Introduction

This policy provides guidance regarding the procedures that Jason Industries, Inc. (the “Company”) has put in place to comply with and minimize the risk of violations of anti-boycott laws and regulations. Doing business with international entities and persons presents unique compliance risks, which could result in denial of export privileges, significant fines, sanctions and the loss of tax benefits if a violation were to occur. Many companies that operate in, or are controlled by or affiliated with companies that are located in, the Middle East comply with the Arab League boycott of Israel. The U.S. government has created anti-boycott laws and regulations to counter the Arab League boycott of Israel and other unsanctioned boycotts. These laws and regulations apply to all U.S. Companies and all their subsidiaries (including non-U.S. subsidiaries).

Compliance with Anti-boycott Laws; Scope of Coverage

It is the policy of the Company to comply fully with the U.S. anti-boycott laws and regulations. This policy applies to all employees of the Company and its subsidiaries and affiliates, wherever located and all agents and representatives acting on behalf of the Company, its subsidiaries or affiliates. (Hereinafter throughout this policy, references to the Company shall be deemed to include its subsidiaries and affiliates.) This policy applies to all unsanctioned boycotts, even though the boycott of principal concern is the Arab League’s boycott of Israel. The Company’s legal department will endeavor to update this policy in the event it becomes aware of any additional unsanctioned boycotts.

Prohibited Activities

The Company (and its employees, agents and representatives) shall not do any of the following:

• Enter into any arrangements in which it refuses to deal in Israeli goods or components, work with Israeli or “blacklisted” companies, or use Israeli shipping lines.

• Refuse to do business with or in Israel or with blacklisted companies.

• Refuse to employ or otherwise discriminating against persons based on race, religion, sex, national origin, or nationality.

• Implement letters of credit containing prohibited boycott terms or conditions.

• Provide information that is in support of the anti-Israeli boycott, including:
○ Information about business relationships with or in Israel or with blacklisted companies.

○ Information about the race, religion, sex, or national origin regarding any U.S. person.

○ Information regarding fraternal or charitable organizations that support a boycotted country.

The anti-boycott laws prohibit furnishing certain information, regardless of whether the statements made are true and regardless of whether the person supplying the information supports or opposes the boycott, or whether an agreement is reached to comply with the boycott. The mere furnishing of the information, in and of itself, is a violation, whether or not it is known that the information was requested for boycott-related reasons.

**Mandatory Reporting of Boycott-Related Requests**

The Company must submit quarterly reports to the U.S. Bureau of Industry and Security (BIS) of any boycott-related requests received (even if the Company did not agree to the request) and must submit annual reports of requests to the U.S. Internal Revenue Service (IRS). While not all requests to participate in the boycott of Israel are reportable to the BIS or IRS, the determination as to whether a particular request meets an exception may only be made by the Company’s legal department. Additionally, even if an exception might apply, it is likely that the Company may still be required to report that it received the request. Therefore, any employee, agent or representative of the Company that receives or becomes aware of a boycott-related request shall immediately report the same to the Company’s legal department so that the Company’s legal department may determine whether the request is reportable to the BIS or IRS and so that the Company may timely report all applicable requests to the BIS and the IRS.

**Record Keeping Requirements**

In addition to certain reporting obligations, the anti-boycott laws and regulations require the retention of boycott-related requests for as long as five (5) years. Therefore, all boycott-related requests and all related documentation must be maintained for five (5) years.

**Countries Sympathetic to the Arab League of Boycott of Israel**

Anti-boycott requests are of greatest concern when emanating from countries that either participate in the Arab League boycott of Israel or are known to be sympathetic to the goals of the boycott. As of the date of this policy, the list includes:

- Kuwait
- Lebanon
- Libya
- Oman
- Qatar
- Syria
- United Arab Emirates
- Republic of Yemen
Boycott Red flags

Language that violates anti-boycott compliance requirements can come up in requests-for-proposals, contracts, invoices, letters of credit, and other documents. Particular care should be taken to review these documents carefully for any anti-Israeli or other boycott language, especially when doing business in a country sympathetic to the Arab League boycott of Israel or when doing business with companies connected to countries sympathetic to the Arab League boycott of Israel. As an aid to complying with anti-boycott laws and regulations and this policy, the following are examples of potential anti-boycott compliance red flags:

- Explicit requests by a contracting party to comply with the boycott of Israel.
- Contract language referencing prohibitions regarding Israel.
- Contract language stating that the order will be filled with no components or parts of Israeli origin or originating from Israeli or boycotted firms.
- Requests from a foreign partner seeking information about business relationships with Israel, Israeli companies, or blacklisted countries.
- Contract or shipping document references to “the Arab League.”
- Requests that orders be shipped using only non-Israeli carriers.
- Letters of credit that require, as a condition of payment, the provision of anti-Israeli certifications, anti-Israeli certificates of origin, or other boycott-related conditions.
- Phrases such as “blacklisted companies,” “Israel boycott list,” “non-Israeli goods,” “non-Israeli components,” and “non-Israeli carriers”; and any request for information, or request to enter into a transaction, that contains the words “boycott,” “blacklist,” “Israel” (where the transaction does not for a legitimate business reason require referral to Israel), “Israeli goods or components,” “Israeli nationals,” “Jews,” “Jewish,” “Zionist,” or any other non-business-related references to national origin, ethnicity, religion, or gender.
- Examples of boycott requests are available on the following web address: http://www.bis.doc.gov/index.php/enforcement/oac/7-enforcement/578-examples-of-boycott-requests