

Van Oord policies on sanctions and export compliance

Introduction

- a. What are 'Export Controls'?
- b. Our commitment to Export Control compliance.

Policy on Supply Chain including out-sourcing and off-shoring

- a. Introduction
- b. Policy

Policy on the Screening of Partners

- a. Introduction
- b. Policy

Policy on the Export of Goods

- a. Introduction
- b. Policy

Policy on Export Authorizations

- a. Introduction
- b. Policy

Policy on Training

- a. Introduction
- b. Policy

Policy on Record Keeping

- a. Introduction
- b. Policy

Policy on Export Compliance Internal Audits

- a. Introduction
- b. Policy

Van Oord trade sanctions and export control policy

Summary

Van Oord is committed to a policy of compliance with all applicable trade control laws and regulations of the jurisdictions in which we operate. As such, all shipments must be reviewed for compliance before they are shipped or released. All Van Oord employees are expected to consult a member of the Procurement & Supply Chain (PSC) Department, on any sensitive shipment of goods or technology.

1. Introduction

The need to comply with export control laws and regulations forms an integral part of the Van Oord Code of Conduct. Trade sanctions and export control is a complex regulatory area.

All employees need to ensure that they comply with applicable export and import laws and regulations when transferring goods, services, software or technology within their country or across national borders. We maintain a series of policy statements that give a more comprehensive appreciation of the issues involved.

a) What are 'Export Controls'?

Export Controls is the term applied to the control regimes that countries, primarily the EU, U.S., Canada and Australia, apply to the export licensing or authorization process by which exports of certain categories of goods, technology, software and services are 'approved'. For Van Oord Export Controls will apply to what are called 'dual use' items (these are items that are not designed or modified for 'military' purposes but could be used as such). This may include technology, software, services and equipment commonly used in our activities (e.g. survey activities).

Export Controls impact the operation of Van Oord's business in the following ways:

- Controls on the export of 'dual-use' goods, software and related technology. These are generally applied by the state where the exporting business is located. In the EU they are applied by the EU member state where the business unit is established.
- Extraterritorial application of regulations of some countries on the re-export of controlled goods, software, technology and services (both 'military' and 'dual-use'), regardless of the country where the business unit is located. This is particularly relevant to U.S. export regulations, but also applies to the regulations of other countries.
- 'End Use' and/or 'Destination' controls applied to 'dual-use' goods, software and related technology under some jurisdictions.

b) Our commitment to Export Control Compliance

Van Oord's policy of compliance with the export control laws of all relevant jurisdictions and regimes in which we operate applies to:

- The physical transfer of controlled goods, software and technology;
- The transfer of technology using electronic media e.g. e-mail, fax and the use of the internet of shared data environments ('intangible transfers');
- The provision of technical services associated with defense program and facilities and services or equipment which could be seen as being associated with weapons of mass destruction (WMD);
- Transfer of US controlled goods, software or technology to 'approved' foreign nationals or

other legal entities wherever that transfer may occur.

In order to achieve this Van Oord

- Provides dedicated resources to manage export control awareness and compliance where applicable throughout our business worldwide.
- Develops and provides training in the relevant controls to our business.

Within Van Oord export control compliance is overseen by the management team in the PSC Department. In the case of any questions or requests for clarification as to the legality or appropriateness of any export transaction you should seek advice from your management.

2. Policy on Supply Chain including Outsourcing and Off-shoring

a) Introduction

Van Oord's global supply chain is complex and must be monitored with care. There is an express need to determine whether any export controlled US origin technology forms part of any package of information to be provided to a supplier because of the constraints placed upon us and them by the US's re-transfer and re-export requirements.

Given the complexities that surround export control we need to ensure that our suppliers understand and can demonstrate that they can comply with their own export control obligations.

b) Policy

When working with suppliers, Van Oord must ensure that:

1. We know the export classification in relevant jurisdictions of technology, physical goods and software that they wish to send to a supplier, including whether any items are of US origin and, if so, the US classification and any conditions that might apply to how those US origin items can be transferred.
2. We liaise with PSC Department management to determine whether authorizations (if any) are already in place, or will be required to export, re-export or re-transfer technology to

the new supplier and that due account is taken within the sourcing timetable of the time that it is likely required to obtain, where necessary, new authorizations.

3. We recognize when there are constraints placed upon us by sanctions and embargoes (set out in destination specific policies) and these must be addressed fully and satisfactorily before a supplier is chosen.
4. That export control screening of actual and potential suppliers is undertaken, where appropriate.
5. That the criterion for supplier selection gives sufficient weight to their knowledge of and compliance with export controls, to avoid downstream compliance problems.
6. That suppliers are required to certify both the classification in their jurisdiction of the item that they supply to us and that they have the necessary authorizations in place to work with us, including supply to the final end-user.

3. Policy on Screening of Parties

a) Introduction

The United Nations, the EU and a number of other governments publish lists of individuals and entities that have been sanctioned. These lists change on a regular basis with the addition or deletion of names and entities at any time.

Screening is a fundamental part of our export compliance policy.

b) Policy

1. We are required to ensure that recipients (including any intermediaries) and destinations of our goods, technology, software or services are not restricted or debarred under any regulatory regime. If a match with any published list occurs it will need to be assessed to determine whether a transfer would conflict with government or Van Oord policies.
2. As the lists are subject to change, screening should not be a one-time activity but undertaken on a regular basis particularly

when the contact applies to a jurisdiction covered by a sanctions regime.

3. Screening should be undertaken through the Legal department who will ensure the provision of real-time results against global lists of sanctioned entities and Specially Designated Nationals (SDNs).
4. The screening date and result should be recorded and retained for a period of 7 years.

4. Policy on the Export of Goods

a) Introduction

Before any goods (including technology) can be exported it is necessary to determine whether there are any restrictions on their export. This process begins with the collection of information on the items concerned, as follows:

- a full description of the items including technical details because many authorizations require the determination of the export control rating or classification, this must be determined for all relevant jurisdictions;
- the country of origin and any other countries that may exercise export control jurisdiction over the items in question;
- whether the items have any US content or origin within the design or source, including any use of sub-components, and if so the value of the US content;
- the country and site from where it is intended to export, permit access or provide items (including current location if different);
- the export control classification of the items in each applicable jurisdiction;
- the purpose of the export (ultimate end use, spares, disposal or scrapping, service support);
- details of the destination and recipient of the items (name of individual or company [or both]), address, country) including any countries used for transit or transshipment where known;
- the volume and value of the items to be moved, accessed or provided;

- the period of time (days, months, years) over which the items are to be shipped, accessed or provided (and whether this is on a temporary or permanent basis, for exhibition, repair etc.) - the involvement of any third party in the provision of services (e.g. sub-contractor)
- any other details that would assist in determining whether an export license or authorization was required.

b) Policy

1. If the destination or the recipients of a proposed export are not acceptable to Van Oord for export control reasons, access to or provision of the item will be denied.
2. Where the destination and recipients have been approved, details of the item must be assessed to determine if an export license or authorization is required against the requirements of the country or countries with jurisdiction over the item. Where the movement of, access to or provision of an item is subject to an export license or authorization that has already been granted, all terms and conditions of that permission must be complied with.
3. If an export license or authorization is not available, or the terms of that permission cannot be complied with, the transaction shall not be completed and PSC Department management must be consulted. Export licenses and authorizations, or communications with the appropriate regulatory authority may only be applied for or entered into with the knowledge and approval of PSC Department management .
4. If the Items are additionally subject to US export controls and are proposed to be re-exported / re-transferred from outside the US to a recipient, a US export authorization must be identified for the Items where we are legally obliged to do so.
5. Any required supporting documentation (e.g. End User / Consignee Undertakings) must be obtained in support of the license application and the validity of such documentation maintained.

6. In some cases, when multiple jurisdictions are involved, an export license or authorization may be granted by one jurisdiction but refused by another. In such cases the proposed movement of, access to or provision of the item must not take place, and the advice of PSC Department management should be obtained.
7. Where an export license or authorization grants approval to move, access or provide an item, arrangements must be made in accordance with the provisions of the license or authorization and all persons involved (including the recipients) must be familiar with those provisions.
8. Where a license or authorization places restrictions on access to controlled items, access restrictions must be in place to ensure that only the persons or entities authorized are provided with access.
9. Where stipulated, all supporting documentation (end-user undertakings / non-disclosure agreements / letters of assurance / etc.) must be executed by all relevant persons or entities before the export or access is allowed. Such documentation must be reviewed on a regular basis.
10. Exports of goods must be made by a certified licensed shipping agent, freight forwarder or carrier that is able to discharge the license or export authorization on our behalf with the customs / border agencies of all the governments concerned. Export controlled goods must not be hand-carried through customs without the prior authorization of PSC Department management. If and when a hand carry is justified due to urgency, both export at origin and import as destination must be completed in a compliant fashion.
11. Where required by the regulatory authority, the export classification must be stated on any shipping or transmittal documents used in making the export.
12. Where the export license or authorization requires, the value and / or quantity of goods exported must be subtracted from the value or quantity approved for export under the license or authorization once the shipment of goods has been made.

5. Policy on Export Authorizations

a) Introduction

It is extremely important to plan in advance. Well before any goods leave any of our facilities or technology/technical data is sent for access by individuals abroad it is necessary to determine whether an authorization from Government is in place, or whether one needs to be applied for, to permit the export or to allow access to the technology. In addition to being subject to national export control requirements, exports from outside the US may also be subject to the US export control regime where the goods or technology were manufactured in the US, manufactured outside the US but using US technology or contain US origin components. It is therefore important to understand US involvement in items and the restrictions this may place on future re-transfer or re-export and the permissions that will be required to facilitate the transfer.

b) Policy

1. If you are unsure whether an Authorization is required to allow your activity, or whether one is already in place to permit that activity, you should consult your PSC Department management.
2. Additional information could be required (i.e. End-User Certificate, Purchase Order) which would be requested on an as-needed basis. In some cases you may also need to provide a more detailed explanation of the activity to help the Government regulator to understand what the activity entails.

6. Policy on Training

a) Introduction

Export control non-compliance is a principal risk for the company. Non-compliance can result in reputational damage, financial penalties and loss of business.

Export controlled goods, software, technology and services may exist throughout the Van Oord supply chain. It is therefore essential that staff actually or potentially involved in export controlled activities possess a basic awareness of the issues, are able to raise questions and know where to seek advice. In order to meet our obligations and to provide employees with the tools to comply with the undertakings they have given under the Van Oord Code of Conduct, applicable employees require basic awareness training on export controls.

b) Policy

1. General awareness training should be provided globally, be easy to understand, cost effective and relevant;
2. Training given will be recorded;
3. Wherever practical and necessary employees should ensure that they complete either annual on-line or face to face export control training;
4. The Management will ensure that training material is updated in line with regulatory changes.
5. After general awareness training is available globally, the requirements for further deeper levels of training will be addressed for those staff that require or seek it.

7. Policy on Record Keeping

a) Introduction

Export control and trade sanctions legislation places a record keeping requirement on the exporter. The nature of the records to be kept and the length of time they must be retained vary from one jurisdiction to another. In all cases either the regulator and/or national enforcement authorities have a right to inspect our records.

b) Policy

Records must be kept in line with all relevant export control legislation. They are to be retained for 7 years, or longer if the regulations at the local country of operations so dictate.

8. Policy on Export Compliance Internal Audits

a) Introduction

The Van Oord PSC Department work with QHSE and its corporate audit program to ensure that Van Oord procedures are correctly followed by employees and that the processes the company has in place facilitate compliance with export control regulations.

b) Policy

1. Van Oord's QHSE department shall agree targets for audit and the tailored questions that should be asked.
2. Internal audits shall be undertaken at a frequency that meets regulatory demands and requirements.

Rotterdam, 5 April 2019

On behalf of the Executive Board



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