employee who witnesses an act involving a potential trade violation or becomes aware of any potential violation, must report this information to their supervisor, senior management, the legal department or the Company Hotline on

+30 210 62 500 17.

- 9.3 Potential violations will be investigated by the legal department and reported to senior management.
- 9.4 Covered Persons must report to the legal department if they are contacted by anyone outside of Company or the Management Companies, as applicable, including law enforcement officials or government agencies concerning a potential violation of Sanctions or this Policy.
- 9.5 The Company will take appropriate action against any Covered Person whose actions are found to violate this Policy. Also, disciplinary action may be taken against Company or Management Company employees who knowingly fail to report such violations, or who retaliate against others who in good faith report such violations. Discipline may include actions up to and including the termination of employment or any business agreement or relationship with the Company or a Management Company.

**X. Confirmation**

StealthGas will review this Policy on a regular basis and will introduce revisions where necessary or appropriate. The Company will implement all the necessary procedures, to ensure and validate on a regular basis, the proper adherence of this Policy by all employees, directors and officers.

For enquires or any other matter relating to this Policy, the Audit Committee may be contacted at [AuditCommittee@stealthgas.com](mailto:AuditCommittee@stealthgas.com).