

Trade Compliance and Integrity

1. INTERNATIONAL TRADE COMPLIANCE

1.1 Customer shall comply with all applicable customs, import control, export control, and sanctions laws, regulations, and orders, such as but not limited to EU export control regulations, and including but not limited to (i) the International Traffic in Arms Regulations (“ITAR,” 22 CFR Parts 120-130); (ii) the Export Administration Regulations (“EAR,” 15 CFR Parts 730-774); (iii) the Office of Foreign Assets Control’s regulations (“OFAC Regulations” 31 CFR 500-598); and (iv) applicable non-US customs, import control, export control, and sanctions laws (including Council Regulation (EU) No 833/2014 and (EC) No 765/2006 as amended), regulations, and orders (collectively, “ITC Laws”).

1.2 Customer shall not, and shall not cause Lagersmit to, directly or indirectly, export, re-export, transfer, or otherwise divert any Products supplied by Lagersmit: (i) to any person or entity unless the export, re-export, or transfer is authorized in accordance with all applicable ITC Laws; (ii) to or for use by any party prohibited from receiving such items under applicable ITC laws; and/or (iii) for any end use prohibited under applicable ITC laws. Lagersmit may request end-user certificate from the Customer to verify the final destination and intended use. Customer represents and warrants that it is not (A) organized, incorporated or resident in jurisdictions sanctioned under ITC Laws; (B) on any list of restricted parties under ITC Laws; or (C) owned 50% or more or controlled by parties described in (A) or (B).

1.3 The Customer shall not sell, export or re-export, directly or indirectly, to the Russian Federation and/or the Republic of Belarus or for use in the Russian Federation and/or the Republic of Belarus any goods supplied under or in connection with this agreement that fall under the Council Regulation (EU) No 833/2014 and (EC) No 765/2006 for as long as Regulation (EU) 833/2014 and (EC) No 765/2006 as amended remain in place.

1.4 The Customer shall undertake its best efforts to ensure that the purpose of Section 1.3 is not frustrated by any third parties further down the commercial chain, including by possible resellers.

1.5 The Customer shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of Section 1.3.

1.6 Any violation of Sections 1.3, 1.4 or 1.5 shall constitute a material breach of an essential element of this agreement, and Lagersmit shall be entitled to seek appropriate remedies, including, but not limited to: (i) termination of this agreement; and a penalty of 10% of the total value of price of the goods exported.

1.7 The Customer shall immediately inform Lagersmit about any problems in applying Sections 1.3, 1.4 or 1.5, including any relevant activities by third parties that could frustrate the purpose of Section 1.3. The Customer shall make available to Lagersmit information concerning compliance with the obligations under Sections 1.3, 1.4 or 1.5 within two weeks of the simple request of such information. Customer shall indemnify, defend, and hold Lagersmit harmless from and against all loss and liability that Lagersmit incurs in connection with a breach of this Section 1 by the Customer, its affiliates, companies, employees, representatives, or agents, including reasonable attorneys' and consultants' fees, administrative fines, or penalties.

2. BUSINESS CONDUCT

Customer represents and warrants that it has not engaged in and will not engage in any unlawful or unethical conduct (such as making or offering to make any improper or illegal payment or gift to an employee or official of a government, political party or political candidate, government- owned or controlled company or public international organization) to promote Lagersmit's products or services or to promote or facilitate the business interests of Lagersmit.

3. CODE OF CONDUCT

Customer represents and warrants that it acknowledges and complies with Lagersmit Code of Conduct to be found under [Terms & Conditions](#).