

Sanctions Policy



CONNECTING THE WORLD OF TOMORROW

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PURPOSE

Constructel Group is committed to conducting its business ethically and in compliance with all applicable laws, including economic sanctions and export controls laws. This Economic Sanctions Compliance Policy is designed to promote compliance with those laws as well as Constructel's contractual obligations that relate to economic sanctions.

This policy applies to all Constructel Group entities, employees, officers, agents, contractors, or anyone else acting on behalf of Constructel. This policy will be reviewed and updated on an ongoing basis to ensure it accounts for changes in laws as well as changes in our business and our risk profile. Constructel Group will also periodically audit and test its implementation of this policy to ensure it remains effective.

Application

This Policy was approved by the Board of Directors of Constructel Group on 2022, October 27. Its adoption and enforcement is mandatory for Constructel Visabeira, S.A. and all its subsidiaries and covers all activities conducted by Constructel worldwide. It applies to all Group companies, their directors, officers, employees, contractors and anyone else acting on Constructel's behalf in any jurisdiction. Where local customs, standards, laws, or other policies apply that are stricter than the provisions of this Policy, the stricter requirements must be complied with. However, if this Policy stipulates stricter requirements than local customs, standards, laws or other local policies, the stricter provisions of Policy shall apply.

Policy Violation and Disciplinary Action

Failure to comply with this Policy can have severe consequences. For the Company, these could include significant monetary penalties, debarment from contracting with public entities, confiscation of profits, damages claims and/or significant reputational damage. Individuals could face prosecution, criminal fines and imprisonment.

Constructel will view any violation of this Policy by an employee as a significant matter subject to disciplinary action, including termination of employment. The Company reserves its right to terminate its contractual relationships with any agents, representatives, contractors or other third parties that breach this Policy.

REQUIREMENTS

Economic Sanctions, Background and Policy

Economic sanctions are a foreign policy and national security tool that governments use to prohibit or restrict transactions and activities with certain persons, jurisdictions, or sectors. Most notably, the United States has identified certain jurisdictions that are the target of comprehensive, country-wide sanctions (the "**Sanctioned Territories**").

Additionally, many governments publish lists of individuals and entities with whom dealings must be restricted. Most relevant for our purposes are sanctions lists maintained by the United States and European Union (altogether, the "**Sanctions Lists**").

In most circumstances, designation on a country's Sanctions List (or being owned or controlled by someone so designated) gives rise to "blocking" sanctions or an "asset freeze", making it unlawful for the sanctioning country's people (and entities) to engage in virtually any dealings with the sanctions target.

There are less restrictive sanctions called "**sectoral sanctions**" that apply to some listed people or entities that do not freeze the assets or prohibit the provision of funds or economic resources to a designated person, and instead merely restrict the ability of those individuals or entities to access financing or the receipt of certain types of goods or services.

Violations of sanctions laws have serious consequences. They can be punished civilly and criminally, including significant financial penalties and even imprisonment for individuals. We also are contractually obligated not to conduct business with sanctioned people or territories.

For the purposes of this policy, a "**Sanctioned Person**" includes any person or organization, that is:

- i. a government of a Sanctioned Territory, including any agency or instrumentality of, or an entity directly or indirectly owned or controlled by, a government of a Sanctioned Territory;
- ii. listed on, or owned or controlled (whether directly or indirectly), by a person or organization listed on a Sanctions List;
- iii. resident or located in, operating from, or incorporated under the laws of, a Sanctioned Territory; or

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- iv. otherwise a target of economic sanctions laws, or is acting on behalf of any of the preceding categories of persons for the purposes of evading or avoiding, of facilitating the evasion or avoidance, of sanctions laws.

Constructel does not engage in any activities, sales, purchases, transactions, business, or other dealings involving any Sanctioned Territory or Sanctioned Person unless the person is solely a target of Sectoral Sanctions and the activities would not be prohibited under any Sectoral Sanctions.

This prohibition applies whether a Sanctioned Person is a direct or indirect counterparty to Constructel. Thus, for example, it is Constructel's policy not to supply services to counterparties in third countries where we know or have reason to believe those counterparties will make our products available in a Sanctioned Territory.

Failure to comply with this policy can give rise to significant consequences for both the company and our team members. Those who violate this policy may be subject to disciplinary action, including termination.

Sanctions Screening

Conducting appropriate diligence of counterparties and business partners is critical to our commitment to sanctions compliance. Only when we know the sanctions status of our counterparties can we make reasoned assessments of the risk in doing business with them.

Accordingly, it is Constructel's policy to screen, on a risk-adjusted basis, all parties to our business dealings, including (but not limited to) our direct customers, suppliers, service providers, and any other third parties with whom we do business.

Note that sanctions prohibitions apply not only to those named on the Sanctions Lists, but also to any entities owned or controlled by Sanctioned Persons. Because of this, we must obtain identifying information for our counterparties' shareholders and ultimate beneficial owners ("UBOs") to be certain of their status under sanctions. For all relationships representing greater than EUR 100.000 in revenue per year or EUR 100.000 in spending, as relevant), collection and screening of UBO information is mandatory.

Screening should take place at the beginning of any relationship and the ongoing screening should stay active.

Business Partner Identification Information

To facilitate the screening of relevant parties against the Sanctions Lists, we collect at least the following information during the onboarding process:

- legal entity name
- address
- tax identification number or registration number (as relevant)
- if available, identification details of any beneficial owner (over 15%) and intermediate holding company or companies.

Where a customer is unable to or declines to provide us with sufficient information to conduct our sanctions screening and clear any potential matches to Sanctions Lists, we will not proceed with the relationship unless written approval is given by CEO. Likewise, where we are unable to identify ultimate beneficial owners of counterparty, they should not be onboarded and without express written approval from CEO.

Contractual Protections

We will seek to include representations, warranties, and undertakings in all our contracts that address economic sanctions and export controls compliance.

These clauses should, in particular:

- address all relevant parties' status under sanctions (e.g., whether the contracting party, inspection target, or any beneficiary of our work is a Sanctioned Person);
- require compliance with applicable trade sanctions in all respects;
- contain representations and undertakings not to make our products available to Sanctioned Persons or Jurisdictions; and
- provide for a potential exit mechanism where sanctions laws or regulations change or a counterparty becomes sanctioned after entry into the contract.

Training

We will ensure that senior management and other relevant individuals receive sanctions training every two years, and we will maintain records to show the persons trained, the dates of training, and the subject matter covered. Relevant individuals include, at a minimum, senior management and any persons responsible for finance, sales, marketing, or other business generation activities at Constructel.

Questions and Reporting concerns

If you have any questions or concerns regarding Sanctions compliance or the terms of this policy, please consult the Group Compliance Officer (compliance@constructel.com) for further guidance.

You have a duty to report concerns about any instance or suspicion of misconduct. Concerns should be reported in accordance with Constructel’s Policy on Reporting Potential Violations.

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