EUROPEAN
DENTAL GROUP

TRADE COMPLIANCE POLICY

The way we care

For our Patients, People and Environment

1. INTRODUCTION

For the purpose of this policy (the "**Policy**"), the terms trade compliance encompasses both sanctions and embargoes regimes as well as export control laws and regulations.

Sanctions and embargoes refer to laws and regulations imposed by countries that restrict dealings with targeted individuals, entities, and governments. Such restrictions may include a general prohibition on all dealings with the government of a targeted country and individuals or entities located, resident, or organized in that country.

Export controls refer to laws and regulations that restrict trade in certain products, software, technology and services for non-proliferation purposes. Generally, such controls depend on what the product, service or technology is used for, where it is going, who the end-user is, and what the end-use may be.

This Policy applies to everyone employed with or working for European Dental Group Holding B.V. and / or its subsidiaries (together referred to as the "**Group**") in whatever capacity; all employees, contractors / freelancers, managers, executive officers, and members of the board of directors and the supervisory board (all of whom are included in the term "**employees**" as used in the remainder of this manual).

This Policy provides general guidelines which, if followed, will support the Group's efforts to comply with trade sanctions and export control laws and regulations published by the United Nations, the European Union, the United Kingdom and Switzerland. Of course, applicable local law in this regard must also be followed.

2. TRADE SANCTIONS – GENERAL PRINCIPLES

2.1 Listed Persons

Most trade sanctions will prohibit direct and indirect trade with certain targeted / designated individuals, companies and organisations ("Listed Persons", each a "Listed Person"). Such sanctions may list persons and entities in all sectors of the economy, including the banking sector, as well as governments or specific governmental departments and officials. The rationale for listing includes targeting of particular regimes or persons associated with weapons proliferation, human rights abuses or terrorism.

As a matter of policy, the Group does not allow trading with any Listed Person without explicit written approval from the Group General Counsel (the "Anti-corruption Compliance Officer").

2.2 Subsidiaries of Listed Persons

Any company owned or otherwise controlled by a Listed Person will be treated as also being a Listed Person. Notwithstanding possible difficulties with verifying ownership or control, the Group's employees shall carry out a due diligence investigation in relation to counterparties located in high-risk countries (see further section 3 below).

A risk-based approach shall be taken by all Group entities to avoid (in)direct transactions with a company owned or otherwise controlled by a Listed Person (see further section 6 below).

2.3 Indirect Business

Indirect business – for example a sale of products to a distributor who in turn resells the products to a Listed Person – is also to be considered prohibited under trade sanctions. It is noteworthy that such indirect business may sometimes be difficult to detect and that the prohibition consequently entails careful due diligence and potentially imposing certain restrictions and/or requirements in relation to the Group's distributors (see further section 3 below).

A risk-based approach shall be taken by all Group entities to avoid indirect transactions with Listed Persons or in any other way in violation of sanctions (see further section 6 below).

2.4 Restrictions on Certain Goods, Services or Sectors

In some cases, trade sanctions may be focused on certain goods, services or sectors. Transactions may therefore be prohibited even if no Listed Persons are involved (see further section 3 below).

For example: Country A may impose sanctions on Country B's dental sector by restricting the ability of companies in Country A to provide product or services related to the dental sector in Country B.

A risk-based approach shall be taken by all Group entities to avoid transactions involving goods, services or sectors to which trade sanctions have been imposed (see further section 6 below).

3. IDENTIFYING HIGH-RISK COUNTRIES

Group employees must understand what risks are presented by conducting operations in certain countries or dealing with individuals and entities in those countries. This includes identifying countries involved in proposed operations or transactions to understand if they present sanctions-related risks.

Trade sanctions frequently change based on global geopolitical developments and national politics. As a result, there is no durable, static list of persons or countries that adequately covers all persons who are sanctions targets. However, a list of countries, if frequently updated to reflect developments, can be helpful in identifying issues for escalation within the Group.

Such a list can be found on https://www.sanctionsmap.eu/#/main (the "**List**").

Absent written permission from the Anti-corruption Compliance Officer, under no circumstances should an employee engage in operations or transactions involving, directly or indirectly (e.g. through a third party) the government of, any individual located in or resident in, and / or any entity with its place of business or organized under the laws of a country on the List.

Note that the above restriction on transactions with countries on the List include not only direct counterparties (such as distributors and direct customers) but also end customer/end users, to the extent the relevant Group entity knows or can reasonably be expected to know the identity of such end users.

Furthermore, the above restrictions encompass legal entities owned or controlled by, or acting on behalf of, governments, individuals or legal entities as listed above.

To be noted, sanctions against countries on the List sometimes also impose restrictions on products or services.

4. RISK MITIGATION IN DEALINGS WITH COUNTERPARTIES

Due diligence and contractual guarantees can be used to help mitigate trade sanctions risks in relation to agents, suppliers, distributors and other counterparties.

4.1 Due Diligence

Risk-based due diligence should be conducted in relation to agents, suppliers, distributors and other counterparties to ensure the relevant Group entity does not violate trade sanctions. Diligence should focus on understanding whether the counterparty is:

- itself a target of sanctions;
- located, organized, or resident in a country that is a sanctions target; or
- owned, controlled, or acting on behalf of any government, individual, or entity described in (1) or (2).

The level of due diligence to be conducted also depends on the extent to which the relevant Group entity will be engaging in dealings with a counterparty. For example, diligence on a potential joint venture partner or a new distributor should be more extensive than that performed on a supplier who is engaged for the purpose of a single, small transaction.

Step 1: Gather identifying information

At a minimum, all new counterparties that are **individuals** should be asked for the following identifying information:

- full name;
- country of residence;
- address; and
- if the individual is an agent or representative, the name of the individual or entity he is representing (and corresponding information for that person); and

- if the individual is a Politically Exposed Person ("PEP"). A PEP is a private individual who holds, or held in the past year, a prominent public function or someone who has a direct family or business relationship with the PEP. Examples are: Heads of state or government, ministers and deputy or assistant ministers, members of parliament, members of high-level judicial bodies, members of courts of auditors or the board of central banks, ambassadors, high-ranking officers in the armed forces, members of the administrative, executive or supervisory bodies of state-owned enterprises or supra-national bodies such as the United Nations and the International Monetary Fund. Direct family members of a PEP are the spouse (or similar life-partner), kids, spouses of kids and parents.

At a minimum, all new counterparties that are **entities** should be asked for the following identifying information:

- full legal name and any trade names used;
- country in which the entity is registered / incorporated;
- place of business;
- corresponding information for the parent company; and
- if the entity is an agent or representative, the name of the individual or entity being represented (and corresponding information for that person).

Step 2: Screen

If the counterparty is located in the European Economic Area (except for Bulgaria and Cyprus), the United Kingdom or the United States of America, so long as the counterparty is not owned, controlled, or acting on behalf of a party in another jurisdiction, no further diligence is required unless suspicious behaviour is exhibited (for example, reluctance of a counterparty to provide information about itself, indications that the counterparty is acting on behalf of an undisclosed third party, or requests for unusual payment terms) or there are obvious risks related to the counterparty.

Note that the Group has chosen to limit counterparty screening in this way because performing identical due diligence on all new counterparties, irrespective of risk factors, is often counterproductive. Instead, special attention should be paid to counterparties that may present increased risks.

For counterparties that are from a jurisdiction other than those excepted according to the above, the name of the individual or entity (and the direct parent and any party being represented, if applicable) should be screened using one of the following official databases:

- the Consolidated List of Persons, Groups and Entities subject to EU financial sanctions at https://sanctionsmap.eu/#/main; and
- any similar list covering sanctions targets under local law.

Records of screening results should be maintained in order to evidence trade sanctions compliance (see further in section 8 below).

Step 3: Consult with the Anti-corruption Compliance Officer (if needed)

If a counterparty is listed or the screening results contain a match that appears to be relevant, contact the Anti-corruption Compliance Officer before proceeding with the transaction. It may be that the transaction cannot be conducted or that additional diligence needs to be performed.

4.2 Contractual Guarantees

Generally, guarantees should be sought from the counterparty confirming information covered in diligence, for example, that the counterparty is not directly or indirectly a Listed Person, nor is it located, organized, resident, or doing business in a country that is a sanctions target.

Further, it is generally appropriate to include undertakings in the agreement with the counterparty regulating the counterparty's performance in relation to trade sanctions and export controls. For example, the counterparty could agree to refrain from dealing with any Listed Person or country that is a sanctions target in relation to (1) fulfilling any of its obligations under the agreement (such as by subcontracting to a sanctions target) or (2) further transactions/sales of the Group's products.

5. PENALTIES

Employees who violate trade sanctions may be subject to disciplinary action by the relevant Group entity, up to and including termination of employment. No employee who, after consultation with appropriate personnel at the relevant Group entity, refrains from entering into a transaction because of concerns regarding trade sanctions will be adversely affected as a result.

In addition to disciplinary action by the relevant Group entity, wilful and negligent violations of EU sanctions are set and enforced by each EU member state and are often punishable by fines and imprisonment.

Applicable local law may provide for similar penalties. Penalties for sanctions violations can include fines and imprisonment, and settlements with authorities can range into the hundreds of millions of euros or dollars.

6. EXPORT CONTROLS

The EU and its member states, the United States and many other countries regulate and control the export or transfer of certain sensitive products, software and technology. Generally, the controls depend on:

- what the product, service or technology is used for;
- where it is going;
- who the end-user is; and
- what the end-use may be.

Employees engaging in activity that they believe may be covered by export control restrictions should contact the Anti-corruption Compliance Officer if they have questions regarding export controls.

6.1 Military Goods

Weapons and other defence-related items, usually referred to as military goods, are especially sensitive and strictly regulated. Any products developed, specially designed or modified for military end-use are at risk of being classified as military goods. As a matter of Group policy, no Group entity may participate in projects or sales relating to military goods or military end users, without explicit written approval from the Anti-corruption Compliance Officer.

6.2 Dual-Use Items

Many countries control trade in so-called "dual-use" items. These are specifically listed products, software, technology and services (including information security and encryption software) that have both ordinary commercial (civil) applications as well as potentially having military applications.

Exports from the EU are regulated by the EU dual-use regulation,[1] which in its Annex 1 lists controlled dual-use items.

To ensure compliance with all applicable export controls, an export or transfer of controlled dual-use items is only allowed when the intended destination, end-user and end-use of the product, service or technology is known to the Group.

It should be noted that items that have dual-use application may be controlled even if they are not listed in the relevant regulation. In the EU regulation there is a so-called "catch-all" rule that restricts trade in unlisted items:

- for military use (including the manufacturing of controlled military equipment) in countries under a legal EU arms embargo; and
- for use related to the manufacturing etc. of biological, chemical, or radiological (nuclear) weapons, or missiles that are capable of carrying such weapons (catch-all use).

For example: A Group entity has verified that its products are not considered to be dual-use products. If the entity is asked to sell a product to a country against which there is an arms embargo, it is important to understand the intended end use and to identify the customer and end user, in order to determine if the product could be subject to any catch-all provisions.

As a matter of Group policy, if there is any doubt about the nature of any product, service or technology, please consult the Anti-corruption Compliance Officer.

6.3 Classification of the Group's Products

Each Group entity is responsible for reviewing its products and services to understand if they are controlled under export controls rules, as well as sanctions.

Group entities that produce and export controlled goods are required to implement additional procedures to ensure that authorisation requirements are met. Since lists of export controlled items are regularly updated, it is important to monitor the updates as well a product development to understand whether the Group's products etc. are, or become, controlled.

[1] Council Regulation (EC) 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, as amended.

7. IMPLEMENTATION – A RISK BASED APPROACH

The Group's entities need to perform a risk assessment of its operations and products in order to understand its risk exposure under sanctions and export control laws. The Group may thereafter implement the requirements in this manual in relation to the conclusions in its risk assessment. The Group's entities shall regularly update its risk assessment.

8. REPORTING – SPEAK UP

Employees who suspect that a violation of trade sanctions has occurred at the relevant Group entity are required to follow the standard reporting process or the reporting process described in the Whistleblowing Policy, which can be found on EDG's website.

9. RECORD KEEPING AND INTERNAL AUDITS

Each Group entity shall ensure that it maintains records of compliance activities, in particular those required herein, i.e. risk assessment, screening and product classification, and that correct information is provided, upon request, to other Group entities.

Records shall be kept for a minimum of five years, and longer if required by local laws, conditions set out in authorisations or licenses or if it is otherwise motivated.

10. RELATED DOCUMENTS

This manual should be read in connection with the following documents, which are available on EDG's website:

- Code of Conduct
- Supplier Code of Conduct
- Whistleblowing Policy

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