
Trade Compliance Directive

1 November 2020

Philip Mosimann
Chairman of the Board

Jacques Sanche
CEO

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1 Introduction

1.1 Introduction

Bucher Industries AG and each of its affiliates (each individually a “**Company**”, and collectively referred to as “**Bucher Industries**”) operate in a global environment where a wide range of import and export trade regulations apply. It is the policy of Bucher Industries to fully comply with all Trade Control Laws. Compliance with Trade Control Laws affects nearly all Bucher Industries business processes.

This Trade Compliance Directive (“Directive”) is based on Article 7 of the Bucher Industries Code of Conduct and provides a framework for the compliant conduct of global trade that must be complied with by all Bucher Industries divisions (“**Division(s)**”) and all addressees. Due to the different businesses and different setups of the Divisions, Trade Compliance, in particular Internal Compliance Programmes (ICP) and the respective processes must be risk adjusted and adapted to each Division.

1.2 Applicability and responsibility

To effectively ensure compliance with Trade Control Laws, all Divisions have the responsibility to implement a divisional ICP in line with this Directive and applicable Trade Control Laws, allocate adequate resources to relevant business functions, ensure that staff have appropriate legal and technical knowledge and that personnel involved in Trade Compliance activities are provided with appropriate tools and resources.

2 Terms and definitions

Appendix A to this Directive (Terms and definitions) explains terms used in this Directive.

3 Responsibilities and organisation

3.1 Responsibilities, decentralized trade compliance

Bucher Industries group management and each Division management shall be responsible for implementing this Directive and ensuring compliance with it. Each Division shall ensure distribution to all addressees within its organisation and define the categories of employees which by function or task need to know Trade Compliance.

Within the framework of this Directive, the Divisions are required to define, implement and maintain an adequate Internal Compliance Programme as outlined in Section 4.

The Divisions report to the CEO of Bucher Industries which may order changes to the divisional systems and the organisations, require investigations and/or stop or prohibit transactions.

3.2 Divisional organisation

The divisional organisation and resources must be adequate to ensure effective and efficient functioning of the Internal Compliance Programme. Each Division appoints an Export Control Officer at divisional management level. The Export Control Officer must be

- independent from the sales and procurement operations;
- entitled to stop any transaction in case compliance with Trade Control Laws is not ensured;
- authorized to delegate compliance tasks to an internal Trade Compliance organisation.

4 Internal Compliance Programme (“ICP”)

Each Division defines, implements and maintains a risk-adjusted Internal Compliance Programme adequate for its businesses. The ICP will at least ensure compliance with the requirements outlined below. Non-exporting and non-operational Companies, including holding and management Companies have to implement sections 4.2 to 4.5.

4.1 Export control classification and licensing

Using a risk-based approach, the Divisions implement and maintain export control classification activities to ensure identification of Controlled Goods. Controlled Goods must not be transferred, exported or re-exported without authorisation from the appropriate jurisdiction(s).

4.2 Sanctions and Embargo screening

The Divisions screen customers, suppliers, employees, agents and other relevant business partners based on a risk classification (e.g. geographic location, involved products and persons, transactional volume, prioritization and periodic reassessment) against sanctions determined by the United Nations Security Council, the EU and US, as well as by the country from which the Company intends to operate.

Unless specifically authorized by the relevant export control authorities, a Division will not engage in financial transactions with, nor export, re-export, sell, transfer or otherwise dispose of any Controlled Goods, nor will they provide any form of goods, technology, software, know-how or services to any person or entity subject to Sanctions or Embargoes. The CEO of Bucher Industries may further restrict transactions into specific countries.

4.3 Audit

The Divisions monitor the effectiveness of their ICP in enabling compliance with Trade Control Laws on a periodic basis, in accordance with updated risk profiles of the respective business activities.

4.4 Record keeping and document management

The Divisions keep records relating to all import, export or other Trade Compliance-related activity in the manner and duration prescribed in each relevant jurisdiction.

4.5 Training

The Divisions provide sufficient and adequate training on Export Controls, Sanctions and Customs Management (if applicable) to staff operating in key functions at least on an annual basis.

4.6 Customs Management

The Divisions ensure that declarations made to national customs authorities for the import, export or in-country transit/transfer of goods or services will be done in full compliance with all applicable customs laws and regulations.

5 Periodic and ad hoc reporting, monitoring

Each Division will monitor the extent and effectiveness of ICP implementation within each Company, in accordance with the divisional ICP standards and requirements it has set, as well as applicable national customs, sanctions and Trade Controls Laws.

Each Division shall collect status and trade compliance cases of its Companies and report it to the Group Compliance Officer twice a year. Severe cases (e.g. criminal acts) have to be reported immediately by each Company to its divisional Chief Export Control Officer which will immediately inform the Group Compliance Officer.

6 Violations and sanctions

Violations of Trade Control Laws may be sanctioned by the relevant authorities and Bucher Industries. In case of violations the Division may be exposed to investigations, administrative sanctions including severe fines, loss of export authorisation, loss of business and loss of reputation.

In several countries, individuals involved may face criminal prosecution personally, with risk of significant financial penalties and jail time up to ten years, civil liability and administrative sanctions.

Any violation or other non-compliance by an addressee of this Directive also constitutes a breach of the employment contract (or other legal relationship, as the case may be) and may give rise to disciplinary action in accordance with local employment law.

7 Assistance with concerns and queries, reporting of suspected violations

Addressees may refer questions as to whether certain conduct is permissible or lawful to their line managers, the managing director of the Company or the divisional Export Control Officer.

Addressees are expected to report suspected violations of Trade Control Laws or this Directive to their line manager, the managing director of the Company, the Export Control Officer, the division president or to any Compliance Officer.

Anyone who reports a possible violation of Trade Control Laws or this Directive will be protected from retaliation in any form.

8 Entering into force

The Bucher Industries board of directors has approved this Directive which enters into force on 1 November 2020. It is issued in various languages. All addressees of this Directive must familiarize themselves with its content, comply with it and where required participate in training.

The Group Compliance Officer, upon prior approval by the CEO and information of the group management, may issue further guidance on this Directive and guidelines on Trade Compliance.

9 Appendix

Appendix A: Terms and definitions

Bucher Industries AG



Philip Mosimann
Chairman of the Board



Jacques Sanche
CEO

Appendix A

Terms and definitions

Trade Compliance	All processes by which goods, technology, software or know-how are transferred from one country to another in compliance with the trade control laws of all countries involved including, without limitation, customs and tariffs regulations and export controls.
Trade Control Laws	All applicable domestic and international trade laws and regulations as they apply to the physical, electronic, verbal or visual transfer of goods, technology, software or know-how from one country to another. International trade laws and regulations include import or export controls, Sanctions or Embargoes, as well as customs management.
Controlled Goods	<p>The categories of Controlled Goods (for the purpose of this definition the term “goods” includes goods, technology, software and know-how) are war material, special military equipment and dual-use equipment, i.e. goods, technology, software and know-how that could be used for the development, production or proliferation of weapons of mass destruction and goods, technology, software and know-how that could be used for the production of conventional weapons.</p> <p>Controlled Goods are prevented to some degree from being exported to destinations where it is perceived they will be used in a harmful way. Typically, Controlled Goods can only be exported upon granting of a governmental license. The granting of licenses is usually subject to the exporting company having and adhering to an Internal Compliance Programme (ICP).</p>
Export Controls	Export Control is an area of Trade Control Laws that regulates the export of Controlled Goods. Most countries have defined lists of Controlled Goods in accordance with international treaties and conventions (the Wassenaar Arrangement, the Missile Technology Control Regime, the Nuclear Suppliers Group, the Australia Group, the Biological Weapons Convention and Chemical Weapons Convention).
Sanctions and Embargoes	<p>Sanctions are commercial or financial measures or restrictions applied by one or more countries against a state, a region, an industry sector, group, organizations or individuals. Economic sanctions may be imposed for a variety of political, economical, military, and social reasons, and may include various forms of trade barriers, tariffs, and restrictions on financial transactions. As a tool of foreign policy of many governments, the purpose of imposing such measures on a subject of international law is to ensure that it changes its behaviour and behaves in accordance with international law in the future.</p> <p>An Embargo is the partial or complete prohibition of commerce and trade with a particular country/state or a group of countries.</p>

Internal Compliance Programme (ICP)	<p>An Internal Compliance Programme describes the internal control measures required for assuring and monitoring compliance with Trade Control Laws. It serves as an in-house manual detailing such matters as the internal protocols and procedures put in place to deal with all risks relating to Trade Control Laws, including ECCN classification (dual-use classification “Export Control Classification Number”), licensing processes, business partner screening, Sanctions and Embargo compliance, end-use control, as well as to Customs, Import and Export Management.</p> <p>Internal Compliance Programmes must follow the requirements established by applicable national authorities.</p>
Customs / Import and Export Management	<p>Customs / Import and Export Management describes all necessary activities to ensure compliance with applicable customs rules and regulations. Elements that are usually covered by this are valuation, HS classification (“Harmonized System”), origin, free trade agreements, export and import documentation and procedures.</p>