

## **POLICY: EMEA TRADE COMPLIANCE POLICY**

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### **I. POLICY BACKGROUND**

Proto Labs Ltd., including its subsidiaries and affiliates and its senior management are committed to ensuring that the Company complies with all laws and regulations applicable to its operations, including the export controls and sanctions laws described in this Global Trade Compliance Policy (the "Policy").

Specifically, as outlined in this Policy, Proto Labs will comply with:

- (1) export controls and sanctions laws, rules, and regulations of UK;
- (2) export controls and sanctions laws, rules, and regulations of the European Union ("EU") and
- (3) export controls and sanctions laws, rules, and regulations of Germany, France, Italy and Sweden

As discussed in more detail below, Proto Labs does not and cannot accept from its customers any Technical Data (e.g., blueprints, technical specifications, and CAD files) that requires ITAR authorization for export out of the U.S. Proto Labs prohibits its customers from providing to the Company any such Technical Data.

Even though Proto Labs expects its customers on submitting Export-Controlled Data to the Company, Proto Labs Contributors are still responsible for ensuring that customers comply with this requirement. This is especially important with respect to data that customers provide directly to Proto Labs Contributors via email.

If you have any concern that a particular customer has submitted to Proto Labs Export-Controlled Data, you must you must contact the EMEA Trade Compliance Team immediately.

### **II. WHO NEEDS TO READ THIS POLICY?**

All officers, directors, employees and material contractors of Proto Labs (together, "Contributors"), must read and abide by this Policy as well as any procedures or work instructions issued under this Policy. Proto Labs will make this Policy available to all Contributors via publication on its

internal web portal and via email.

### **III. WHAT IS THE PURPOSE OF THIS POLICY?**

This Policy provides you with information about how to conduct Proto Labs' business in compliance with the applicable international trade laws and regulations identified in Section I. above. This Policy also explains how international trade compliance laws affect Proto Labs' business model so that you better understand why compliance with these laws is relevant to you. As you know, the Company provides quoting and design services for its customers located in countries throughout the world. To provide these services, Proto Labs must receive electronic Technical Data from its customers, which the Company stores on its Information Technology ("IT") Systems.

Proto Labs then transfers the customer-provided Technical Data to its global network of engineers for evaluation and preparation for manufacturing. As described in more detail below, Technical Data subject to Export Control Laws may require authorization from the relevant government authority before it can be exported. Failing to obtain appropriate authorization when required will result in a violation of law, by either the customer, Proto Labs, or both.

In addition, Proto Labs must ensure that it does not do business (either as customer or supplier) with individuals or entities that are subject to certain Economic Sanctions. This Policy outlines how Proto Labs ensures that it conducts business in a manner consistent with these laws.

### **IV. WHY IS THIS POLICY IMPORTANT?**

Export control laws apply to Export-Controlled Data (or the end-items to which the Technical Data relates) regardless of where the Export-Controlled Data or item goes.

Example: Employee A is a customer service representative. He/She is located in Germany working for Proto Labs GmbH, based in Putzbrunn. Employee A speaks with a UK customer about its order for a widget. Employee A sends the CAD file to the assigned manufacturing side in UK.

The CAD file is Export Controlled. Employee A has potentially committed two violations of Export Control Laws. First, the discussion about the description of the widget between the UK customer and the German customer service representative was a potentially license requiring Export and second, the sending of the file to UK was another potentially license requiring Export.

Because Proto Labs' business model centers around receiving Technical Data from customers that it sends to manufacturing sites around the world, compliance with laws that regulate international trade is critical to our ability to function and therefore compete effectively in the global marketplace. As stated by our management board in his Global Trade Compliance Commitment Statement, Proto Labs is committed to conducting its business with honesty and integrity and in full compliance with all applicable laws including those that regulate international trade. The Company has designed this Policy so that by complying with it, you can be sure you are complying with relevant Export Control Laws and Economic Sanctions.

Our compliance with these laws is a critical component of the Company's reputation and success. Failure to comply can result in the seizure of goods, significant criminal and civil penalties for both the Company and individuals involved, loss of export privileges, and substantial collateral consequences, including the loss of business.

Although this Policy may seem like it adds an extra step in the order process, our compliance with Export Control Laws also adds value to our customers because it helps them avoid committing export control violations when working with us. Many of our customers also require compliance with Export Control Laws and Economic Sanctions as part of their contractual arrangements with Proto Labs. As a

result, Contributors must be aware of these contractual requirements and how Proto Labs is complying. Compliance is everyone's responsibility: every Proto Labs Contributor is obligated to understand the basic elements of the laws outlined in this Policy and to comply with them at all times. Based on this policy and related trainings, you must be able to:

- appreciate the specific risks Proto Labs faces with regard to these laws;
- identify and report potential noncompliance or violations in accordance with Section V.I below; and
- take actions necessary to ensure that the activities of Proto Labs comply with this Policy and Export Control Laws and Economic Sanctions.

If you are not able to comply with the above, or at any time you have questions about whether a particular act or transaction complies with this Policy, please contact the EMEA Trade Compliance Team immediately.

## **V. POLICY**

It is Proto Labs' policy to comply with all applicable Export Control Laws and Economic Sanctions. Below is additional information about how the Company achieves compliance with these laws. Section V below provides a non-exhaustive list of red flags with which you must familiarize yourself, understand, and apply.

### **A. Export Controls Policy**

To ensure that Proto Labs Contributors comply with this Policy, Proto Labs prohibits its customers from providing to Proto Labs any Technical Data that is Export-Controlled Data without prior information in Proto Labs Systems. Proto Labs communicates this requirement to customers via its General Terms of Sale and on the Proto Labs website that are visible to customers throughout the online quoting process. Proto Labs also requires its customers to acknowledge the Company's requirements on accepting Export-Controlled Policy. While these requirements protect the Company and Contributors from receiving unknown Export-Controlled Data, all Contributors are still responsible for ensuring that the data provided by customers is not obviously inconsistent with the customer's representation that the Technical Data is not unknown Export-Controlled Data. In addition, if a Contributor receives Technical Data from a customer via email or a method other than Proto Labs' online portal, which contains the applicable warning and required acknowledgment, you must obtain or have previously obtained written confirmation from the customer that the Technical Data provided is not Export-Controlled Data prior to accessing, opening, downloading, or forwarding the Technical Data files. If the customer indicates that its data is subject to Export Control Laws, you must contact the EMEA Trade Compliance Team immediately.

The purpose of the requirements on receiving Export-Controlled Data is to protect the Company and Contributors from inadvertently committing a violation of Export Controls Laws. For your information, all Technical Data is subject to export controls. If you encounter a customer that states that its Technical Data is not Export Controlled Data, but is nevertheless subject to export controls, you must contact the EMEA Trade Compliance Team immediately.

The Company will analyze the information provided by the customer in such an instance to make an individualized assessment as to whether Proto Labs is able to proceed with the transaction, what limitations (if any) may apply, and whether authorization must be obtained before proceeding.

### **B. Sanctions Policy**

Proto Labs shall not engage in business involving countries or territories subject to comprehensive sanctions or involving Restricted Parties except as otherwise specifically authorized in advance and in writing by the responsible party. As a matter of risk management, Proto Labs routinely screens its customers, vendors, fabricators, suppliers, agents, and other partners to identify those that may be

subject to Economic Sanctions. It is important that Contributors are able to identify red flags that indicate high-risk entities and transactions. Examples of sanctions red flags are included in Section D below and include (but are not limited to) transactions involving a customer, supplier, billing or shipping address in, or involving, Cuba, Iran, North Korea, Syria, and the Crimea Region of Ukraine. If you identify a potential violation or red flag regarding Economic Sanctions, please contact the EMEA Trade Compliance Team immediately.

### **C. How Export Control Laws and Economic Sanctions Affect Proto Labs' Business**

The following subsections describe Company activities that involve or relate to Export Control Laws or Economic Sanctions and common red flags to help you identify potential issues.

- i. **Export Control Laws** Export Control Laws generally regulate the outbound flow (i.e. Export) of goods, services, software, and Technical Data from one country or region to another. This includes any Export of Technical Data or items between Proto Labs' facilities, Contributors, suppliers, vendors, fabricators, consultants, agents, and other partners. An Export can be a physical shipment of an item, or disclosure by any means, including electronic (e.g., email), oral (e.g., describing certain Technical Data over the phone), written (e.g., sharing a Google document, posting something online), or visual transmission.  
Proto Labs Exports customer-provided Technical Data in three primary ways:
  - First, Technical Data provided by customers to Proto Labs via its website for quoting and design services is automatically Exported upon upload to outside of the customer's country, to countries that host where Proto Labs' IT server(s).
  - Second, Proto Labs transfers customer-provided Technical Data to its global network of engineers in connection with requests for quotation and manufacture. This viewing by a person who is not a national of the country in which the data originated is also an Export. Each of these is an Export and is subject to Export Control Laws.

#### **Example 1:**

A French customer uploads CAD files and corresponding PDF schematics to Proto Labs' website for an instant quote. The Technical Data is automatically Exported to UK upon upload, because Proto Labs' server sits in UK. (possible Violation 1)

A Proto Labs Contributor in France then emails that Technical Data to the manufacturing site in UK. The Technical Data has now been Exported to UK. (possible Violation 2)

Conclusion: Proto Labs may be liable for two violations of Export Control Laws.

#### **Example 2:**

A Proto Labs Contributor located in Germany travels to UK with a laptop containing a German customer's Technical Data. The Technical Data has been Exported to UK.

Conclusion: Proto Labs may be liable for one violation of Export Control Laws.

#### **Example 3:**

A Proto Labs Contributor located in Germany travels to UK with a prototype manufactured for a German customer from the customer's Technical Data. The item has been Exported to UK.

Conclusion:

Proto Labs may be guilty of one violation of Export Control Laws. Because of the complexity involved in identifying what Technical Data or other items will be shared and with whom it will be shared in any transaction it is Proto Labs policy not to accept Export-Controlled Data without prior information. Though customers are required to affirmatively acknowledge this prior to uploading Technical Data to Proto Labs website, this acknowledgement may not prevent customers from providing Proto Labs with Export-Controlled Data in all cases. This is a particular risk when you receive Technical Data via email or another method other than Proto Labs online portal that contains the appropriate warning to customers and required acknowledgment. Therefore, it is important that Contributors are able to identify Technical Data that has a high risk of being Export-Controlled Data, flag it for review pursuant to Section V.I, and prevent additional Exports of the data, both to unauthorized locations and persons (e.g., Foreign Nationals).

- ii. Economic Sanctions Economic Sanctions are implemented by countries to restrict the flow of business to other countries, entities, or persons (typically for foreign policy reasons) by restricting direct or indirect sales, shipments, provision of services, partnerships, investments, as well as restricting exports and imports in ways that overlap with Export Control Laws.

Because Proto Labs ultimate parent company is incorporated in the U.S., Proto Labs, including its non-U.S. subsidiaries and branches and Contributors of non-U.S. subsidiaries and branches, are subject to U.S. sanctions laws related to Iran and Cuba and will comply with the same unless such compliance would be prohibited under EU blocking legislation. In addition, since U.S. persons work on many Proto Labs transactions, there is a risk of U.S. jurisdiction over transactions involving other sanctions programs if a Contributor who is a U.S. person is involved in the transaction. As a UK incorporated legal entity, Proto Labs Ltd. is also required to comply with EU and German sanctions laws. Economic Sanctions can take many forms, including comprehensive, list-based, sectoral, and secondary sanctions:

- Comprehensive sanctions programs prohibit nearly all activities and transactions involving certain countries or territories except those that are specifically authorized. As of the effective date of this Policy, U.S. comprehensive sanctions apply to Cuba, Iran, North Korea, Syria, and the Crimea Region of Ukraine. Whilst the EU has sanctions regimes in place that impose a broad range of prohibitions (e.g., in respect of North Korea), these sanctions programs do not qualify as comprehensive.
- List-based sanctions programs prohibit all unlicensed activities and transactions with designated individuals and entities, such as persons identified as Restricted Parties on the U.S. List of Specially Designated Nationals and Blocked Persons (“SDN List”) or the EU Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions.
- Sectoral sanctions programs prohibit certain unlicensed activities and transactions with designated entities in specified sectors. Currently, the EU, UK, and U.S. have sectoral sanctions as part of their Russia sanctions programs.
- Secondary sanctions are restrictive measures that may be imposed on non-U.S. persons not otherwise subject to U.S. jurisdiction, who engage in certain specified transactions or activities with certain sanctioned persons (e.g., if a non-U.S. entity conducts significant business with an SDN, OFAC may place that non-U.S. entity on the SDN List itself). As stated in the previous section, Proto Labs routinely screens its

customers, vendors, fabricators, suppliers, agents, and other partners to identify those that may be subject to Economic Sanctions. However, it is important that Contributors are able to identify red flags that indicate high-risk entities and report these to the Company, consistent with Section V.I. In order to do so, Contributors must understand the countries involved in a transaction or activity.

Example:

A customer requesting a quote provides a shipping or billing address in Syria. This transaction likely violates U.S. economic sanctions.

Example:

After having manufactured a particular item, the customer requests Proto Labs to ship this item to a person included in the EU Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions. This transaction likely violates EU economic sanctions.

#### **D. Red Flags**

Contributors are responsible for understanding the business activities of Proto Labs vendors, partners, and customers in order to assess the risk that any activity presents, particularly with respect to engaging in a transaction with a prohibited party or that would result in a violation of Export Control Laws or Economic Sanctions. Common “red flags” of concern include:

- The person or party is reluctant to answer questions about whether its Technical Data is Export-Controlled Data or does not understand what export controls are.
- The customer providing Technical Data is a government entity involved in military, nuclear, satellite, or similar activity (i.e. U.S. Department of Defense, National Aeronautics and Space Administration (“NASA”), SpaceX, Honeywell, Northrop Grumman, etc.), as the Technical Data has a higher probability of being Export-Controlled Data.
- The Technical Data contains warnings/language referencing Export Control Laws (e.g., “This drawing contains data subject to the International Traffic in Arms Regulations/ITAR or the Export Administration Regulations/EAR,” “Export of this data requires authorization from the U.S. Department of Commerce, BIS, or U.S. Department of State”).
- The transaction involves a customer, supplier, billing or shipping address in, or related to, Cuba, North Korea, Iran, Syria, and the Crimea Region of Ukraine.
- The product’s capabilities do not fit the customer’s line or scale of business.
- The customer has little or no relevant business background, or has no website.
- The customer is unfamiliar with the product’s performance characteristics but still wants the product.
- The partner is vague about the other parties involved, or the locations involved.

#### **E. Training**

Proto Labs will provide an annual mandatory training for Contributors on the topics addressed in the Policy. If you feel that you need supplemental training or have specific questions about this Policy or the applicable laws and regulations, please contact the Legal Department, as outlined in Section VI.

#### **F. Record Maintenance**

Contributors must retain all records relating to compliance with applicable trade compliance laws and regulations. Contributors must ensure that records are kept in such a manner that they may be easily and promptly (e.g., in less than thirty days) retrieved upon request by the Company or government authorities; to the extent possible, records should be maintained in the form in which

they were originally generated or received. Questions regarding recordkeeping should be directed to the contact in Section V.I below. Accordingly, records of transactions and commercial relationships that may be subject to Export Control Laws and/or Economic Sanctions must be maintained in the Company's files for at least a period of five (5) years.

Examples of records that should be maintained for such transactions and commercial relationships include:

- customer certifications that Technical Data is not Export Controlled Data
- government authorizations (e.g., licenses issued by OFAC or EU Member States)
- screening conducted and the resolution of all high-risk indicators
- customer contracts
- invoices, purchase orders, shipment records and financial records
- books of account
- correspondence
- emails containing Technical Data Contributors must obtain written permission from the Legal Department before discarding or destroying records subject to this Policy within five (5) years of the completion of the transaction or the termination of the commercial relationship. Please refer to our Record Maintenance Procedure (attached here as Annex B) for detailed information on our record procedures.

#### **G. Routine Audits**

Proto Labs conducts periodic audits of its operations to help ensure that it is complying with applicable Export Control Laws and Economic Sanctions. The details of our audit procedure can be found in our Global Trade Compliance Audit Procedure (Annex C). It is the responsibility of all Contributors to assist with such audits, and otherwise immediately report potential export control or sanctions violations to the Legal Department, consistent with Section V.I.

#### **H. Compliance Obligations and Duty to Report**

The Company requires Contributors to read, understand, and comply with this Policy. Further, all Contributors are expected to take actions necessary to ensure that the activities of Proto Labs comply with this Policy and Export Control Laws and Economic Sanctions. None of the provisions of this Policy may be waived or amended without the prior review, determination and approval of the Legal Department. Where any questions or concerns arise regarding this Policy or whether a proposed transaction or activity complies with this Policy, it is your responsibility to take steps necessary to ensure compliance, including by seeking advice and guidance from the Legal Department. Contributors are required to report any instances of actual or suspected non-compliance with this Policy, Export Control Laws, or Economic Sanctions to the Company, as outlined in Section VI.

#### **I. Consequences and Disciplinary Actions for Violations of this Policy**

Any person who knowingly violates this Policy may be subject to appropriate disciplinary action, including potential termination of his or her employment relationship with Proto Labs.

#### **J. Non-Retaliation Policy**

No Proto Labs Contributor will suffer adverse consequences for following this Policy or taking steps necessary to ensure compliance with its provisions. Further, no Proto Labs Contributor will suffer retaliation or other adverse consequences for providing information in good faith relating to an actual or suspected violation of Economic Sanctions, Export Control Laws, or this Policy. Proto Labs encourages such reporting and will not tolerate any retaliation against persons asking questions about or making good faith reports of possible violations of Economic Sanctions, Export Control Laws,

or this Policy. Anyone who retaliates or attempts to retaliate will be subject to discipline up to and including termination.

## **VI. POINT OF CONTACT**

The Proto Labs EMEA Trade Compliance Team maintains this Policy. Any questions should be directed to Proto Labs EMEA Trade Compliance Team at:

Email: [emea-export@protolabs.co.uk](mailto:emea-export@protolabs.co.uk)

If you have knowledge of or suspect any potential violations of this Policy, please submit these concerns to the Trade Compliance Department.

## **VII. DEFINITION OF TERMS**

This Policy uses the following definitions:

- “Economic Sanctions” are regulations implemented by countries seeking to restrict the flow of business to other countries, entities, or persons, typically for foreign policy reasons (e.g., prohibiting the export of U.S.-origin goods and services to Iran). The U.S. and EU have the most significant and complex economic sanctions regulations. Common components of sanctions regulations include restrictions on direct or indirect sales, shipments, provision of services, partnerships, investments, as well as export and import restrictions that overlap with Export Control Laws. Economic Sanctions include:
  - o U.S. economic sanctions administered and enforced by the U.S. Department of the Treasury, Office of Foreign Assets Control (“OFAC”), U.S. Department of State, and other U.S. trade agencies.
  - o EU economic sanctions administered and enforced by the EU Member State authorities (e.g., Team POSS in the Netherlands).
- “Export” of Technical Data includes both physical shipment or transmission as well as release or disclosure of Technical Data by any means, including electronic (i.e. email), oral, written, or visual. It also includes both initial exports as well as, in certain situations, reexports.
- “Export-Controlled Data” is Technical Data that is
  - (1) controlled under the ITAR;
  - (2) subject to the EAR and controlled at a level beyond EAR99;
  - (3) controlled under the Common Military List of the European Union or any EU Member State equivalent; or
  - (4) subject to the EU Dual Use Regulation.
- “Export Control Laws” generally encompass any type of government regulation on the outbound flow of goods, services, software, and Technical Data from one country or region to another, as well as certain transfers within countries, such as transfers to unauthorized persons. This includes Exports, reexports, and transfers between Proto Labs’ facilities, Contributors, vendors, fabricators, suppliers, agents, and other partners.

Export Control Laws include:

  - o U.S. Export Administration Regulations (“EAR”), which govern commercial items, dual-use items, and certain military items. The EAR is administered and enforced by the Department of Commerce, Bureau of Industry and Security (“BIS”).
  - o U.S. International Traffic in Arms Regulations (“ITAR”), which govern activities involving defense articles and services and is administered and enforced by the Department of State, Directorate of Defense Trade Controls (“DDTC”).
  - o Common Military List of the European Union or any EU Member State equivalent.
  - o Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (as amended by Regulation 2019/2199), commonly referred to as the EU Dual Use Regulation.



- “Restricted Parties” are entities and individuals that are the target or subject of sanctions or export controls, including: o entities and individuals identified as Designated Parties under the EU Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions as well as entities identified as subject to EU sectoral sanctions; o entities and individuals identified on U.S. sanctions lists (including, without limitation, the SDN List, the U.S. Foreign Sanctions Evaders List, and the U.S. Sectoral Sanctions Identifications List); o entities and individuals identified on BIS’ Entity, Denied Persons, and Unverified Lists; o entities and individuals identified on the U.S. Department of State’s Statutory Debarment List; o entities and individuals located or established in territories or countries that are the subject of comprehensive sanctions; and o entities owned or controlled, directly or indirectly, individually or in the aggregate, by entities or individuals that are the subject of U.S. sanctions such that the entities are subject to the same restrictions as applicable to the owning or controlling entities and/or individuals.
- “Technical Data” is information necessary for the development, production, use, operation, installation, maintenance, repair, overhaul, or refurbishing of an item. This includes but is not limited to specifications (e.g., 2D or 3D specifications), Computer Aided Design (“CAD”) files, drawings, blueprints, detailed descriptions of products, documents, data, inventions, hardware (e.g., products, samples, prototypes, equipment, tooling, assemblies), software, materials (e.g., chemicals, biologicals), components, processes, methodologies, end-items, and firmware.