



MANITOWOC FOODSERVICE, INC.

## **International Transactions—Exports Policy**

No.: 115A

Issued: February 29, 2016

Owned by: Maurice Jones, SVP, General Counsel and Secretary

Expires: When Replaced

### **Introduction**

Manitowoc Foodservice, Inc. (together with its subsidiaries and affiliates, the “Company”) will comply with the laws and regulations of the countries in which the Company does business relating to exports of products, technical data, software, services and other matters subject to the control of the U.S. export authorities. In the United States, these laws and regulations include:

- Export Administration Regulations, 15 C.F.R. Part 730, et seq. (the “EAR”), administered by the U.S. Department of Commerce, relating to exports of commercial and “dual-use” products and technical data.
- International Traffic in Arms Regulations, 22 C.F.R. Part 120, et seq. (the “ITAR”), administered by the U.S. Department of State, relating to exports of defense articles.
- Economic sanctions regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, 31 C.F.R. Part 500, et seq. (“OFAC Sanctions”). A current list of OFAC Sanctions programs can be found at [www.treasury.gov/resource-enter/sanctions/Programs/Pages/Programs.aspx](http://www.treasury.gov/resource-enter/sanctions/Programs/Pages/Programs.aspx).
  - Countries or regions currently subject to OFAC Sanctions include: the Balkans, Belarus, Burma, Central African Republic, Côte d’Ivoire, Cuba, Democratic Republic of the Congo, Iran, Iraq, Lebanon, Libya, North Korea, Somalia, Sudan, South Sudan, Syria, Russia, Ukraine, Venezuela, Yemen and Zimbabwe.
  - The Office of Foreign Assets Control also administers sanctions programs that are not geographically limited, such as OFAC Sanctions regarding Counter Narcotics Trafficking, Counter Terrorism, Transnational Criminal Organizations and Specially Designated Nationals, among others.

### **Scope**

This policy applies to the General Manager of each Company business unit and all Company employees with export-related job duties, as determined by the Export Control Administrator of each business unit.

## **Responsible Officials**

The General Manager of each Company business unit shall have overall responsibility for compliance with applicable export laws and regulations. The General Manager may delegate direct responsibility for compliance to the Vice President, Director or Manager of Sales of the business unit, who may in turn delegate the day-to-day duties described in this policy to an Export Control Administrator (“ECA”) for the business unit.

The ECA’s compliance responsibilities shall include:

- classification of products, technical data and other items of export;
- review of export transactions to determine whether licenses are required;
- preparation and submission of license applications;
- screening all parties to transactions to ensure that none is a prohibited entity or individual; and
- coordinating among the business unit personnel involved in export transactions.

The ECA has the authority to approve export transactions. The ECA shall develop and implement procedures to comply with applicable laws and regulations in the countries in which the business unit is located or has a nexus.

## **Customer and Transaction Screening**

The ECA is responsible for screening customers and transactions involving exports. In particular, the ECA will screen each transaction, to the extent necessary under applicable law, to ensure that:

- No party appears on the Denied Persons List in the EAR or is subject to other EAR restrictions. (The current Denied Persons List may be accessed at any time from the U.S. Commerce Department web site at [www.bis.doc.gov](http://www.bis.doc.gov).)
- No party has been designated under any of the OFAC Sanctions and the transaction does not involve business in which a country or person subject to the OFAC Sanctions has an interest. (A current list of territories, organizations and individuals subject to the OFAC Sanctions is available at any time at the U.S. Treasury Department web site at [www.treas.gov/ofac](http://www.treas.gov/ofac)).
- All products, technical and other exports data are correctly classified and licenses have been obtained when necessary. Note that licenses may be required for: (1) exports and re-exports of U.S.-origin products and shipments of foreign-manufactured products incorporating U.S.-origin content; (2) exports and re-exports of U.S.-origin technical data (including source code) and the disclosure of technical data to foreign nationals; (3) service and spare parts shipments; or (4) any shipment of products or disclosure of technical data (such as on the Internet or by e-mail) when there is knowledge or reasonable cause to believe that the product or technical data will be sent or made available to an unauthorized country or recipient.

- The transaction does not involve a sensitive end-use or end-user, such as those related to nuclear, missile or biological weapons activities.
- The transaction does not involve diversion risks, such as the following:
  - The customer is small and little known.
  - The customer does not wish to use commonly available installation and maintenance services.
  - The customer is reluctant to provide end-use/end-user information.
  - The customer requests atypical payment terms or currencies.
  - Order amounts, packaging or delivery routing do not correspond with normal industry practice.
  - Performance or design characteristics of product ordered are incompatible with customer's line of business or stated end-use.
  - The customer uses only a post office box address or has facilities that appear inappropriate for the products ordered.
  - The customer's order is for parts known to be inappropriate or for which the customer appears to have no legitimate need.
  - The customer is known to have, or is suspected of having, unauthorized dealings with parties or in countries subject to OFAC Sanctions.

### **Recordkeeping**

The ECA is responsible for ensuring that complete and accurate shipping and export control records are maintained. Export control records include commercial invoices, copies of Shipper's Export Declarations and air waybills or bills of lading, among others. The records shall be easily accessible for review and verification. Export control records shall be kept for a period of five (5) years.

### **Training**

The ECA is responsible for ensuring that personnel with export-related duties are properly trained with respect to export control procedures and are familiar with the EAR, the ITAR, OFAC Sanctions and the latest updates to these and other applicable laws and regulations. New employees in relevant areas shall receive orientation training in export controls, including corporate procedures and the product classifications and license requirements applicable to products that are normally exported. Others shall receive refresher course and update sessions appropriate to the level and duties of the employee receiving the instructions.

### **Internal Reviews**

The ECA shall be responsible for reviewing export transactions to ensure the effectiveness of the business unit procedures for compliance with applicable export laws and regulations. The ECA shall conduct periodic comprehensive audits as well as spot checks, including the following:

- Analysis of order processing system and verification that all export-related documents are organized for easy review.
- Inspection of export control documents.
- Interviews of personnel with export-related functions.
- Review of internal control procedures and analysis of sample transactions to determine whether licenses have been obtained when required.
- Review of customer and product lists to ensure that no denied parties are present and verification that products are correctly classified.
- Verification that regular training programs for export control functions are in place and properly performed.

### **Notification of Violations**

Any employee who knows or suspects that a violation of any applicable export control law or regulation has or will take place is required to report such information to the ECA immediately. The ECA will consult with the General Manager of the business unit, who shall report any questionable activities or raise any legal matters with the General Counsel of the Company. The General Counsel will be responsible for reporting any matters to the proper U.S. government authorities.