



TRADE SANCTIONS POLICY

EFFECTIVE DATE

October 2023

■ PURPOSE

The purpose of this policy is to outline the expectations and related internal controls regarding government-imposed import and export controls, embargoes, restricted parties, and trade sanctions that require a license to proceed with a business arrangement that involves, but not limited to, the shipping, importing or exporting of goods. The policy applies to all countries where Novolex Holdings, LLC and its subsidiaries and affiliates (collectively, "Novolex" or the "Company") transact business.

■ SCOPE

This Policy pertains to all international trade (imports and exports) conducted by the Company.

■ RESPONSIBILITY

1. International business generates a significant portion of the Company's revenue. A violation of any law, rule or regulation governing such international business may jeopardize the ability of the Company to transact certain business operations in the form of significant civil penalties, criminal fines, imprisonment, suspension of export and import privileges, and harm to the Company's reputation.
2. The Company's Office of International Trade Compliance (the "ITC") is responsible for the development and implementation of controls necessary to comply with regulations relevant to the purpose and scope of this Policy, to minimize delays and facilitate trade through continuous improvement initiatives, and to address issues raised both internally and by regulating authorities.
3. The ITC Governance Committee (the "ITCGC") oversees the work of the ITC and is responsible for assessing risks and addressing resource needs to support the ITC's responsibilities and adherence to this Policy. The ITCGC consists of the Chief Procurement Officer, Chief Financial Officer, Chief Accounting Officer, General Counsel, ITC leadership and, as needed, applicable business leaders and outside trade counsel.

■ POLICY

Novolex does not conduct business with embargoed countries, restricted parties, or entities of any kind that are subject to sanction controls without first obtaining a license from the appropriate governmental authority. When arrangements are subject to embargoes, restrictions or other sanction controls that require a license to proceed, it is the Company's policy not to proceed with such arrangements. Any request for an exception to this policy requires approval from the ITC Director, a member of the Novolex Senior Leadership Team that is on the ITCGC, and the Chairman and CEO. If approved, the ITC Director is responsible for pursuing the license and ensuring the Company does not proceed with the arrangement without first obtaining a license.

■ INTERNAL CONTROL PROCEDURES

The following internal controls have been established to maintain compliance with this Policy:

1. All agreements for either the sale or purchases of products and services by the Company, including the Company's General Terms & Conditions of Sale and Purchase, shall reference or contain language that require all parties to observe all local, state and federal laws and regulations and include restrictive language regarding sanctions, corruption, anti-money laundering, forced labor and so forth.
2. The ITC implements the Novolex International Trade Compliance Program consisting of the following measures: processes and procedures, compliant operations, recordkeeping, monitoring, training, due diligence, risk assessment, communications with internal and external stakeholders, and governance including maintenance of this Policy.
3. The ITCGC meets quarterly (and ad hoc as needed) to discuss ITC strategy, major initiatives, resources, and material risks.
4. The ITC maintains a comprehensive Country Risk Guide. This guide lists all countries in the world and overlays a risk group designation for each country per the Export Administration Regulations (maintained by the U.S. Department of Commerce's Bureau of Industry and Security), relevant U.S. government Executive Orders, Transparency International's Corruption Perceptions Index and Intertek's Inherent Country Risk Rating. The Country Risk Guide is available to all Company personnel as a resource to help identify risks as business arrangements are being contemplated.
5. The ITC regularly conducts restricted party screening of all customer and vendor master data using a third-party screening tool that consolidates 29 governmental watch lists. Potential matches are escalated for immediate resolution.

■ INTERNAL CONTROL PROCEDURES Continued

6. The ITC conducts routine, formal reviews of business arrangements to support ongoing compliance. Detected issues are documented, escalated as appropriate, and remedied.
7. Novolex management requires that every officer, agent and employee of the Company involved in international business transactions understands the basic elements of the laws and regulations related to trade compliance and to comply with them at all times. Our compliance with these laws is a critical component of the Company's reputation and success. The ITC conducts training annually to maintain awareness among applicable stakeholders of the importance of this Policy and related processes and procedures. On a semi-annual basis, the ITC Director shall measure and confirm compliance with this Policy, which shall include compliance training, reported actual and suspected violations, etc., and provide a report to the General Counsel with a recommended plan of action for any non-compliance.
8. This Policy will be distributed to all employees that are involved in international business arrangements as part of their training. This Policy is also available on Novolex's employee website <https://onfirstup.com/novolex/connect/contents/34701740>.
9. Questions concerning this Policy and/or any import or export law, rule, or regulation should be directed to the ITC Director. If an incident or suspected incident of non-compliance occurs, the employee discovering the issue should immediately report the event to the ITC Director. In addition, any questions concerning the legitimacy of a business transaction or potential violations of this Policy should be referred to the ITC Director and the General Counsel. Reports of potential violations of this Policy by employees, contractors or suppliers may be made online at ethics.novolex.com or by phone using the telephone numbers below.

USA and Canada 800-461-9330
Mexico 800-681-6945
Ireland 1800-904-177
Netherlands 0-800-022-0441
United Kingdom 0-808-189-1053

10. Employees violating this Policy may be subject to disciplinary action or dismissal from the Company.

■ RELATED POLICIES

1. [General Terms & Conditions of Sale and Purchase - Novolex](#)
2. ITC-5510-RES ITC Country Risk Guide
3. ITC-5511-RES Restricted Party Screening Desk Procedure



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