

CUBA GUIDELINES

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I.	OVERFLIGHT PERMITS, NAVIGATION FEES AND EMERGENCY LANDING PERMITS	3
II.	AUTHORIZED PRE-TRIP SUPPORT ACTIVITIES INVOLVING FLIGHTS TO AND FROM CUBA	3
III.	AUTHORIZED TRIP SUPPORT SERVICES PURSUANT TO UWA'S TSP AUTHORIZATION FOR U.S. REGISTERED AIRCRAFT	3
IV.	DIPLOMATIC FLIGHTS TO OR FROM U.S. AND CUBA	6
V.	TRIP SUPPORT FOR UNLICENSED TRIPS TO CUBA AND TRIPS BY NON-U.S. AIRCRAFT OR PERSONS	7
VI.	PROHIBITED TRANSACTIONS AND SERVICES	7
VII.	DEFINITIONS AND CLARIFICATION OF REGULATIONS:	7

COMPLIANCE SUMMARY

UWA complies with all U.S. laws associated with the U.S. embargo on Cuba including the Cuban Assets Control Regulations (CACR) administered by the Office of Foreign Assets Control (OFAC) and the Export Administration Regulations (EAR) administered by the Bureau of Industry and Security, Department of Commerce (BIS). This guideline applies to all of UWA's U.S. employees, subsidiaries, joint venture partners, employees and agents, wherever located. Any trip support services involving flights to or overflights of Cuba must be explicitly approved.

BUSINESS CRITICAL: TRIPS INVOLVING CUBA

1. **Required Licenses and/or Approvals to be obtained by the customer:** (1) Temporary Sojourn License (as defined in the guidelines); (2) Authorization from OFAC for individuals traveling to Cuba; and (3) Signed Cuba Travel Affidavit for each passenger.
2. **Authorized Pre-Trip Support Services:** Pending delivery of required license and exemption, pre-trip paperwork and filing are authorized. Trip must be put on manual hold and only the Director, Corporate Compliance/Audit, or his/her designee, is authorized to remove it.
3. **Authorized Trip Support Services:** Once it is determined that a valid temporary sojourn license has been obtained and the travel to Cuba is authorized under the CACR, trip support services can be provided to U.S.-registered aircraft (see below).
4. **Diplomatic Flights to or From U.S. and Cuba:** U.S. and non-U.S. government officials are authorized to travel to and from the U.S. and Cuba by a general license. UWA is permitted to handle all trip-related services associated with authorized diplomatic flights to and from the U.S. and Cuba.
5. **Certain Trip Support for Unlicensed Trips (non-U.S. Registered) to Cuba:** An exception in OFAC's regulations allows UWA to provide weather and other publicly available information relating to flights to and from Cuba.¹ However, since UWA is **prohibited** from engaging in operational transactions with Cuba for unlicensed flights, UWA **may not** transmit flight plans involving trips to Cuba or otherwise use [REDACTED] in connection with flights involving Cuban airspace.
6. **Screening:** UWA is prohibited from engaging in any transactions with any party included on OFAC's SDN List. Therefore, all parties involved in trip support activities involving Cuba must be screened

¹ 31 CFR § 515.206 (2015).

against the SDN List and all other restricted party lists maintained by the U.S. Government using the Company's Denied Parties Listing website located at: [REDACTED]

- 7. Trip Support Services (TSS) Procedures for U.S. Sanctioned Countries:** All trip support and Regulatory Services employees are to follow the eight (8) steps outlined in the TSS Standard Operating Procedures document entitled: *"Trips Operating to a Country with U.S. Sanctions,"* for facilitating trips that are planning operations to a U.S. Sanctioned country.

Additional Important Considerations

- (1)** Non-U.S. registered aircraft are not permitted to travel directly between Cuba and the U.S. without OFAC authorization. **(2)** A specific license for the crew is not required as long as the aircraft and passengers are authorized. **(3)** UWA is not authorized to provide Cuba travel related services to foreign nationals or aircraft located outside the U.S.

Read Below for Further Details and Guidelines

I. Overflight Permits, Navigation Fees and Emergency Landing Permits

UWA is authorized by OFAC License number C-14997 to obtain and pay for Cuban overflight permits on behalf of UWA's non-U.S. registered customers in connection with flights to the Caribbean Islands and South America. All overflight payments to Cuba must be made in a currency other than U.S. dollars.

UWA is authorized under Part 515.572 of the CACR to make payments to Cuba in connection with overflights of Cuba or emergency landings in Cuba by aircraft registered in the U.S. or owned or controlled by, or charter to, persons subject to U.S. jurisdiction.

II. Authorized Pre-Trip Support Activities Involving Flights To and From Cuba

Authorized Pre-Trip Support Services for U.S. Registered Licensed Aircraft

Pending delivery of the required BIS license and FAA authorization, pre-trip paperwork and filing, including initial trip scheduling and planning are authorized. Trip **must** be put on manual hold and authorization to remove manual hold is designated to the Director, Corporate Compliance/Audit, or his/her designee, upon receipt of proper documentation.

U.S.-Registered Aircraft Required Licenses and Authorizations

Customers are required to obtain and provide to UWA the following for trips to Cuba involving N-Registered Aircraft:

1. BIS temporary sojourn license (**advise the customer to submit their application as far in advance of the trip as possible** as these can take several weeks to be issued) or documentation supporting a claim of license exception "Aircraft, vessels and spacecraft" (AVS);
2. Authorization from individuals traveling to Cuba (general or specific license); and
3. Signed Cuba Travel Affidavit for each passenger.²

Any person holding a U.S. Airman Certificate and/or operating a U.S. registered civil aircraft shall comply with the FAA's regulations prohibiting unauthorized operations within the Cuban territorial airspace.

III. Authorized Trip Support Services Pursuant to General License Authorization for U.S. Registered Aircraft

Once it is determined that a valid temporary sojourn license for the aircraft has been obtained and travelers are authorized by OFAC to travel to Cuba, UWA can provide the following travel-related services for OFAC authorized U.S. travelers to Cuba:

- Pre-trip paperwork and filing, including initial trip scheduling and planning; itinerary preparation and changes; aircraft and crew scheduling requests; preparing crew and passenger manifests including Master Crew List (MCL) and Advance Passenger Information System (APIS);
- Preparing and filing flight plans with the Cuban Civil Aviation authorities via UVflightplanner;

² The Cuba Travel Affidavit is included in these Guidelines as Attachment 1 and it is available from the Director, Corporate Compliance/Audit.

- Providing weather and other flight-related information;
- Arranging ground handling support for the aircraft while it is in Cuba (**NOTE:** N-registered aircraft are not permitted to stay overnight in Cuba, and must return to the U.S. after dropping off passengers);
- Arranging and paying for landing fees and parking slots in Cuba;
- Arranging and paying for refueling of aircraft in Cuba, U.S or third countries;
- Making hotel reservations and other arrangements for travelers to Cuba, including ground transportation, catering, and Cuban customs arrangements;
- Assisting with applications for Government of Cuba visas, receiving executed visas and forwarding them to clients. However, UWA cannot alter any Government of Cuba visa (e.g., by writing in the name of a client or by changing dates of validity); and
- Post-trip paperwork and transactions, including MCL/APIS filings.

Note that all financial transactions involving Cuba should contain the following statement in order to ensure that it is not blocked by the U.S. banks: **“This transaction is authorized by the general license contained in Part 515.572 of the Cuban Asset Control Regulations (CACR) permitting U.S. persons to provide travel services in connection with travel-related transactions involving Cuba authorized pursuant to the CACR.”**

Screening Requirements

In compliance with the general license requirements to provide travel services, UWA must determine whether the client is authorized to travel to Cuba under the terms of an OFAC general license category (see Cuba Travel Affidavit) or has a specific license.

UWA is responsible for screening the potential client by reviewing the following:

1. Identity of the client (passport and driver’s license);
2. Cuba Travel Affidavit signed by travelers;
3. OFAC authorization issued to client and supporting documents (such as the OFAC specific license); and
4. Proposed itinerary and transactions the client is asking UWA to assist with.

Once this information has been reviewed, UWA is responsible for reaching and documenting a conclusion regarding the proposed travel-related transactions and if they are consistent with OFAC authorizations or not. For example, if a client states they are traveling to Cuba pursuant to an OFAC specific license, but demonstrates an intent merely to visit tourist destinations or engage in commercial activities not authorized by that license, OFAC may bring an enforcement action against UWA if UWA continues to assist with that transaction. If a traveler does not qualify for travel to Cuba, UWA may not provide any Cuba travel-related services.

Upon receipt of the passenger manifest, all travelers and customers must be screened against the SDN List and other applicable U.S. Government restricted party lists using the Company’s Denied Parties Listing website located at: [REDACTED]

Notice Requirements

UWA refers each client to the OFAC website at the top of the Cuba Travel Affidavit to put each client or other person to whom Cuba travel services are provided on notice of the Cuba embargo prohibitions.

Summary of Eligible Passengers for Flights to and From Cuba

1. Passengers Eligible for Flights *from* the United States to Cuba:

- Individuals who are traveling to Cuba to engage in activities that qualify under a general license or for which a specific license has been issued by OFAC (see list of permissible travel categories on Cuba Travel Affidavit);
- Cuban citizens returning to Cuba after visiting the U.S. under a valid visa or visa waiver issued by the State Department; or
- Individuals returning to Cuba after traveling in the U.S. on official government business or under a specific license issued by OFAC; or
- Individuals subject to U.S. jurisdiction traveling on U.S.-issued diplomatic passports.

Note that third-country nationals seeking to depart from the U.S. for Cuba are subject to U.S. jurisdiction at the time of departure and must qualify as authorized travelers and abide by the restrictions on engaging in travel-related transactions with Cuba.

2. Passengers Eligible for Flights *from* Cuba to the United States:

- Individuals who are returning to the U.S. from Cuba after having engaged in activities in Cuba that met the criteria for a general license or for which a specific license was issued;
- Cuban citizens entering the U.S. under a valid visa or visa waiver issued by the State Department;
- Individuals who are traveling to the U.S. on official government business or under a specific license issued by OFAC; or
- Individuals subject to U.S. jurisdiction traveling on U.S.-issued diplomatic passports.

Crew Members

As long as the aircraft and passengers are authorized to travel to Cuba, a specific license is not required to be issued by OFAC for the crew operating the U.S.-registered aircraft to and from Cuba. The crew members are authorized to travel by the general license in 31 CFR § 515.572(a)(2) that authorizes U.S. persons to provide carrier services by aircraft to and from Cuba in connection with travel or transportation to Cuba of persons, baggage, or cargo authorized pursuant to the CACR.

Summary of Cuba Flight Operational Procedures

Authorized direct flights between Cuba and the U.S. must depart and land at an airport approved by U.S. Customs and Border Protection (CBP).³ As of March 10, 2015, the following airports have been approved to handle non-stop flights between U.S. and Cuba.

- Atlanta Hartsfield-Jackson International Airport (ATL), Georgia
- Austin-Bergstrom International Airport (AUS), Texas
- Baltimore-Washington Thurgood Marshall International Airport (BWI), Maryland
- Chicago O'Hare International Airport (ORD), Illinois
- Dallas-Fort Worth International Airport (DFW), Texas
- Fort Lauderdale-Hollywood International Airport (FLL), Florida

³ 19 CFR § 122.153(a) (2015).

- George Bush Intercontinental Airport (IAH), Texas
- John F. Kennedy International Airport (JFK), New York
- Los Angeles International Airport (LAX), California
- Miami International Airport (MIA), Florida
- New Orleans Louis Armstrong International Airport (MSY), Louisiana
- Oakland International Airport (OAK), California
- Pittsburgh International Airport (PIT), Pennsylvania
- San Juan Luis Muñoz Marín International Airport (SJU), Puerto Rico
- Southwest Florida International Airport (RSW), Florida
- Tampa International Airport (TPA), Florida
- Key West International Airport (EYW), Florida
- Orlando International Airport (MCO), Florida
- Palm Beach International Airport (PBI), Florida
- Add 2 other airports (Keith Foreman)

While TSS should consult with the airport for specific information on operations, Cuba flights typically must be operated between the hours of 8:00 am and 10:00 pm local time. If a client seeks to depart or return outside of these hours, clearance must be received in advance both from OFAC's Miami office and from the CBP official (usually the Port Director or their designate).

Recordkeeping

Under the CACR, UWA is required to keep records of the details of each Cuba-related transaction that UWA engages in with a client (e.g., receipt of payment for services) and UWA's records must show the deposit into UWA's bank account of any check, money order, draft, banker's check or other negotiable instrument that UWA receives in connection with the provision of travel or trip support services to Cuba.

UWA must maintain all records associated with Cuba transactions for **five (5) years** from the date that the trip was completed.

For financial transactions involving a client, the records must be detailed enough to allow verification that the relevant transaction complies with the CACR. The records should, for example, demonstrate the link between its receipt of funds from a customer and the transfer of funds either to Cuba or to another person.

IV. Diplomatic Flights to or From U.S. and Cuba

U.S. government officials are authorized to travel to and from the U.S. and Cuba for the purpose of official business by a general license contained in 31 CFR § 515.562.

UWA is permitted under the CACR to handle all trip-related services associated with authorized diplomatic flights to and from the U.S. and Cuba, whether the flights are non-stop or via third countries, such as The Bahamas. Authorized services involving diplomatic aircraft include the filing of flight plans to or from Havana and the lifting of fuel.

Because non-stop flights between the U.S. and Cuba require advance coordination with CBP, it is typically easier if the diplomatic flight travels via a third country. UWA is authorized to provide services to diplomatic aircraft whether the Cuba flights are non-stop or via third countries.

V. Trip Support for Unlicensed Trips to Cuba and Trips by Non-U.S. Aircraft or Persons

To the extent permitted by the informational materials exception contained in Part 515.206 of the CACR, UWA can provide weather and other publicly available information for unlicensed flights of non-U.S. registered aircraft to and from Cuba. However, since UWA is prohibited from engaging in operational transactions with Cuba for unlicensed flights, UWA **may not** transmit flight plans involving trips to Cuba, use [REDACTED] in connection with unlicensed flights involving Cuban airspace or provide any travel-related services in connection with unlicensed trips to Cuba.

Note:

1. **Non-U.S. registered aircraft are not permitted to travel directly between Cuba and the U.S. without authorization from OFAC.**
2. **The general license authorizing UWA to provide trip support services permits UWA to only provide these services to persons subject to U.S. jurisdiction, which includes U.S. persons, U.S. companies and persons physically located in the U.S. UWA is not authorized to provide Cuba travel-related services to unlicensed foreign nationals or aircraft located outside of the U.S.**

VI. Prohibited Transactions and Services

1. In general, all UWA employees and agents, wherever located, are prohibited from engaging in or facilitating transactions with Cuba unless such transactions are within the scope of the activities outlined above or otherwise authorized by an OFAC issued general or specific license.
2. UWA employees are prohibited from traveling to Cuba in connection with UWA-related business activities, unless a specific license has been issued by OFAC or the employee meets all of the requirements outlined in Part 515.564 of the CACR.
3. No products, software or technical information may be provided to Cuba, either directly or via third countries, such as Canada or Mexico, unless authorized by the EAR.
4. UWA is prohibited from referring any unlicensed or unauthorized Cuba-related trips (such as those relating to commercial activity in Cuba) or other transactions to any other UWA or third party handler located outside of the U.S., including UA Mexico.

VII. Definitions and Clarification of Regulations:

Acronyms Used:

- **UWA:** Universal Weather and Aviation, Inc., including all of UWA's subsidiaries, joint venture partners, employees and agents
- **OFAC:** U.S. Department of Treasury's Office of Foreign Assets Control
- **BIS:** U.S. Department of Commerce's Bureau of Industry and Security
- **SDN List:** OFAC's Specially Designated Nationals List
- **FAA:** U.S. Federal Aviation Administration
- **CBP:** U.S. Customs and Border Protection

- **DCN:** U.S. Department of State's Diplomatic Clearance Number
- **CACR:** Cuban Assets Control Regulations
- **EAR:** U.S. Department of Commerce's Export Administration Regulations

Regulatory Overview: The United States imposes a comprehensive embargo on Cuba, which includes a prohibition on the export of goods and services to Cuba as well as most financial and travel-related transactions with Cuba. Despite some of the recent changes to certain aspects of the embargo, there are still significant restrictions on Cuba travel-related transactions as well as exports and financial transactions with Cuba.

UWA is authorized by the CACR to engage in transactions directly incident to authorized travel to Cuba, including engaging in travel-related services to authorized U.S. travelers. Thus, UWA can provide a wide-range of trip support and travel-related transactions for authorized flights to and from Cuba to persons subject to U.S. jurisdiction.⁴

In addition, UWA is authorized under the CACR to obtain and pay for Cuban overflight permits on behalf of UWA's customers.

UWA is **not** authorized to handle any trips involving Cuban-registered aircraft ("CU" tail numbers) of any kind, even if leased or loaned to a third country, such as Venezuela.

Overflight Permit Payments: UWA is authorized by OFAC License C-14997 to obtain and pay for Cuban overflight permits on behalf of UWA's non-U.S. customers in connection with flights to the Caribbean Islands and South America. All overflight payments to Cuba must be made in a currency other than U.S. dollars.

UWA is also authorized by Part 515.572 to obtain and pay for overflights of Cuba or emergency landing in Cuba by aircraft registered in the U.S. or owned or controlled by, or charter to, persons subject to U.S. jurisdictions.

Certain Trip Support for Authorized and Licensed Trips to Cuba: Under U.S. law, separate authorizations must be obtained for the aircraft **and** individual travelers before departing for Cuba.

Aircraft: A "temporary sojourn" license must be issued by BIS for any N-registered aircraft flying to Cuba, or the use of the aircraft must qualify for the EAR license exception, AVS. BIS will only approve license applications for temporary sojourns of aircraft to Cuba if the flight is for an authorized activity, such as humanitarian efforts, agricultural or medical sales or journalism. BIS will not approve aircraft license applications for recreational or other unauthorized activities, including business meetings or commercial activity. The equipment on board the aircraft should be specified on the license application.

⁴ Under the CACR, UWA is only authorized to provide trip support services to authorized travelers to Cuba that are subject to U.S. jurisdiction, which includes U.S. persons, U.S. companies and persons physically located in the U.S. UWA is not authorized to provide Cuba travel related services to unlicensed foreign nationals or aircraft located outside of the U.S.

CUBA

Note: Even if an applicant for a temporary sojourn license holds an OFAC license authorizing travel to Cuba, approval of a temporary sojourn license authorizing the export of an aircraft is not assured. Because it can take BIS several weeks to process temporary sojourn licenses, the **customer should be advised to submit their application as far in advance of the trip as possible.**

Persons: Only certain categories of U.S. persons are authorized to travel to Cuba, such as journalists, persons engaged in professional research, human rights organizations and others authorized by an OFAC general or specific license. A signed "Cuba Travel Affidavit" must be obtained for each person traveling to Cuba.

It is the responsibility of UWA's customer to obtain a temporary sojourn license from BIS for N-registered aircraft or document qualification for EAR exception AVS, and any required travel authorizations from OFAC. A copy of a valid BIS temporary sojourn license or documentation supporting AVS, and documentation of an OFAC general license or specific license must be obtained from the customer prior to providing any trip support services associated with travel to Cuba.

Regulatory Jurisdiction: OFAC administers the embargo on Cuba through the Cuban Assets Control Regulations (CACR) (31 CFR Part 515). The CACR prohibit most financial and travel-related transactions with Cuba. OFAC is responsible for issuing licenses authorizing financial and travel-related transactions with Cuba, including overflight payments.

The Export Administration Regulations (EAR) administered by BIS provides the regulatory basis for exports to Cuba. BIS is responsible for issuing licenses for the export of goods to Cuba, including aircraft traveling to Cuba on a "temporary sojourn." As discussed below, such licenses are issued on a case-by-case basis in accordance with U.S. foreign policy.

Penalties: Significant criminal and civil fines and other penalties can be imposed on UWA and its employees for violating U.S. sanctions on Cuba.

Failure to Comply: Individuals who fail to comply with UWA's U.S. Export Controls and Sanctions policy and these Cuba sanctions guidelines are subject to disciplinary action up to and including termination from the company, government-imposed personal monetary fines and imprisonment.

Records Retention: All records concerning trip support and travel-related transactions with regard to travel to, from or over Cuba are required to be maintained for a period of five (5) years from the date that the trip was completed.

Trip Support Services (TSS) Procedures for U.S. Sanctioned Countries: All trip support and Regulatory Services employees are to follow the eight (8) steps outlined in the TSS Standard Operating Procedures document entitled: "*Trips Operating to a Country with U.S. Sanctions,*" for facilitating trips that are planning operations to a U.S. Sanctioned country.