



ELSEWEDY ELECTRIC

Group Sanctions & Export Controls
policy

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1 INTRODUCTION

The Group Sanctions & Export Controls Policy, the “Policy”, of ELSEWEDY ELECTRIC Group “EE” outlines our commitment to conducting business operations in compliance with Sanctions and Export Controls laws and regimes globally. The Policy emphasizes our dedication to adhering to legal requirements, conducting our business in accordance with the highest standards, and promoting ethical business practices.

Non-compliance with this policy can result in severe legal and financial penalties, significant reputational damage, and, criminal charges.

1.1 Policy Statement

It is our commitment to conduct business with the highest level of integrity and in full compliance with all applicable laws and regulations concerning economic sanctions, export, and trade controls wherever we operate, Sanctions and Export Controls laws impose trade and financial restrictions on dealings with certain jurisdictions, entities and individuals or in certain goods or technology, including without limitation sanctions administered by

- i) Egypt Domestic Terrorist List,
- ii) United Nations Security Council “UNSC”,
- iii) United States (Office of Foreign Assets Control “OFAC”, Bureau of Industry and Security “BIS”),
- iv) European Union,
- v) United Kingdom (HM Treasury - Office of Trade/Financial Sanctions Implementation (OTSI/OFSI), and
- vi) Any competent authority wherever EE operates.

EE maintains zero-tolerance approach to engaging in any transaction or conduct intended to facilitate the evasion of Sanctions or Export Controls.

1.2 Policy Objective

For the purpose of this policy, the **definitions** under Annex I shall apply.

The purpose of this Policy is to:

- Define EE’s commitment to sanctions and export controls.
- Establish the minimum requirements for ensuring compliance with applicable laws and regulations.
- Promote responsible and ethical business conduct.
- Ensure consistency in the application of Sanctions and Export Controls measures across EE group.

1.3 Scope

This Policy applies to all EE operations worldwide, all EE subsidiaries, and to every EE employee, agent, contractor, consultant, distributor, supplier or joint venture partner working with the EE or on its behalf (**Covered Persons**’).

Whilst this policy represents the minimum procedural requirements, a more restrictive approach can be adopted by local EE subsidiaries where necessary to comply with local laws. In case of conflict between this policy and local legislation, the matter must be submitted to Group Compliance.

2 POLICY REQUIREMENTS

2.1 Screening and Due Diligence

Group Compliance will conduct sanctions screening on all potential and existing customers, vendors, agents, and other third parties before entering into any relationship or transaction. Sanctions screening is integrated into EE's due diligence procedures, that must be read alongside this policy.

For the purposes of sanctions screening, the due diligence process requires that a Due Diligence Questionnaire "DDQ" must be completed by the relationship owner for all third parties. The DDQ will identify direct parties to the transaction or relationship, beneficial owners, shareholders, and associated vessels and aircrafts (where appropriate). Following completion of the DDQ, Group Compliance will establish:

1. Customer Risk: whether any individual or entity is designated on a Sanctions List, or has designated persons in its ownership, governance, or management structures.
2. Geographic Risk: whether the transaction involves a country subject to trade or financial sanctions in accordance with the Risk Heat Map.¹
3. Product/Service Risk (see **section 2.2** below): whether the transaction involves a product or service subject to trade controls.

2.2 Transfer of Goods and Services between Countries

Many countries impose sanctions or trade controls that prohibit the export of specified goods and services without an export license, authorization, or exception. Trade controls are implemented at a national level and vary between countries. Sometimes it might be necessary to obtain a license from more than one country in relation to the same export.

Trade controls often relate to "dual use" items, which are products and technologies that can be used for both civilian and military purposes, such as chemicals, lasers and high-powered computers.

An export license may be required regardless of whether EE is providing the goods and services to a third party or to another EE entity in an inter-company transaction. A license may be required for re-exports or deemed exports (a transfer to a foreign national).

The relationship owner is responsible for checking the export control listings/ internal register for the country(ies) that goods or services are being exported from and imported to, and for determining the correct item classification. All goods, software, and technology must be accurately classified with their appropriate export control designators (e.g., Export Control Classification Number (ECCN) under the EAR or US Munitions List (USML) category under the ITAR).

The relationship owner is responsible for determining whether any licenses are required. Where a license, exception or authorization is required, this must be referred to Group Compliance for review. Group Compliance is responsible for applying for the correct license, exception or authorization.

2.3 Risk Assessment and Mitigation

EE applies a risk-based approach to sanctions compliance, allocating resources and controls proportionate to the level of risk posed by a counterparty, transaction, or jurisdiction.

If the due diligence process identifies that the entity is included on a sanctions list, or an individual or entity who is a designated person in the ownership, governance or management structure, or the contract involves high risk products or

¹ Click here to access the [Risk Heat Map](#).

services, or the involvement of a medium or high-risk country(ies), the level of escalation will depend on the assessed risk. To assess the level of risk.

2.4 Making and Receiving Payments

In order to ensure compliance with sanctions regimes globally:

1. Payments can only be made to a person once they have been subject to due diligence, and any necessary risk mitigation measures have been undertaken.
2. Where a license, notification, report, or authorization is required for payment, Group Compliance must obtain this before any agreement is made and before any purchase order or invoice is raised.
3. Payments must only be made to the individual or entity named in the contract or invoice, and in the license, notification, report or authorization as is relevant.
4. Payments must only be made to the bank account identified in the contract or invoice, and in the license, notification, report or authorization as is relevant.

2.5 Protecting Employees from Committing Sanctions Breaches

Employees can incur personal liability for breaching sanctions. This can result in a fine, imprisonment, or both. Each employee is ultimately responsible for ensuring that they comply with applicable sanctions regimes.

In order to protect EE's employees and to help ensure that they do not inadvertently breach sanctions in the course of their employment:

1. All employees should be aware that they are often bound to comply with sanctions even when they are outside their home country.
2. Group Compliance will provide training on specific sanctions regimes, employees must attend this training and any updates.

2.6 Circumvention and Facilitation

Any action, arrangement, or transaction intended to circumvent, evade, or avoid the application of sanctions laws and regulations are strictly prohibited. This includes any direct or indirect activities that undermine the intent or effect of applicable sanctions regimes.

Covered Persons must report any suspected circumvention attempts immediately to Group Compliance, take no steps to resolve the issue or restructure the transaction without the prior approval of Group Compliance, and cooperate fully with internal investigations and audits related to sanctions compliance.

2.7 Escalating and Resolving Economic Sanctions Issues or Breaches

If any Covered Person has concerns before, during, or after entering into a relationship, contract, or transaction with a third party that the relationship, contract, or transaction may give rise to issues in relation to sanctions, they must report their concerns immediately to the Compliance Office via: compliance-int@elsewedy.com, or via our anonymous whistleblowing² [Speak Up tool](#).

No further activity may be carried out in pursuance of the contract, transaction, or relationship until it has been approved by Group Compliance.

² Please refer to the [Group Whistleblowing Policy](#).

Group Compliance will confirm whether the relationship, contract, or transaction would (or does) breach sanctions. If so, it will prohibit further activity in relation to the relationship, contract, or transaction, and will ensure no payments are made or received in relation to it, and no goods and services are shipped or received. Group Compliance will consider whether any steps can be taken to enable performance of the transaction (for example, obtaining a license).

2.8 Contractual Clauses

Contractual clauses can assist in ensuring compliance with sanctions laws and regulations, they are also a useful tool in apportioning liability and risk between parties. Group Compliance will advise on incorporating specific terms into contracts with a view to mitigating sanctions risks where such a risk has been identified in the due diligence and screening process.

2.9 Classification and Licensing

1. **Item Classification:** All goods, software, and technology must be accurately classified with their appropriate export control designators (e.g., Export Control Classification Number (ECCN) under the Export Administration Regulation 'EAR' or U.S. Munitions List (USML) category under the International Trade in Arms Regulation 'ITAR', EU Dual Use regulations, etc.).
2. **Export Authorization:** Necessary export licenses, exceptions, or authorizations must be obtained prior to any controlled export, re-export, or transfer, including deemed exports (transfer of controlled technology to a foreign national).

3 ROLES AND RESPONSIBILITIES

3.1 All Covered Persons

The responsibility for preventing, detecting, sanctions and export controls risks rests with every member of EE. All Covered Persons must:

- Ensure that they have read and understand this policy.
- Comply with this policy and any other policies/procedures referred to therein at all times.
- Cooperate fully with internal audits, reviews, and investigations.

3.2 Covered Persons in Charge of a Relationship with a Business Partner (The Relationship Owner)

It is the responsibility of every EE employee in charge of a relationship with a business partner to:

- Ensure that EE's position on Sanctions and Export Controls is communicated to the business partner.
- Initiate the Due Diligence process prior any legal engagement with the counterparty in line with the Due Diligence Procedure.

3.3 Group Compliance

Group Compliance is responsible for:

- Ensuring that all counterparties are subject to Due Diligence and Screening.
- Maintaining accurate recordkeeping in respect of the Due Diligence assessment.
- Ensuring all employees receive appropriate Sanctions and Export Controls training.
- Conducting a regular Sanctions and Export Controls risk assessment for EE.

4 MONITORING AND REVIEW:

- The Group Compliance Department will monitor adherence to this Policy and sanctions related controls.
- This Policy will be reviewed annually or as required.

5 TRAINING AND AWARENESS

Group Compliance will provide mandatory and tailored training to all employees, particularly those in high-risk roles (e.g., sales, procurement, logistics).

6 REPORTING AND ESCALATION

Any employee who suspects a violation of this policy or any applicable sanctions and trade control laws must report their concerns immediately to the Compliance Office via: compliance-int@elsewedy.com, or via our anonymous whistleblowing³ [Speak Up tool](#).

Retaliation against any employee who reports a concern in good faith is strictly prohibited. The Compliance Officer will conduct a prompt and thorough investigation and, if necessary, escalate the matter to senior management and external legal counsel.

7 ANNUAL ATTESTATION

All employees will be required to attest upon joining the group and then annually, that they have read, understood, and will observe the requirements of our Code of Conduct and compliance policies, including the Sanctions and Export Controls Policy.

8 POLICY OWNER

Group Compliance is the owner of this policy.

Questions and feedback regarding this policy must be submitted to Group Compliance Office: compliance-int@elsewedy.com

9 VERSION CONTROL

Title of document	Group Sanctions & Export Controls Policy		
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	V.1.2	November 2024	Code of Conduct amendments
	V.2	07/Dec/2025	Policy drafted
Document Drafter	Group Compliance		
Document approver	Group CEO and Group CLCO		
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³ Please refer to the [Group Whistleblowing Policy](#).

ANNEX I: POLICY DEFINITIONS

Sanctions: Government-imposed economic and commercial measures that restrict or prohibit dealings with certain countries, regions, entities, or individuals to achieve foreign policy and national security objectives. Sanctions can be comprehensive: targeting entire countries, or targeted: focusing on specific individuals or entities.

Trade Controls (or Export Controls): Laws and regulations that govern the transfer of goods, software, technology, and services across borders. These controls are often applied to "dual-use" items, which have both civilian and military applications, as well as to military items and in rare situations to commercial items.

Sanctioned Persons: Individuals or entities designated by a sanction's authority (e.g., Egypt Domestic Terrorist List, U.S. Office of Foreign Assets Control "OFAC", EU, UN) with whom all or most business transactions are prohibited.

High-Risk Jurisdictions: Countries or regions subject to comprehensive sanctions or those identified as posing a higher risk of sanctions and trade controls violations.