

AESSEAL Plc

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SANCTIONS AND EXPORT CONTROL POLICY

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November 2022

SANCTIONS AND EXPORT CONTROL POLICY

POLICY



INTRODUCTION

AESSEAL Plc and its international corporate group (“**AESSEAL**”) complies with all laws and regulations relating to sanctions restrictions (“**Sanctions**”) and export controls (“**Export Controls**”) implemented by the UK. Individual non-UK subsidiaries must also comply with all further Sanctions and Export Controls applicable in the countries in which they operate.

AESSEAL takes a zero tolerance approach towards non-compliance. It is never in the interests of the AESSEAL or our employees to violate this Policy. There will be in no place in our company for any individual who does not live up to our expectations and their individual responsibilities with respect to Sanctions and Export Control compliance.

The purpose of this Policy is to underline the responsibilities of AESSEAL and its employees in observing and upholding our Sanctions and Export Control Policy.

OUR SANCTIONS AND EXPORT CONTROL POLICY

This Policy applies to AESSEAL, its group companies (including all subsidiaries, associated companies and joint ventures) (the “**AESSEAL Group**”) and all of the AESSEAL Group’s employees, distributors and external representatives. It applies in all countries in which we operate and in all circumstances.

You will have noticed in recent international news coverage, an increase in the reporting of Sanctions and Export Control related issues. Sanctions are restrictions and prohibitions applied by one or more countries against another state (“**Restricted Countries**”) or a specific entity, body or individual (“**Restricted Persons**”). Increasingly, disagreements between countries are being escalated through the implementation, administration and enforcement of Sanctions. Export controls are applied by governments to restrict and regulate the countries and parties to which specified goods and technology may be exported, supplied, or transferred, such as sensitive ‘dual-use’ goods and technology which can have a civilian or a military application (“**Dual-use Goods**”), and arms and military materiel, goods and technology (“**Military Goods**”). Certain Sanctions regimes also impose additional enhanced Export Controls targeting the export, supply or transfer of additional goods and technology to a particular country or party (“**Sanctioned Goods**”).

In practical terms, Sanctions and Export Controls that apply to the AESSEAL Group oblige it to refrain from:

- undertaking any activities, either directly or indirectly, involving either a Restricted Country or a Restricted Person in a manner that breaches the restrictions targeting that Country or Person; or
- undertaking any activities either directly or indirectly, involving or related to the supply, export or transfer of Dual-use Goods, Military Goods or Sanctioned Goods to other countries or international counterparties in a manner that breaches the Export Controls targeting those goods or technology.

SANCTIONS AND EXPORT CONTROL POLICY

POLICY



OUR RESPONSE

AESSEAL operates internationally and as a responsible business we must at all times remain aware of the potential impact of Sanctions and Export Controls on how we conduct our business. A recent escalation in Sanctions and Export Controls being implemented and enforced worldwide and our obligations to ensure that we do not cause third parties (e.g. our customer and financial partners) to violate Sanctions or Export Controls has led us to review and refresh our Sanctions and Export Control Policy.

SANCTIONS AND EXPORT CONTROL POLICY

POLICY



OUR POLICY

Sanctions

The AESSEAL Group is prohibited from carrying out any activity, directly or indirectly, which risks violating any applicable Sanctions.

With effect from November 2022 the following Sanctions Policy is brought into effect:

Group-wide policy position

On the basis that the Group's headquarters and manufacturing operations are located in the UK, all of the AESSEAL Group's entities, employees, distributors and external representatives are required to comply with UK Sanctions laws.

All Group entities are also required to comply with all further applicable local Sanctions laws in the countries in which they operate.

Sanctioned Countries

Any activity, directly or indirectly, involving the following Sanctioned Countries shall only be carried out following an approval from the Group Engineering Director:

- Russia
- Belarus
- Cuba
- Iran
- North Korea
- Syria
- Venezuela
- Ukraine (including the Crimea & Sevastopol, Donetsk and Luhansk regions)

The Sanctioned Countries for the purposes of the Sanctions and Export Control Policy do not represent an exhaustive list of all countries targeted by international sanctions. Rather, these represent the most comprehensively Sanctioned Countries, and which therefore present the highest risk to the Group from a Sanctions compliance perspective. The Group Engineering Director is responsible for keeping this list up-to-date.

If you have any questions about whether activities you are connected with involve a Sanctioned Country, please contact the Group Engineering Director to discuss.

There is also an additional list of Sanctioned Countries as provided for by the AESSEAL Group's insurance providers. A copy of this additional list of countries is available from the Group Finance Director and approval should be sought from the Group Finance Director prior to any order being accepted where the

SANCTIONS AND EXPORT CONTROL POLICY

POLICY



end user is located in these Sanctioned Countries. This additional list is constantly being updated and so clear direction should be sought from the Group Finance Director if you have any reason to believe that the end user is located in any of these countries.

Sanctioned individuals and entities

The AESSEAL Group is restricted from undertaking any business activities with or for the benefit of individuals or entities specifically listed or owned or controlled by persons listed on a Sanctions list (e.g. **Restricted Persons**), where such activity would result in a violation of Sanctions.

As such, it is essential that the Group takes effective steps to:

1. Conduct reasonable and proportionate due diligence on new, existing or proposed customers, distributors, suppliers, agents, business partners, or other intermediaries to ensure that they are not Restricted Persons;
2. Ensure that commercial relationships with new and existing suppliers, agents, distributors, business partners, or other intermediaries are based on written agreements including reasonable provisions requiring compliance with applicable laws, including Sanctions laws, in connection with AESSEAL's business and providing reasonable measures for suspected violations;
3. Ensure appropriate monitoring and periodic review of any customers, suppliers, agents, distributors, business partners, or other intermediaries, including Sanctions related screening against relevant lists of Restricted Parties (See:
 - a. The UK's consolidated list of [Sanctions targets](#);
 - b. The EU's consolidated list of [Sanctions targets](#);
 - c. US Government's list of [Sanctions targets](#); and
4. Respond promptly and effectively to any reports or allegations of Sanctions violations conducted by any suppliers, agents, business partners, or other intermediaries.

Any activity, directly or indirectly, involving a Restricted Person shall only be carried out following approval from the Group Engineering Director.

Contracts

- Any contract involving, directly or indirectly, a Restricted Person or a Sanctioned Country shall be cancelled with immediate effect should its continuation risk violating UK or any further applicable Sanctions.

SANCTIONS AND EXPORT CONTROL POLICY

POLICY



- To check the status of any individual or entity, in the case of their inclusion on a Sanctions list, please contact Group Engineering Director.

Export Controls

The AESSEAL Group is prohibited from carrying out any activity, directly or indirectly, which risks violating any applicable Export Control laws.

With effect from November 2022 the following Export Control Policy is brought into effect:

Group-wide policy position

On the basis that the Group's headquarters and manufacturing operations are located in the UK and certain of its products are classified as restricted Dual-use Goods, all of the AESSEAL Group's entities, employees, distributors and external representatives are required to comply with UK Export Control laws.

To the extent that the Group exports or supplies products which are of US-origin or which incorporate US-origin components above applicable materiality thresholds, AESSEAL Group must also comply with US re-export controls.

All Group entities are also required to comply with all further applicable local Export Control laws in the countries in which they operate.

Compliance obligations

The AESSEAL Group is prohibited from undertaking any activity related to the supply, export or transfer of goods in a manner that would result in a violation of Export Controls. In particular, certain of the Group's products are classified as restricted Dual-use Goods whose export requires prior authorisation in the form of a licence from the UK regulatory authorities, and potentially further authorisation in wider jurisdictions for their onwards supply or re-export by international Group subsidiaries and distributors worldwide. Where AESSEAL has obtained a licence in order to authorise the export of controlled goods such as Dual-use Goods and Sanctioned Goods, it must also comply with various conditions and requirements that are attached to its export licences, such as ensuring that the end user and/or country to which the restricted goods are supplied are those stipulated in the licence; obtaining end-user undertakings; and record-keeping requirements.

As such, it is essential that the Group takes effective steps to:

1. Ensure that it identifies all controlled goods such as Dual-use Goods or Sanctioned Goods that it is proposing to export from the UK and/or re-export from other jurisdictions that impose Export Controls on those goods. This includes identifying any goods subject to US re-export controls.

SANCTIONS AND EXPORT CONTROL POLICY

POLICY



2. Conduct reasonable and proportionate due diligence and obtain contractual protections and end-user undertakings to ensure that the destination, end-user and end-use of any controlled goods to be exported or re-exported by the AESSEAL Group or its customers or distributors are in accordance with the information provided by AESSEAL's immediate counterparty regarding their destination, end-user and end-use.
3. Ensure that no goods subject to Export Controls are exported or re-exported without AESSEAL having first obtained all necessary licences and being in compliance with all conditions and requirements attached to them.
4. Ensure that commercial relationships with new and existing customers, distributors, agents, business partners, or other intermediaries are based on written agreements including provisions requiring their compliance with:
(a) UK Export Control laws, (b) any further applicable Export Control laws, (c) the terms and conditions of AESSEAL's export licences in respect of exports to that counterparty; (d) requiring and enforcing compliance by any customers or other recipients of re-exports or onward transfers of AESSEAL's products with (a)-(c) above; and (e) providing reasonable measures for suspected violations;
5. Ensure appropriate monitoring and periodic review of compliance the above obligations by any customers, distributors, agents, business partners, or other intermediaries, which are in receipt of goods from AESSEAL which are subject to Export Controls; and
6. Respond promptly and effectively to any reports or allegations of Export Control violations conducted by any customers, distributors, agents, business partners, or other intermediaries.

Any activity, related to the supply, export or transfer of goods subject to Export Controls shall only be carried out following approval from the Group Engineering Director.

QUESTIONS

Should you have any queries in relation to this Policy or its implementation, please speak to the Group Engineering Director.