

Trade Sanctions Policy

Beijer Ref Group

1. Introduction

Beijer Ref AB and our subsidiaries (together “**Beijer Ref**” and each a “**Beijer Ref entity**”) take our obligations with respect to sanctions and export control seriously and are committed to comply with all applicable and relevant laws of the countries in which we operate. This policy aims to ensure group-wide understanding of basic legal requirements in the area of sanctions and export control, in particular (but not limited to) those applicable within the EU, US and UK. Further, this policy defines certain group-wide requirements concerning sanctions and export control and sets out a framework to facilitate compliance with applicable or otherwise relevant sanctions or export control laws and regulations.

This policy and the requirements set forth herein apply to all Beijer Ref entities and employees, regardless of their respective country of operation. It is particularly important to remember that if we fail to comply with sanctions and export related obligations it may lead to severe consequences, including termination of our bank financing and/or insurance coverage as well as potential criminal liability for people engaged in the relevant transaction.

2. Overview of trade sanctions and export control

2.1 Sanctions – general principles

The UN, EU, US and UK, as well as other jurisdictions, frequently use trade sanctions to advance national security and foreign policy interests. Sanctions may be targeted against individuals, companies, governments or organisations. Trade sanctions also often restrict or prohibit trade in certain goods or services with a sanctioned country.

To address Beijer Ref’s risk exposure to sanctions and/or trade compliance risks, its trade is regulated by means of the list attached in Annex 1 to this policy (the “**List of Risk Countries**”). The list contains high-risk jurisdictions (“**Red Countries**”), with which trade is prohibited, and moderate risk jurisdictions (“**Yellow Countries**”), with which trade is only allowed after certain due diligence measures and procedures have been completed without negative findings and receipt of written authorisation from the Local Manager of the relevant Beijer Ref entity to go ahead.

In general, operations or transactions involving countries not listed as a Red or Yellow Country in the List of Risk Countries typically present a lower risk of violating sanctions. However, individuals or entities from countries not listed in the Lists of Risk Countries may still be Listed Persons (as defined below) or may re-export products to Listed Persons or otherwise in violation of sanctions laws. Further, operations or transactions in neighbouring areas to Red or Yellow Countries may require additional risk assessments and diligence. Consequently, before entering into a business relationship

or carrying out a transaction, sanctions and export risks must always be assessed. This include that Beijer Ref employees are consequently required to conduct sanctions screenings, in particular with respect to parties operating in Red or Yellow Countries.

2.1.1 Listed Persons

Certain trade sanctions prohibit trade with targeted individuals, companies, and organisations (“**Listed Persons**”). In the US, Listed Persons are often referred to as Specially Designated Nationals or SDNs. However, there are other types of Listed Persons than SDNs, including not only persons sanctioned by the UN, EU, UK, US and other countries, but also persons listed as subject to other export restrictions. Prominent examples of the latter includes the US Department of Commerce’s Bureau of Industry and Security (BIS) Entity List and Denied Parties List.

As a matter of policy, Beijer Ref shall not conduct trading with any Listed Person. This policy decision encompasses trade also with Listed Persons that are not, in a strictly legal sense, prohibited under relevant sanctions laws or regulations.

2.1.2 Subsidiaries of Listed Persons

Any company that is owned to 50% or more by a Listed Person should be treated as if it was a Listed Person itself and trade with such subsidiary is therefore prohibited, unless specifically reviewed and approved by Group CFO / General Counsel after having taken relevant investigative measures to exclude legal risks.

For example, Individual A owns 50% of the shares in Company B. If Individual A is a Listed Person, then any dealings with Company B are also prohibited (as a general rule), even though Company B is not itself a Listed Person.

Further, under EU and UK sanctions, the notion of *control* also plays a role. This entail that a company assessed to be under *control* of a Listed Person should be treated as if it was a Listed Person itself. The notion of control must be assessed by investigating actual elements of the control of the relevant company.

Notwithstanding possible difficulties with verifying ownership or control, it is absolutely imperative that such verification is carried out with due diligence in relation to business partners operating in Red or Yellow Countries.

Additionally, any person or entity (regardless of its ownership or control) could be acting on behalf of a Listed Person. It is therefore important to understand whether a business partner is engaging in a transaction on someone else’s behalf.

2.1.3 Indirect business

Trade sanctions prohibit both direct and indirect business with Listed Persons. Business made indirectly may still violate trade sanctions regulations. Indirect business may for example take place through sales to a distributor who in turn resells the product to a Listed Person, or through providing services on products that may be re-exported to a third party. Additionally, resales through e.g. a distributor where the final destination of such an item is unknown will enhance the risks of violating sanctions related to the item in question through indirect business. Where this is known or suspected, relevant actions must be taken.

2.1.4 Trade restrictions on certain goods, services or sectors

In some cases, trade sanctions may restrict *inter alia* the export, import, sale, or transfer of certain goods, services or trade in general with certain sectors. Transactions may therefore be prohibited even if no Listed Persons are involved.

Restrictions may, *inter alia*, be introduced on:

- financial services in relation to transferable securities, money-market instruments or making new debt or credit available, e.g. through payment terms;
- exports or imports of products, software and technologies to or from certain countries; and
- sectors, such as the oil and gas, transport, aviation and space sector.

The provision of services for items subject to sanctions is also many times prohibited. For example, providing technical support or using software related to repairs of prohibited goods, could also be prohibited. Additionally, the provision of certain services may also on its own be subject to sanctions, *i.e.* regardless of whether the services are provided in relation to a controlled item.

2.1.5 Circumvention

The EU is focusing on preventing and prohibiting sanctions circumvention. Prohibited sanctions circumvention includes actions that have the object or effect of evading, avoiding, or bypassing the restrictions imposed by sanctions laws and regulations. Careful due diligence is required to ensure that a Beijer Ref entity does not inadvertently assist in or facilitate the circumvention of sanctions. The EU has issued guidance with regards to circumvention of sanctions.¹ Such guidance is mainly focused on Russian sanctions circumvention, but can also be applied to other countries and sanctions regimes.

2.2 **Applicability of EU, UK and US sanctions**

EU sanctions² apply to

- (i) EU member state nationals, anywhere in the world, regardless of where they are residents or employed,
- (ii) any entity incorporated or constituted under the laws of an EU member state, and
- (iii) any individuals and entities in respect of any business done in whole or in part within the EU.

¹ [European Commission: Guidance for EU operators.](#)

² Consolidated versions of EU sanctions regulations and summaries of what they include are available at <https://www.sanctionsmap.eu/>.

Further, if any decision by a non-EU Beijer Ref entity needs to be cleared/greenlighted by an EU company, EU sanctions must be taken into account since the EU entity is bound by EU sanctions in respect of its own actions and may as such not violate, or contribute, directly or indirectly through a non-EU subsidiary, to a violation of EU sanctions.

UK sanctions apply similarly as EU sanctions but where there is a link to the UK. Further, UK sanctions apply when there is a connection (“nexus”) between a transaction and the UK. Examples of such UK nexus are e.g. if a transaction uses clearing services in the UK or if actions are taken overseas but directed from within the UK.

US sanctions are more far-reaching than EU and UK sanctions. US primary (or direct) sanctions apply to *inter alia* i) US companies and their non-US subsidiaries, ii) branches and subsidiaries of non-US companies that are located in the US, iii) all US citizens (including dual citizens) and permanent residents anywhere in the world, and iv) any non-US person while in the territory of the US.

Similar to UK sanctions, as explained above, if there is a connection (“nexus”) between a transaction and the US, US sanctions may apply. Examples of this include conducting transactions in US dollars with targets of US sanctions, or re-exporting goods or services made in the US to a country subject to US comprehensive sanctions.

In certain US sanctions programs, most notably for Iran and Russia, the US implement “secondary sanctions” which aim to influence the behaviour of non-US companies acting outside of US jurisdiction.

Please note that laws and regulations of other foreign jurisdictions may apply to a transaction, depending on the jurisdictions involved. If there are any uncertainties relating to which laws or regulations that apply to a transaction, advice shall be sought from the Local Manager of the relevant Beijer Ref entity.

2.3 Export control – general principles

Within the EU, its individual member states, the US, and many other countries there are rules relating to the export or transfer of certain products, software and technology and services relating to such items. Generally, the permissibility of an export depends on i) what the product, service or technology is, ii) where it is going, iii) who the end user is and iv) what the end use may be. Such items could include *inter alia* certain types of surveillance equipment.

If an export of a certain product or technology is subject to control, it may still be carried out if an authorisation or license is obtained from the relevant authority.

It is also important to be watchful for export obligations under foreign laws. For example, a US-origin product is subject to US export control laws wherever in the world it is traded. This means that a transfer of the product between two third countries may require a US export license. US law may also apply to foreign made (as in non-US) products, simply because such products contain a certain percentage of US-origin controlled components or technology.

3. Specific policy requirements

The following policy decisions are group-wide requirements that apply to all Beijer Ref entities and employees.

- No matter where in the world a Beijer Ref entity or employee is conducting business, the entity/employee shall adhere fully to the restrictions imposed by EU sanctions and any other restrictions imposed by relevant laws applicable to the entity/employee.
- No Beijer Ref entity or employee shall engage in any direct or indirect trade or other business with a Listed Person on a US, UK, EU or EU member state sanctions or trade control list, nor with any Listed Person on a sanctions or trade control list applicable to the Beijer Ref entity, nor with any entity owned to 50 per cent or more, or otherwise controlled by, one or more persons on such a list, individually or in the aggregate.
- No business, directly or indirectly with any party, is allowed if it involves a Red Country.
- All trade that directly or indirectly involves a Yellow Country requires;
 - (i) A completed screening of the parties involved, including at least;
 - (A) the intended end user;
 - (B) all involved legal entities' and owners; and
 - (C) all ultimate beneficial owners, which for the purpose of this policy includes any individual that directly or indirectly owns 25% per cent or more of the legal entity in question.
 - (ii) A determination that the products sold are not subject to restrictions in sanctions or export control laws; and
 - (iii) A written authorization from the Local Manager of the relevant Beijer Ref entity to proceed.

Please note that, for domestic sales in a Yellow Country (*i.e.*, sales made by a local Beijer Ref entity to a customer located in the same Yellow Country), you may deviate from points (i)–(iii) above, provided that all responses to the checklist in [Annex 5](#) are “NO”. For further details, please refer to Annex 5. If you are uncertain, always contact the relevant Beijer Ref Local Manager.

- All Beijer Ref entities shall collect basic identifying information relating to all business partners and conduct sanctions screenings to exclude that the business partner is, or is owned or controlled by, a Listed Person or that trade otherwise would violate applicable sanctions and export control laws.
- No Beijer Ref entity or employee shall engage in any direct or indirect trade or other business within the areas of biological, chemical, or radiological (nuclear) weapons, or missiles that are capable of carrying such weapons. Further, in order to mitigate the risks of such trade, no Beijer Ref entity may

knowingly participate in any transaction involving the nuclear or aerospace industry without having (i) completed adequate due diligence measures and procedures (ii) obtained a written authorization from the Local Manager of the relevant Beijer Ref entity to go ahead.

- All Beijer Ref entities shall make an assessment in order to classify their products under the EU dual-use regulation as well as conclude whether any product is subject to the US export control rules and if so, what the product's US export classification is.

These requirements apply to all Beijer Ref entities and employees simultaneously. Cooperation between entities and employees in regard to fulfilling these requirements and carrying out the necessary screenings and determinations is encouraged.

4. Implementation

Each Beijer Ref entity is required to implement this policy by taking a risk-based approach. This entails each entity reviewing its business, including business partners and products, in light of the policy requirements in order to assess its specific trade related risks.

4.1 Identifying risks of direct and indirect trade with countries on the List of Risk Countries

Each Beijer Ref entity shall regularly perform risk assessments of its operations and products in order to identify and map its risk exposure under sanctions and export control laws. Upon request, each Beijer Ref entity shall file this assessment with the Group CFO / General Counsel in written form.

The risk assessment should consist of a holistic review of the Beijer Ref entity from top-to-bottom in light of its touchpoints to the outside world, and should cover, at a minimum:

- (i) applicable sanctions and export control laws;
- (ii) existing trade sanctions and export control compliance activities;
- (iii) operations or sales involving Red or Yellow Countries;
- (iv) manufacture or sale of products subject to export control laws (if applicable);
- (v) manufacture or sale of products for use in, or provision of services to, high-risk industries (current examples include military, oil and gas, petrochemicals, nuclear and shipping); and
- (vi) the presence of US operations or US-origin goods.

4.2 Due diligence

Due diligence is to be conducted to help ensure that Beijer Ref does not violate trade sanctions or export controls. Due diligence efforts should focus on understanding if:

- (i) the business partner is itself a Listed Person, or otherwise subject to trade restrictions (e.g. listed on the US Entity List);
- (ii) the business partner is owned, controlled, or acting on behalf of any government, individual, or entity that is a Listed Person;
- (iii) the transaction in question has any direct or indirect connections to a country that is considered a risk country (see [Annex 1](#)), e.g. through known or suspected end users, intermediaries or similar; or,
- (iv) the transaction in question involves any items or services, or end uses, subject to trade restrictions.

The level of due diligence to be conducted shall be decided with a risk-based approach, *i.e.* it shall depend on the risks identified by the relevant Beijer Ref entity and the specific transaction in question, for instance risks relating to a business partner or a transaction as such.

Please note that as set out in section 3, no business, directly or indirectly with any party, is allowed if it involves a Red Country.

4.3 Implementing adequate screening procedures

All Beijer Ref entities that engage in exports have to implement adequate screening procedures.

4.3.1 Basic information gathering

As a minimum, it is advisable to screen all business partners (*i.e.* not only customers but also suppliers and end users) against relevant sanctions lists, at least once (onboarding controls). This should apply to all new business partners, regardless of whether a connection to a Red or Yellow Country has been established. Basic identifying information should therefore be collected on all new business partners, including (i) full name and registration number, (ii) country of registration/residence, (iii) address, (iv) general sector(s) that the business partner operate in, (v) owner(s) of the business partner and (vi) corresponding information for a potential parent company, or if the business partner is an agent/representative, the individual or entity being represented (see [Annex 2](#) for information gathering sheet).

If the end user of Beijer Ref products is not the relevant Beijer Ref entity's business partner but another known party, information on the end-user party and its owner(s) shall also be gathered and screened.

4.3.2 Enhanced due diligence

Enhanced due diligence should always be conducted if a business partner is established in or otherwise has connections to (or if there are such suspicions) to a Red or Yellow Country. In addition, if at any point, suspicious behaviour or triggering

factors are identified (e.g. reluctance to provide information, indications that the business party is acting on behalf of an undisclosed third party, or requests for unusual payment terms) or there are obvious risks related to the business partner, enhanced due diligence should be conducted (see [Annex 3](#) for enhanced due diligence information gathering sheet. Note that additional information relating to a business partner or end user may need to be collected based on case-to-case specific trade-related/sanctions risks).

Please note that as set out in section 3, no business, directly or indirectly with any party, is allowed if it involves a Red Country.

4.4 Screening tools

Unless you have access to an advanced sanctions screening software which screens against all relevant sanctions lists at once, you need to manually screen relevant company and natural person names against relevant, publicly available sanctions lists and web-based screening tools. See below for links to such tools for EU, UK and US sanctions:

- EU: <https://www.sanctionsmap.eu>
- UK: <https://search-uk-sanctions-list.service.gov.uk/>
- US: <https://www.trade.gov/data-visualization/csl-search> (or, if the former is unavailable, use: <https://sanctionsearch.ofac.treas.gov>)

If the sanctions screening results contain a match that appears to be relevant, the transaction shall be escalated for further review before proceeding with the transaction.

Records of screening results and other due diligence measures shall be maintained in order to evidence compliance.

4.5 Product classification and compliance with authorization requirements

Each Beijer Ref entity is responsible for ensuring that its products are correctly classified in regard to export controls (including controls related to US origin) and sanctions rules. The classification shall be kept up to date and shall be shared, upon request, with other Beijer Ref entities. Where relevant, separate internal procedures need to be implemented to sufficiently manage export control risks.

4.6 Contractual clauses

Each Beijer Ref entity shall ensure that business partner contracts contain suitable trade compliance clauses. Model clauses are found in [Annex 4](#) to this policy.

It is important to note that for some of our sales agreements with distributors and buyers based in non-EU countries (except for certain EU partner countries), there is a legal obligation to include a so-called “No Russia” contractual clause prohibiting re-export of products to, or for use in, Russia. A “No Russia” clause is included in the model clauses (see clause (c)(iii)) found in Annex 4 to this policy. The clause also prohibits exports and re-exports to other countries and for other unwanted uses. It is advised that this contractual clause is added in all our sales agreements.

4.7 Keeping records

Each Beijer Ref entity shall ensure that it maintains records of compliance activities, in particular those required by this policy, *i.e.* risk analysis, screening and product classification, and that correct information is provided, upon request, to other Beijer Ref entities.

As a minimum, records of compliance activities must be retained for a period of one year from the end of the relationship with the business partner as well as retaining any suspicious activity reports for the same amount of time unless local law requires longer retention periods. Each Beijer Ref entity is responsible for identifying where to save a copy of the documentation.

4.8 Organisation and functions for trade compliance

Each Beijer Ref entity shall ensure that an adequate internal organisation is in place and that sufficient resources are allocated to be able to implement and comply with this policy and applicable laws.

4.9 Training

Each Beijer Ref entity shall provide awareness training to its board members and management on trade law compliance, as well in-depth training to all employees involved in cross-border and export transactions. Training shall be repeated at regular intervals.

5. Roles and Responsibilities

5.1 All employees

All Beijer Ref employees are individually responsible for reading, understanding and complying with this policy. Each employee is responsible for acting in accordance with this policy.

5.2 Senior Management

Senior Management of each Beijer Ref entity is responsible for ensuring that this policy is fully implemented in their organisation.

Senior Management at each Beijer Ref entity are responsible for ensuring compliance with and implementation of this policy through:

- allocating sufficient resources;
- procuring access to the necessary internal and external tools such as *inter alia* screening software tools, legal assistance for classification, training and other assessments;
- ensuring cooperation with other Beijer Ref entities for exchange of policy relevant information;

- taking appropriate action if breaches of applicable law or this policy are suspected and/or identified; and,
- reporting, upon request, to the Group CFO / General Counsel on trade compliance matters.

Implementation shall be risk-based and may vary depending on the Beijer Ref entity's own exposure and local law requirements in relation to Beijer Ref exposure as a whole.

5.3 Local Manager and audits

The Local Manager of the relevant Beijer Ref entity is authorised to stop any transaction or shipment in case of risk of non-compliance with this policy or relevant regulations, as well as when there is an alteration or missing information regarding e.g. ship-to-parties or end users.

The Local Manager of the relevant Beijer Ref entity is further authorised to carry out internal controls in the relevant departments to ensure compliance with this policy and its complementing procedures and guidelines. All information on export-related transactions must immediately be made available to the Local Manager upon request.

Should the Local Manager of a Beijer Ref entity feel uncertain or doubtful about how a trade-related issue should be handled, the matter shall be escalated to the Group CFO / General Counsel for guidance.

It should be noted that Beijer Ref may also be subject to foreign trade audits carried out by national customs or export control authorities.

6. Policy violations and suspected breaches

Violations against this policy may lead to disciplinary action, up to and including termination.

Any Beijer Ref employee who suspects that a breach of this policy has occurred or is occurring is expected to raise this concern with the Local Manager of the relevant Beijer Ref entity and/or Whistleblowing function.

Beijer Ref is grateful to any employee who voices his or her concern in this regards. Beijer Ref does not accept any form of retaliation against such employees.

7. Guidance and Assistance

If you have questions in relation to this policy or if you are uncertain which rules apply, please contact the Local Manager.

Questions concerning specific trade or export transactions should be handled primarily by the relevant Local Manager. However, questions may always be escalated by a Local Manager or by Beijer Ref employees to the Group CFO / General Counsel.

Annex 1

Lists of Risk Countries

The below list reflects a generalised practical business assessment of countries most likely to raise sanctions and export regulations risks as well as risks related to circumvention of sanctions and money laundering risks for Beijer Ref. It is important to note that, depending on the circumstances, dealings in other countries may also raise such risks for Beijer Ref.

N.B that sanctions regimes are subject to regular change why this list might not at all times fully represent relevant sanctions risks.

Red Countries	Yellow Countries			
Belarus	Afghanistan	Cyprus	Laos	Saint Lucia
Cuba	American Samoa	Egypt	Lebanon	Samoa
Iran	Armenia	Eritrea	Malaysia	Saudi Arabia
Libya	Azerbaijan	Ethiopia	Mali	Senegal
Myanmar (Burma)	Bahamas	Georgia	Malta	Serbia
North Korea (DPRK)	Bahrain	Ghana	Marshall Islands	Singapore
Russia	Barbados	Grenada	Mauritania	Somalia
Sudan	Bangladesh	Guam	Mauritius	South Africa
Syria	Belize	Guatemala	Mexico	South Sudan
Ukraine (non-Ukraine government controlled regions of Crimea, Sevastopol, Donetsk, Kherson, Luhansk and Zaporizhzhia regions)	Bermuda	Guinea	Moldova	Sri Lanka
Venezuela	British Virgin Islands	Guinea-Bissau	Mongolia	Tajikistan
Yemen	Bosnia & Herzegovina	Guyana	Montenegro	Thailand
	Bulgaria	Haiti	Namibia	Trinidad and Tobago
	Burkina Faso	Hong Kong	Nicaragua	Tunisia
	Burundi	Hungary	Niger	Turkey
	Cambodia	India	Nigeria	Turkmenistan
	Cayman Islands	Indonesia	North Macedonia	U.S. Virgin Islands
	Central African Republic	Iraq	Pakistan	Uganda
	Chad	Israel	Palau	Ukraine (excl. Red regions)
	China	Jamaica	Palestine	United Arab Emirates
	Colombia	Jordan	Panama	Uzbekistan
	Congo, Democratic republic of the	Kazakhstan	Philippines	Vanuatu
	Cote D'Ivoire	Kosovo	Puerto Rico	Zimbabwe
	Curacao	Kyrgyzstan		

Information gathering for non-Red or Yellow Countries

Regular Business Partner Screening Sheet			
Minimum information to be gathered			
Names of legal entities (companies) and individuals should be screened against at least the EU, UK (OFSI) and US (OFAC) consolidated sanctions lists.			
Name of the business partner, registered address, country of origin/incorporation and ID/registration number:			
The business sector that the business partner operates in:			
Owner(s) of the business partner (ultimate beneficial owner and major shareholders). If the company is listed on a stock exchange, then please simply state that the business partner is listed on a stock exchange and the name of the stock exchange:			
Information collection requirements for buyers or other business partners that will receive Beijer Ref products			
Name of end-user of product (if different from business partner):			
Owner(s) of end user (if different from business partner) (ultimate beneficial owner and major shareholders). If the end user is listed on a stock exchange, then please simply state that the end-customer is listed on a stock exchange and the name of the stock exchange:			
RESULT: Sanctions	<input type="checkbox"/>	match	<input type="checkbox"/> No sanctions match

Information gathering for Red or Yellow Countries

Medium and High Risk Business Partner Screening Sheet		
<p>Minimum information to be gathered for business partners in Red or Yellow countries or when suspicious behaviour, triggering factors or obvious risks are identified. Note that the collected information shall as far as possible be supported by documentary evidence</p> <p>Names of legal entities (companies) and individuals should be screened against at least the EU, UK (OFSI) and US (OFAC) consolidated sanctions lists.</p>		
Name of the business partner, registered address, country of origin/incorporation and ID/registration number:		
The business sector that the business partner operates in:		
Owner(s) of the business partner (ultimate beneficial owner and major shareholders):		
Information from business partner on whether members of the business partner's board of directors are individually designated or otherwise subject to sanctions or trade restrictions published or otherwise administered by authorities in the EU, UK, US or any other relevant jurisdiction:		
Intermediaries involved and the reason(s) for involving them (if any):		
Information collection requirements for buyers or other business partners that will receive Beijer Ref products		
Name of end-customer of product (if different from the business partner):		
Owner(s) of end-customer (if different from business partner) (ultimate beneficial owner and major shareholders). If the end user is listed on a stock exchange, then please simply state that the end-customer is listed on a stock exchange and the name of the stock exchange:		
Information from business partner on whether members of the end-customer's board of directors are individually designated or otherwise subject to sanctions or trade restrictions published or otherwise administered by authorities in the EU, UK, US or any other relevant jurisdiction:		
RESULT: Sanctions	match	No sanctions match

Model Sanctions Compliance Clauses

[To be included in the section where the counterparty's undertakings are listed. Note that these Model Sanctions Clauses may need to be revised or amended based on the agreement which they are to be incorporated to.]

The [Supplier/Distributor/Buyer] represents, warrants and covenants that:

- (a) none of the [Supplier/Distributor/Buyer], its affiliates, or any of their respective officers or directors, is or is owned or controlled by any person or entity specially designated, blocked or otherwise individually targeted under any economic sanctions or export control laws or regulations of the UN, US, EU, UK, or any other relevant jurisdiction (for the purpose of this section, a “**Listed Person**”);
- (b) the [Supplier/Distributor/Buyer] will not, directly or indirectly, engage in any business: (i) involving any Listed Person or any entity directly or indirectly owned to 50% or more, individually or in the aggregate, or otherwise controlled by one or more Listed Persons, or (ii) that is otherwise in breach of any economic sanctions or export control laws or regulations of the UN, US, EU, UK, or any other relevant jurisdiction;
- (c) without limitation to the generality of the foregoing, no [Product] will to the [Distributor/Buyer]'s reasonable efforts be sold, exported, re-exported or used (i) for any purpose connected with chemical, biological or nuclear weapons or explosive devices, or missiles capable of delivering such weapons or devices; (ii) for or used in any military activities or the manufacturing of military equipment, but are intended solely for non-military, peaceful use; (iii) directly or indirectly, to or by any natural or legal person, entity or body, in Russia, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Crimea including Sevastopol, Cuba, North Korea (DPRK), Iran, Sudan, or Syria; or (iv) to or by any Listed Person; and
- (d) the [Distributor/Buyer] shall establish and maintain adequate internal controls and mechanisms to (i) detect conduct by any third parties in its downstream commercial chain, including possible resellers, that violates, or frustrates the purpose of points (b) – (c) above; and (ii) ensure it obtains sufficient knowledge about end-users to determine whether, for each contract, the [Product] could be destined for an end-use which is not permitted under this Agreement.

[Omit point (c)-(d) above if the counterparty is a supplier]

The [Supplier/Distributor/Buyer] will immediately inform [Beijer Ref company name] of any suspected or alleged breach of the foregoing, including any relevant activities by third parties that could violate or frustrate the purpose of the foregoing.

In the event the [Supplier/Distributor/Buyer] violates any of its obligations in [Clause [●] (c)] [Beijer Ref company name] shall be entitled to seek a penalty of [●]% of the total value of this Agreement or price of the goods exported, whichever is higher.

[Beijer Ref note: The size of the penalty may be adjusted based on the individual circumstances of each respective agreement, could be for example between 10-35 % of the total value of the agreement/price, as long as it is reasonable strong and aim to deter from any breaches.]

[To be included in the termination section of the Agreement]

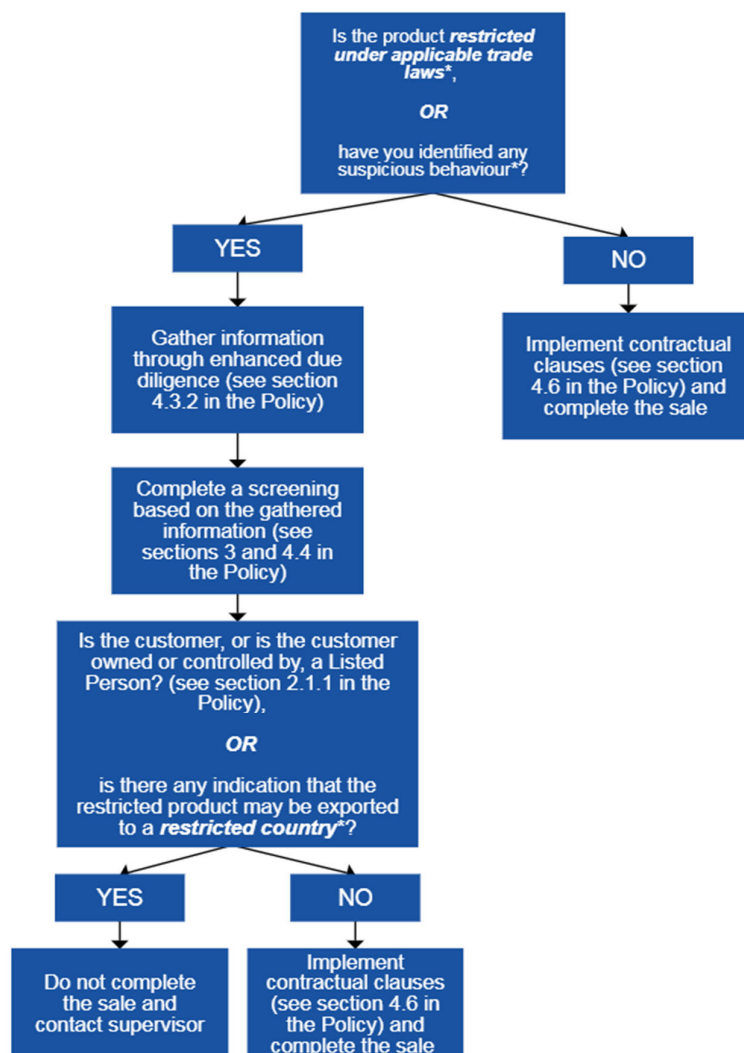
Following any reasonably suspected breach of [Clause [●] (a) – (d)], [Beijer Ref company name] has the discretionary right to refuse further performance or terminate any relevant agreement it has with the [Supplier/Distributor/Buyer].

[If deemed appropriate, to be included in the damages section of the Agreement]

The [Supplier/Distributor/Buyer] undertakes to indemnify and hold harmless [Beijer Ref company name] from and against any and all claims, suits, damages, losses, costs, liabilities, fines, penalties or demands arising out of or related to any breach of section [insert reference to trade sanctions compliance clause] above.

Checklist for domestic sales in Yellow Countries

This checklist shall be used and applies to all *domestic sales* in Yellow Countries. It must be completed before any such sale is finalised. For further guidance, please refer to the relevant sections of the policy.



* **Restricted under applicable trade law** means that a Beijer Ref entity has identified the product as being subject to restrictions under a sanctions regime. This means that the direct or indirect export of the product to the relevant country is prohibited.

* Examples of **suspicious behaviour** include: (i) a known customer deviating from established trading patterns without reasonable explanation; (ii) a new customer placing unusually large orders that are inconsistent with market practice and lack an obvious commercial rationale; (iii) unclear, unusual, or last-minute changes to delivery arrangements; and (iv) indications that the products may be intended for export.

* **A restricted country** means any country to which a Beijer Ref entity has identified that exporting that product is prohibited under a sanctions regime.