
PROBI
TRADE SANCTIONS POLICY*

**This is a summary version of Probi's internal policy.*

*The original policy document consists of 11 pages and has following table of contents.
This document only presents the main objectives of the policy.*

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INTRODUCTION TO TRADE SANCTIONS

The terms trade sanctions and embargoes refer to laws and regulations imposed by countries – usually in furtherance of foreign affairs, national security, or human rights objectives – 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.

PROBI Aktiebolag (publ) (“**Probi**”) conducts business in many parts of the world and must therefore ensure compliance with trade sanctions and embargoes. Not doing so can have a serious economical and reputational impact on the business and financial condition of the Probi group and may also result in violations of undertakings that Probi has made in its financing arrangements.

This policy sets out a brief introductory description of trade sanctions, accounts for high risk countries and activities as well as offer initial advice on how Probi should act and conduct its business in order to minimise risk exposure and achieve sanctions compliance.

The policy applies to everyone at Probi – all employees, managers, executive officers, and members of the board of directors (all of whom are included in the term “employees” as used in the remainder of the policy).

The policy provides some general guidelines that, if followed, will serve as a starting point and support Probi’s efforts to comply with trade sanctions laws and regulations published by the United Nations, the United States, and the European Union, which in many cases implement UN Security Council sanctions. Of course, applicable local law in this regard should also be followed.

EXECUTIVE SUMMARY

- Trade sanctions imposed by various jurisdictions restrict Probi’s ability to deal with targeted persons and governments.
- Violations can result in substantial monetary penalties or imprisonment as well as significant reputational damage for Probi.
- Violations could also cause defaults under Probi’s financing arrangements that would allow the lenders to terminate such financing arrangements with immediate effect.
- Any financing obtained and relationships maintained involving the U.S. financial markets should be given extra attention, especially as U.S. sanctions are stricter and more extensive, e.g. targeting all transactions denominated in USD.
- Proposed operations or transactions involving high-risk countries must be analysed closely to ensure they would not result in a sanctions violation.

- Due diligence of counterparties, including gathering identifying information and screening, can help mitigate sanctions risks.
- In some cases, it may be appropriate to seek contractual guarantees from counterparties to help further mitigate sanctions risks.
- The chief financial officer of the Probi group (the “CFO”) must be immediately notified if any company within Probi group becomes aware of that a company within the Probi group or any joint venture established by Probi:
 - has violated any trade sanctions laws or regulations;
 - becomes a target of sanctions; or
 - becomes the subject of any inquiry, claim, action, suit, proceeding or investigation in relation to trade sanctions laws or regulations.