



# Export Control And Fund Freezing Policy

# Contents

- Scope of the Export Control and Fund Freezing Policy ..... 3**
  - 1. Statement ..... 3
  - 2. Objectives of export control and fund freezing rules ..... 3
  - 3. Scope of the Policy ..... 3
- Export and/or import control ..... 4**
  - 1. Products concerned by export control restrictions: “dual-use items” ..... 4
  - 2. Countries for which the export of dual-use items is restricted ..... 5
  - 3. Procedural requirements ..... 5
- Fund freezing ..... 7**
- Reporting and Sanctions ..... 7**
  - 1. Reporting ..... 7
  - 2. Sanctions ..... 8

# Scope of the Export Control and Fund Freezing Policy

## 1. Statement

Each Linxens entity or employee must conduct business in compliance with the applicable laws and in particular the export control and fund freezing regulations.

Compliance with the rules on export control and fund freezing is essential for Linxens as the violation of these rules exposes our Group and its representatives to significant legal and financial risks that may have detrimental effects on Linxens' activities and reputation.

This Export Control and Fund Freezing policy (the "**Policy**") sets the minimum standards that each employee of the Linxens group, including the entities that it owns and the entities in which it holds a majority interest, (hereinafter "**Linxens**" or the "**Group**") must observe when dealing with certain persons, or selling or buying certain products to foreign customers or suppliers. It aims at helping these employees to prevent and avoid violations of export control and/or fund freezing rules.

References to "**you**" in this Policy refer to each of the Group's officers, administrators, employees, directors, and all personnel hired by the Group, all of whom have a duty to report violations and suspected violations of this Policy. Procedures for doing so are set forth in Section 4.1 below.

## 2. Objectives of export control and fund freezing rules

Some products, due to their nature, cannot be freely imported or exported. In particular, this concerns products that may have a military use (including a dual military and civilian use). Furthermore, some countries are subject to particular restrictions, due to policies adopted by national authorities (e.g. embargo).

Export control is a body of rules that submit the export or import of these products to export or import bans, or to particular proceedings (such as prior authorizations or licenses). Furthermore, some countries consider that certain physical or legal persons shall be financially sanctioned, due to their behavior (terrorism, international law violations, etc.). Thus, financial flows relating to such persons may be prohibited or restricted.

Any violation of export control or fund freezing rules would entail significant negative consequences for Linxens. The violation of these rules is a criminal offence that can be sanctioned by heavy fines in several countries.

In addition, in terms of brand image, a proceeding or a conviction for violation of export control or fund freezing rules has a significant negative impact for a company.

## 3. Scope of the Policy

This Policy describes an overview of the basic rules applicable to export control and fund freezing. It does not provide an exhaustive coverage of export control and fund freezing rules that apply in each country where the Group operates. In

case of doubt, you must consult the Legal Department.

This Policy aims at providing Linxens employees with a set of basic rules to be complied with while conducting commercial activities in the context of the export and/or import of certain kinds of products, or when dealing with persons of a certain nationality, in order to help them identifying the situations which may pose a problem with regard to export control or fund freezing rules.

While compliance with this Policy is essential, it does not exempt you from bringing to the attention of the Legal Department any specific situation, for the purpose of getting guidance on the best solution to be implemented. In case of doubt as to whether a conduct complies with export control or fund freezing rules, you should always submit the issue to the attention of the Legal Department. You must also contact the Legal Department, as soon as you consider that you are in a situation which may raise concerns.

### Export and/or import control

The export and/or import of certain specific products is subject to specific rules. In order to comply with them, you must (i) assess whether the product you wish to export is concerned by these rules, (ii) if so, consider whether export of these products to the destination country is forbidden, (iii) if not, implement the relevant procedure required by applicable laws.

This Policy does not address the purely military goods topic, but you must be aware that there are significant restrictions to trade flows concerning such goods. The

above also applies to the import of products.

#### 1. Products concerned by export control restrictions: “dual-use items”

So called “Dual-use items” are items, including software and technology, which can be used for both civilian and military purposes, and include all goods which can be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices. These items are often listed by the national authorities in charge for export control.

For example, the European Union (hereinafter “EU”) regularly updates the list of dual-use items that are concerned by EU export control regulations. This list can be found here. Linxens could in particular be concerned by the products listed in Category 3 (Electronics), Category 4 (Computers) and Category 5 (Telecommunications and “information security”). Furthermore, certain EU Member States have completed the list of dual-use items.

In any case, in order to determine whether the product you wish to export enters into a category listed by the relevant national authority, a technologic assessment is required. In addition, when Linxens products include technology or other products purchased from third parties, you must be aware that the contractual documentation of such third parties may indicate that the technology or third party



products concerned are subject to export restrictions.

If you have any doubt as to whether the product you wish to export is a dual-use item, you must contact the Legal Department, which will contact the local administration to clear any doubts. It is important not to contact directly the local administration, in order to maintain a consistent position of the Group as to the categorization of the products.

## 2. Countries for which the export of dual-use items is restricted

If the product you wish to export and/or import is a dual-use item, it is thus subject to export control rules. You must then consider the potential rules that are specifically applicable to the destination country.

Some countries have implemented very strict limitations of export of dual-use items to specific countries. For some destinations, export is strictly forbidden. For other destinations, export is subject to conditions (forbidden to certain persons, or limited to a particular context, or subject to a particular procedure).

For example, in the EU, export of dual-use items is strictly forbidden to Democratic People's Republic of Korea (i.e. North Korea). Other countries are subject to particular rules:

- Iran: ban of export for certain products listed here (Annex I) and here (Annex II), or prior authorization of the national administration for other dual-use items listed here (Annex II).
- Syria: ban of export for certain products listed here (Annex I), or prior authorization of the national

administration for other dual use items listed here (Annex V).

- Russia: ban of export of dual-use items if it is made for military purposes (if the sale is made to the Russian army, the export is considered as made for military purposes) and ban of export to certain persons listed here (Annex IV).

If you have any doubts as to whether the product you wish to export enters into one of the above categories, or if you consider that a prior authorization is required in order to export the product, you must contact the Legal Department. Please note that the countries, products or persons concerned are subject to change from time to time. If you handle trade flows for Linxens, you must remain aware of this fact and seek the appropriate updated information.

## 3. Procedural requirements

If you wish to export and/or import a dual-use item to a country that is not subject to specific bans, you may nevertheless need to follow the general procedure required by national authorities for the export of dual-use items.

For instance, national authorities may grant licenses to export that can be either individual (for one specific export) or general (for all exports of determined products to determined countries). In each case, these licenses may be subject to conditions, in particular as to the end-use of the exported product.

For example, in the EU, there are four kinds of export authorizations:

- community general export authorization: the EU has defined exports of determined products to determined countries for which no

specific authorization is required. The exporter shall only notify the relevant national authority within the 30 days following the first concerned export. Member States of the EU may require that this notification be made prior to the export.

- national general export authorization: each Member State may define exports of determined products to determined countries for which no specific authorization is required.
- individual export authorization: this is an authorization granted to one specific exporter for one end user or consignee in a country and covering one or more dual-use items.
- global export authorization: this is an authorization granted to one specific exporter in respect of a type or category of dual-use item which may be valid for exports to one or more specified end users and/or in one or more specified third countries.

All these authorizations may be subject, if appropriate, to an end-use statement, which shall reflect the reasons for which the end-user purchases the concerned product.

Therefore, if an authorization for export is needed, you need to:

- 1 - verify whether Linxens already has an authorization for this export,
- 2 - if not, contact the Legal Department in order to launch the procedure to obtain the said authorization and
- 3 - in any case, verify that the end-user effectively purchases the product for a use authorized by the export license and any other conditions attached to the license is complied with. Contractual requirements to bind the purchaser as concerns re-exports may also be appropriate.

If you have any doubt on the above, please contact the Legal Department immediately.



## Fund freezing

When you sell a product to a foreign national (physical or legal entity), you need to be aware of the existence of fund freezing rules. Some countries, considering the dangerous nature of certain individuals, have implemented regulations that order the freezing of their funds. Thus, these funds cannot be used for paying a product or service.

You must remain attentive to your clients' and intermediaries' identities so that you do not breach the fund freezing obligation. The individuals concerned are identified by each country in specific legal instruments.

For example, the EU regularly publishes, and updates lists of concerned persons. You must particularly be attentive when dealing with clients and intermediaries located in the following countries, or of the following nationalities:

- Afghanistan (see Annex I here)
- Belarus (see Annex IIIa, IV and V here)
- Burundi (see Annex here)
- Democratic Republic of the Congo (see Annexes I and II here)
- Central African Republic (see Annex I here)
- Egypt (see Annex I here)
- Guinea-Bissau (see Annex I here)
- Republic of Guinea (see Annex II here)
- Iran (see Annex I to IV here)
- Iraq (see Annexes III and IV here)
- Libya (see Annexes II and III here)
- North Korea (see Annexes I, II and III here)
- Somalia (see Annex I here)
- South Sudan (see Annex I here)

- Sudan (see Annex I here)
- Syria (see Annexes II and IIa here)
- Tunisia (see Annex I here)
- Ukraine (see Annex I here; Annex I here)
- Yemen (see Annex I here)
- Zimbabwe (see Annex III here)

There are also general texts concerning people related to terrorism (see Annex here) or freezing orders related directly to Al Qaeda and ISIS (see Annex I here). You can also refer to the “unique list of freezing” published and kept up to date by the French Ministry of Economy (see here).

Before and when dealing with persons from these countries, you must carry out due diligence on your clients and collect all the required information to know your clients (identification, information collection, sanction list screening, ...) and check whether they appear on one of the aforementioned lists. If it is the case, you must refuse any payment or financial flow, in any form whatsoever, from this person. You must also directly contact the Legal Department and provide any information necessary to identify the kind of transaction you were about to conclude.

## Reporting and Sanctions

### 1. Reporting

Linxens encourages and secures reporting from employees, suppliers, customers and other stakeholders (the “Reporter”) should they believe that a conflict arises between Linxens' operations and this Policy, through a , ensuring anonymous reporting and

protecting the Reporters from discriminatory sanctions.

For the sake of clarity, all persons to whom this Policy applies are protected by law from retaliation for reporting violations, suspected violations, or other alleged activities outside or inconsistent with this Policy or for participating in procedures connected with an investigation, proceeding or hearing conducted by Linxens or a government agency with respect to such complaints

For more information please consult the [Linxens Whistleblowing Policy](#).

## 2. Sanctions

Failure to comply with any provision of this Policy is a serious violation. Over and above any legal consequences, any employee who does not comply with this Policy may be subject to disciplinary action.







[www.linxens.com](http://www.linxens.com)

Visit our website to discover  
our offers and get in touch with us!

[contact@linxens.com](mailto:contact@linxens.com)

Linxens Group  
122 Rue Edouard Vaillant  
92300 Levallois Perret  
France