



**proximus**

**Group Compliance**

# Export Controls and Sanctions Compliance

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## 1. Objective

It is the policy of Proximus Group (“Proximus”) to comply fully with the laws applicable to its operations.

For the Proximus Group, being a Belgian based company with affiliates operating in various countries around the globe, this includes the commitment to comply with U.S., U.N. and E.U. regulations on sanctions and embargoes.

Moreover, specific rules must be respected in terms of unauthorized reexport of goods, services, or technologies to countries or persons subject to export controls or economic sanctions, and not to take any action that assists targets of sanctions in evading or avoiding the lawful application of sanctions and export controls.

It is our policy to take all reasonable measures, including the procedures in this document, to detect and prevent violations of those export controls and sanctions that are applicable to our business operations.

By complying with these U.S. laws that are applicable to our business operations, Proximus does not intend to submit to jurisdiction of the United States for any other purposes.

It is your responsibility to read and understand this policy, and to comply with its terms at all times.

All Proximus personnel whose responsibilities include international activities are expected to undertake the following actions to comply with this policy:

1. Review, understand, and follow this compliance policy and the procedures contained in it.
2. Act in a transparent and lawful manner at all times.
3. Participate in international trade controls compliance training provided by the Company, as appropriate.
4. Ensure that you can recognize controlled articles, technology, and software.
5. Take reasonable steps to ensure that items are not unlawfully exported or reexported (directly or indirectly) to any prohibited destination.
6. Take reasonable steps to ensure that operations involving a U.S. company or U.S. person, transactions in USD (IN/OUT), are not in breach with U.S. sanctions programs.

## 2. Scope and Applicability

This Policy applies to all Proximus personnel and contractors whose responsibilities include international activities.

## 3. Policy Guidance

The Group Compliance Office is available to provide guidance to you in complying with applicable export and sanctions regulations.

If you have any questions about this Policy, contact the Group Compliance Office using the following contact information: [group.compliance@proximus.com](mailto:group.compliance@proximus.com)

## 4. Applicable prohibitions

### 4.1 U.S. Export Controls and Sanctions

#### 4.1.1 Prohibited exports of products originating in the U.S.

U.S. export controls prohibit the export of most U.S.-origin hardware, software or technology, directly or indirectly, to sanctioned countries. U.S. persons are liable for violations if they transfer a product or technology originating in the U.S. to a person who knows or reasonably should know that the product will be retransferred or re-exported to a sanctioned country, or if the product is specifically intended to be incorporated into a product for the sanctioned country.

U.S. law provides exceptions that allow the provision of certain telecommunications services and the export of certain basic telecommunications technology and software to sanctioned countries, but the exceptions are limited.

This policy provides basic information on the prohibitions and relevant exceptions; you are responsible for following the procedures in this policy to ensure that controlled products are not exported to prohibited destinations or end uses. You may also obtain advice from the Group Compliance Office to assist you in compliance.

#### 4.1.2 Comprehensive Sanctions

The United States applies comprehensive sanctions programmes that prohibit most types of transactions by US persons with sanctioned countries and territories. These sanctions are administered by the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC). Currently, OFAC maintains comprehensive sanctions against Cuba, Iran, North Korea, Syria and the territory of the Crimean Peninsula.

The U.S. sanctions require increased vigilance from Proximus and its personnel to prevent re-exportation of U.S.-origin hardware, software or technology to a prohibited destination or end-use.

In addition to the restrictions applicable to activities of U.S. persons, non-U.S. persons are subject to U.S. sanctions while physically located in the United States. U.S. law also prohibits non-U.S. persons from causing a U.S. person to violate sanctions. Therefore, Proximus must also take steps to ensure that our U.S. subsidiaries and U.S. resident personnel are not unlawfully involved in business with sanctioned countries and territories.

### 4.1.3 Specially Designated Nationals

OFAC's List of Specially Designated Nationals (the SDN List) identifies individuals and entities with whom it is illegal for any U.S. person to engage in virtually any transaction. It is your responsibility to ensure that your activities do not result in the direct or indirect supply of goods, services or technology of U.S. origin to sanctioned countries or persons, unless permitted.

In addition, US law permits the imposition of sanctions on non-US companies that engage in certain types of transactions with persons and entities on OFAC's Specially Designated Nationals (SDN) List. You may not take any action that would assist an SDN in evading or circumventing US sanctions.

### 4.1.4 U.S. Persons

Under U.S. sanctions programs, "U.S. Person" is defined broadly to include U.S. citizens and Lawful Permanent Residents (wherever located), any entity incorporated in the United States, including branches, and any person in the United States, regardless of nationality.

U.S. persons include U.S. banks and the U.S. banking system. U.S. sanctions prohibit funds from any transaction involving Iran or other sanctioned countries to transit the U.S. banking system.

### 4.1.5 General License D-1

Under General License D-1, OFAC authorizes the export or reexport of certain U.S.-origin technology and services that are necessary for the operation of certain hardware, software, and mobile applications used for personal communications. When working with U.S.-origin hardware, software, and technology, you are responsible for understanding and complying with the applicable restrictions and for the proper application of General License D-1.

As outlined in Section 1.2 of this policy, the Compliance Office of the Proximus Group is authorized and available to provide guidance to you in complying with applicable export and sanctions regulations. If you have any questions about this Policy, please contact the Group Compliance Office using the following contact information: [group.compliance@proximus.com](mailto:group.compliance@proximus.com)

## 4.2 U.N. and E.U. Export Controls and Sanctions

The U.N., under Article 41 of the UN Charter, encompass a broad range of enforcement options that do not involve the use of armed force. The measures can range from economic and trade embargoes to more targeted measures against specific individuals, companies, or entities, such as the freezing of funds and travel bans.

Sanctions of the U.N. Security Council can serve a variety of goals: support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights, and promote non-proliferation.

The E.U. imposes restrictive measures/sanctions on countries, entities/persons, or services. These restrictive measures/sanctions are applicable in all EU Member States and are prepared by the Presidency or one of the Member States and Adopted by the Council. They are implemented by the Commission (publishing lists of target persons, groups, etc...) and the member States (granting exemptions, determining penalties, etc...) i.e.:

- Export of telecom equipment which purpose is the monitoring or interception of traffic is prohibited.
- Services providing or enabling telecom monitoring or interception are also prohibited.

As for U.S. sanctions, E.U. and U.N. sanctions require heightened vigilance from Proximus and its personnel to prevent unauthorized actions.

Restrictive measures/sanctions identify individuals and entities with whom it is prohibited to conduct any transaction. You are responsible for ensuring that your activities do not result in the direct or indirect provision of services, or technology to sanctioned countries or persons, unless authorized.

## 5. Penalties for Violations

Violations of U.S., U.N. and E.U. export controls or sanctions may result in civil or criminal penalties, including prison sentences and fines. Violations of company policy may also subject you to disciplinary action, including dismissal.

## 6. Compliance Procedures

### 6.1 Procedure 1: Proximus Group Employee's Compliance

Employees of the Proximus Group must conduct business in compliance with the U.S./U.N./E.U. sanctions programs. Depending on the jurisdiction, other sanction programs may apply (U.K., O.S.C.E., Australian, Chinese, ...)

### 6.2 Procedure 2: U.S. Persons Compliance

1. Proximus and its non-U.S. personnel are not prohibited by U.S. law from lawfully conducting transactions involving Iran and other countries subject to U.S. sanctions. However, those transactions may not involve U.S. persons unless authorized by General License or by a specific OFAC license. This prohibition includes prohibiting involvement (unless so authorized) of Proximus U.S. affiliate, or any U.S. Person personnel, wherever located. Moreover, non-U.S. personnel may not conduct sanctioned-country business while physically located in the United States.

2. U.S. Persons (including Proximus U.S. affiliate, and U.S. Person personnel) are permitted to conduct activities authorized by OFAC General License (or authorized by specific OFAC license).

3. Any U.S.-Person personnel of Proximus whose responsibilities would otherwise include involvement in any sanctioned-country activity not authorized by OFAC General License or OFAC specific license shall be recused completely from that responsibility. In the event that such recusal results in an absence of any qualified or authorized personnel to discharge the relevant responsibilities, such circumstance shall be brought to the attention of the Group Compliance Office immediately for resolution.

4. No Proximus personnel may take any action that will cause any U.S. Person, directly or indirectly, to be involved in any prohibited transactions.

### 6.3 Procedure 3: Reexport of U.S.-origin Hardware, Software, Technology, and Services

U.S. companies may provide certain goods, services, and technologies to members of the Proximus Group and their customers.

If Proximus were to provide such U.S.-origin goods, services, or technologies to any person outside the United States, U.S. law would consider such transactions to be reexports of U.S.-origin items. For this reason, Proximus must comply with U.S. export controls and sanctions laws in those transactions.

In general, the reexport of U.S.-origin goods, services, or technologies to Iran and other sanctioned countries is prohibited.

Certain services (e.g., cloud communications platform as a service - CPaaS) may be covered by OFAC General License, and thus may be exported to sanctioned countries.

1. U.S. companies' compliance personnel are responsible for determining which of their goods, services, and technologies are eligible for OFAC General License.
2. For all U.S.-origin goods, services, and technologies not documented to be eligible for OFAC General License, Proximus shall not export or reexport such items to sanctioned countries, directly or indirectly, whether by physical or electronic transfer, or oral or visual disclosure.
3. For all U.S.-origin goods, services, and technologies found to be eligible for OFAC General License, exports or reexports may be conducted to those countries only in such cases where the provisions of this policy are complied with.

## 6.4 Procedure 4: Third Party Due Diligence

1. Proximus entities must take a risk-based approach towards their business relations<sup>1</sup> when operating internationally.
  - A. Proximus entities with international activities (outside roaming) in major sanctioned countries (hereafter referred to as MSC<sup>2</sup>) must screen all business relations against the U.N., E.U., OFAC Consolidated Screening List. (i.e.: BICS)
  - B. For Proximus entities with exclusively roaming as international activities in MSCs, vigilance is key. Business relations located in a MSC or having their headquarters in a MSC must be screened against the U.N., E.U., OFAC Consolidated Screening List.
2. For any business relation found to be a Specially Designated National, or owned or controlled by a Specially Designated National: no business involving goods, services, or technology of U.S. origin shall be conducted except as authorized by relevant OFAC general license or OFAC specific license or other authorization from the adequate instances for non-U.S goods. If such situation occurs, you are expected to advise the Group Compliance Office of the matter.

## 6.5 Procedure 4: Funds Flow

1. U.S.-origin funds shall not be used for any business of Proximus conducted with countries or persons subject to U.S. sanctions, unless authorized by OFAC General License or by specific OFAC licenses.
2. Unless the business is authorized by OFAC General License or by specific OFAC license, proceeds any business of Proximus conducted with countries subject to U.S. sanctions shall be held outside the United States, in accounts not denominated in U.S. dollars, until the relevant transaction is complete.

<sup>1</sup> Business relations: customers, suppliers and intermediaries

<sup>2</sup> See Annex 1 – Major Sanctioned Countries)



## 6.6 Procedure 5: Education and Training

1. The Group Compliance Office is responsible for delivering compliance training to all relevant Proximus personnel, as appropriate to their function.
2. The Group Compliance Office will maintain a record of all employees attending training as well as a record of all correspondence distributed to Company employees regarding changes to U.S., U.N., E.U., export control and sanctions laws or this Policy.
3. Appropriate Proximus personnel will be made aware of this Policy and will have access to this Policy via the Company intranet.
4. New employees as appropriate shall receive a copy of this Policy during introductory export and sanctions training.
5. Proximus will provide training updates to all relevant employees annually.

## 6.7 Procedure 6: Compliance Policy Updates

1. Because trade controls are subject to rapid changes, the Group Compliance Office is responsible for regularly reviewing changes to U.S., U.N., and E.U. trade controls.
2. For each material change in U.S., U.N., and E.U. trade controls affecting Proximus, the Group Compliance Office shall update and reissue this Policy accordingly.
3. For each material change in U.S., U.N., and E.U. trade controls affecting Proximus for which a change in this policy is made, the Group Compliance Office shall conduct training or other educational activities as appropriate to alert relevant Proximus personnel to the change.

## 6.8 Procedure 7: Questions, Reporting, and Escalation

1. If you have any compliance questions about a particular export transaction or questions about this Policy, you should contact the Group Compliance Office using the following contact information:  
[group.compliance@proximus.com](mailto:group.compliance@proximus.com)
2. If you become aware of potential violations of U.S., U.N., and E.U. international trade controls or of this Policy, you must notify your supervisor or the Group Compliance Office immediately.
3. The Group Compliance Office shall review reports of a potential violation or suspicious transaction, gather background facts regarding the matter, and notify Company management as appropriate.
4. You may report concerns without fear of retribution. Proximus will not tolerate retaliation against an employee who has in good faith asked a question, raised a concern, or reported a suspected violation.

## 6.9 Procedure 8: Recordkeeping

1. Applicable law requires that documents related to export of U.S.-origin goods and services be maintained for five years from the date of the transaction, including the following as appropriate:

- i. Invoice
- ii. Bill of lading
- iii. Packing List
- iv. Export license application as appropriate
- v. Documentation of applicable export license exception as appropriate
- vi. Automated Export System records
- vii. Any memoranda, notes, correspondence, contracts, and financial records regarding any export transaction

2. The Group Compliance Office will be responsible for maintaining records pursuant to other sections of this Policy as follows:

- i. Screening and due diligence records, including the resolution of any matches to prohibited lists;
- ii. Training records required by Procedure 6;
- iii. Policy updates and revisions as required by Procedure 7;
- iv. Reports of export or sanctions issues and the steps taken to resolve or disclose those issues required by Procedure 8; and
- v. Compliance self-assessments findings reports required by Section 7 Compliance Control Monitoring Process, as well as a record of the corrective actions undertaken and completed in response to those self-assessments.

3. The Group Compliance Office shall conduct periodic reviews of transactions to ensure proper recordkeeping.

4. The Group Compliance Office shall ensure that the following additional records are kept:

- i. A current copy of the Export Control Compliance Policy;
- ii. Current copies of any compliance procedures, desk-level instructions, or checklists and related forms;

## 7. Compliance Control Monitoring Process

Proximus will conduct periodic compliance self-assessments to ensure that this Policy and procedures are effectively implemented and maintained, as appropriate.

This will be documented in a dedicated control plan on Export Controls and Sanctions Compliance.