INTERNATIONAL TRADE COMPLIANCE -2025-

1. Purpose

This Annex defines the procedures to ensure compliance with all applicable legal, regulatory, and internal requirements in the execution of projects, trades, and other business transactions. It establishes clear responsibilities for adhering to export control and economic sanctions laws of the United States, the European Union, and other relevant jurisdictions (collectively, "Applicable Trade Laws"). The objective is to minimize legal, financial, and reputational risks through a structured and thorough due diligence process.

2. SCOPE

This annex applies to all employees, subsidiaries, agents, distributors, and third parties. It covers all international trade transactions, including imports, exports, re-exports, technology transfers, and business dealings in sanctioned regions.

3. TRADE COMPLIANCE

3.1 Understand Regulatory Frameworks

Research Laws: Ensure compliance with international trade laws, including:

- U.S. Export Administration Regulations (EAR)
- International Traffic in Arms Regulations (ITAR)
- EU Dual-Use Regulations

3.2 Trade Compliance Screening Checklist

For entity & individual verification purposes, CIS obtains the customer's following documentation:

- Business Registration Certificate
- Tax Identification Number (TIN) or VAT Registration
- Articles of Incorporation or Business License
- Government-Issued ID (for Individuals)

3.3 Trade Compliance Screening

CIS conducts thorough trade compliance screenings using databases such as World-Check, enabling us to avoid engaging with risky or sanctioned parties. CIS also performs the following screenings:

- Restricted /Denied Party List Check (OFAC, BIS, UN, EU, etc.)
- Sanctions List Check (U.S., EU, UK, UN, etc.)
- Watchlist Screening (Fraud, PEP, AML checks)

3.4 KYC/ KYS Documentation

3.4.1 KYC Documentation

- Company Profile or Website Information
- Ownership Structure & Beneficial Owners
- Customer/Supplier Due Diligence Form
- End-Use & End-User Certificate (if applicable)

3.4.2 Internal Compliance Documentation

- Screening Records & Logs
- Risk Assessment Report

3.5 Product Classification

- **HS Codes:** Classify all products using Harmonized System (HS) codes for accurate tariff calculation and customs procedures.
- **ECCN:** Determine Export Control Classification Numbers (ECCN) for items subject to U.S. export controls and identify any licensing requirements.

3.6 Licensing And Permits

- **Apply for Licenses:** Ensure all necessary export licenses (e.g., BIS for dual-use items, DDTC for defense articles) are obtained before shipping controlled goods.
- **Automate License Checks:** Use software to flag items requiring licenses based on product classification.
- **Request Consignee Forms** (confirmation that the goods will not be shipped to an Unnamed Party, Sanctioned Organization, or Embargoed or Sanctioned Country). The signed Consignee Form must be submitted before any release of goods. Consignee Forms must be renewed annually.

3.7 Leverage Technology

- **Compliance Software:** Utilize tools like E2open or Oracle Global Trade Management to automate:
  - Screening
  - Product classification
  - Licensing checks
- **ERP Integration:** Embed compliance checks into procurement and order fulfillment workflows to streamline

3.8 Engage Experts

- **Customs Brokers:** Work with certified customs brokers to:
  Navigate complex customs procedures
- **Legal Counsel:** Consult with trade attorneys to:
  - Address ambiguous regulations.
  - Assist with dispute resolution.

3.9 Accurate Documentation

- Maintain Records: Ensure commercial invoices, packing lists, and certificates of origin are precise and retained for audits. CIS may retain documents for up to 10 years, depending on their type (Refer to **CIS-GDPR-01-Records Retention & Disposal Schedule.REV02).**
- Automated Record-Keeping: Implement ERP systems (e.g., SAP GTS) to generate and store compliance documents automatically, ensuring easy access during audits. In case of customers handling their shipments, our forwarder is issuing the customs export declaration.
- Transportation document is mandatory to be provided by the customer or his forwarder.
- We receive written commitment from the customer forwarder on above before delivery is released.
- Both documents will be kept in our records as a proof that goods were shipped to the correct destination and reseller.

3.10 Audit And Risk Management

Yearly audit to review compliance processes and rectify gaps. Prioritize high risk areas and implement mitigation strategies when necessary.

3.11 Inspection

Supply chain handles inspection of goods for specific countries (i.e. Gabon, DRC, Uganda, Tanzania, Kenya, etc...). Quality and quantity check is done by certified companies SGS or Veritas before shipment.

3.12 Open Cover Insurance

All shipments are insured against all risks, from warehouse to warehouse, to ensure safe delivery to their final destination.

4. ORDER PROCESSING

- Check whether customer country is Embargoed or Sanctioned.
- Check whether end customer country is Embargoed or Sanctioned.
- Ensure that customer PO is adequality detailed (letterhead, customer particulars, bill of materials, pricing, currency, Incoterms, payment terms).
- For back-to-back deals, check that there is an end customer purchase order or contract prior to ordering.
- Bill of materials checked for Restricted Technologies; if included check status of required Export License with Supply Chain Management team.

5. REPORTING VIOLATIONS

Any suspected violations must be reported immediately to the Legal & Human Resources departments or via the company's whistleblower mechanism.
Retaliation against employees reporting violations in good faith is strictly prohibited.

6. ENFORCEMENT & CONSEQUENCES

Violations of this annex may result in disciplinary action, including termination of employment or legal consequences.
Non-compliance may lead to regulatory fines, penalties, or restrictions on business operations.

7. REGULATORY UPDATES

Monitor Regulatory changes through subscription like Thompson Reuters for real time regulatory alerts.
Whenever there are significant updates to relevant laws, regulations, or company compliance policies, additional ad-hoc training sessions will be conducted to address these changes. Employees, subcontractors, and partners will be required to attend these sessions within 30 days of notification.