



CORPORATE POLICY

EXPORT COMPLIANCE POLICY

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1.0. Policy

It is the policy of ATS Automation Tooling Systems Inc. (“**ATS**”) and all of its operating divisions and subsidiaries, whether directly or indirectly owned (collectively, the “**Company**”) to strictly observe all export control and economic sanctions laws and regulations applicable to their respective businesses and operations. This includes complying with the relevant laws of all jurisdictions in which the Company has locations or conducts business.

No transactions are to be conducted by or on behalf of the Company contrary to applicable export control and economic sanctions laws and regulations. In addition, no transaction will be conducted with any individual or firm appearing on any applicable prohibited persons list, including persons designated under Canadian, United States, United Nations or European Union sanctions.

To promote compliance, the Company will provide periodic training for relevant personnel and conduct compliance reviews whenever appropriate.

2.0. Background

This policy (“**Policy**”) has been prepared to clarify requirements for employees and officers of the Company when pursuing and conducting international transactions. ATS has also developed Operational Directions, which are attached to the Policy as Exhibit A, to provide more detailed guidance to employees who are regularly involved in international business. For purposes of this Policy, the term “**employees**” includes all permanent and temporary employees, contractors, and agents or other individuals or entities representing the Company.

Export and sanctions laws and regulations are very precise, and compliance with them is mandatory. Violations of export and sanctions laws can subject the Company and employees to severe penalties, including fines, denial of export privileges, and even imprisonment. Non-compliance can also have a negative impact on the reputation of the Company.



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3.0 Responsibilities

3.1 Employees

All employees must fully comply with all export and economic sanctions laws and regulations. Particular attention must be taken when releasing or transferring technical information to foreign nationals, or shipping products outside of North America or Western Europe.

3.2 Managers

Each manager is required to ensure that all employees under his or her control understand and comply with this Policy, and to ensure that employees involved in international business receive appropriate training.

3.3 Reporting

Any employee who knows of or suspects a violation of export or sanctions law or this Policy, whether intentional or accidental, is required to report the matter. Employees can report to the Vice President, Legal and Global Compliance, his or her designee, or, if the employee wishes to remain anonymous, the employee can report using the ATS "Report It" help line, which can be accessed through the ATS global portal. ATS will review all reports of actual or suspected violations.

THE COMPANY WILL NOT RETALIATE AGAINST ANY EMPLOYEE WHO REPORTS AN ACTUAL OR SUSPECTED VIOLATION IN GOOD FAITH, EVEN IF THE REPORTED INCIDENT IS ULTIMATELY DETERMINED NOT TO BE A VIOLATION OF APPLICABLE LAW OR THIS POLICY.

All questions regarding export or sanctions compliance, or this Policy, or any question concerning the legitimacy of any transaction, should be immediately referred to:

VP, Legal and Global Compliance
tradecompliance@atsautomation.com

4.0 Local Procedures

Each operating segment and division of the Company has a responsibility and mandate to operate in compliance with local and all other applicable export and sanctions laws and regulations. Local procedures will vary depending on the size and nature of the applicable business, but should be consistent with this Policy.



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5.0 Policy Changes

As with all corporate policies of ATS, this Policy is subject to amendment, replacement, or revocation at any time without notice.

Record of Change

Revision Number	Issue Date	Description of Change
0	March 2014	New Policy.
1	February 2021	Program Update



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Exhibit A Operational Directions

1 APPLICATION

These Operational Directions apply to ATS Automation Tooling Systems Inc. (“**ATS**”), and all of its operating divisions and subsidiaries, whether directly or indirectly owned (collectively referred to as the “**Company**”). Any reference to “**ATS**” includes reference to each individual operating division and subsidiary.

Where ATS does not have a controlling interest in a transaction partner, ATS will seek in good faith to use its influence to try to ensure that policies, procedures, and guidelines substantially similar to these Operational Directions are adopted.

2 PURPOSE AND SCOPE

These Operational Directions are intended to provide a framework that will assist in compliant, consistent, and effective business activities when engaging in global trade activities, while at the same time recognizing the autonomy of each of the ATS operating divisions.

3 RESPONSIBILITY

Each individual director, officer and employee of ATS is responsible to ensure that all corporate and personal activities are in strict compliance with the Export Compliance Policy (the “**Policy**”). ATS may take severe disciplinary action, up to and including legal action and dismissal, against any director, officer or employee who violates this directive. All ATS employees must avoid behaviour that breaches the law or any ATS policy in any way.

Each Operational Lead is responsible for ensuring that all divisions and functions within their division are fully informed about the provisions of these Operating Directions and for adopting and enforcing appropriate procedures and controls necessary to ensure compliance with this Policy by all personnel for which they are directly or indirectly responsible, and by distributors, suppliers, consultants, agents and other intermediaries engaged by them.

Any director, officer or employee of ATS who becomes aware of any actual or potential violation of the this Policy or the provisions of applicable law must report the infraction (anonymously if desired) to one or more of the following: an Operational Lead; the VP Legal and Global Compliance; or the ATS “Report It” help line (which provides an expeditious means of reporting, anonymously if desired).



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4 DEFINITIONS

“Agent” means a person or a company representing ATS and promoting its products to Third Parties, usually in a specific geographical area, and involving compensation to the agent in the event of a sale.

“Designated Person” means an individual or entity on a sanctions list maintained by Canada, the US, the EU, or any other applicable jurisdiction that encompasses absolute or near-absolute prohibitions on business with that person.

“Distributor” means a company that purchases ATS products and sells them to Third Parties, usually in a specific geographical area, and which operates independently and at arm’s length from ATS.

“Due diligence” means the comprehensive appraisal of a Third Party undertaken pursuant to these Operational Directions and this Policy to evaluate trade compliance.

“Operational Lead” means the CEO, President, Vice President, General Manager or Managing Director, as the case may be, of the subsidiaries, operating divisions, and business segments of the Company.

“PEP” means Politically Exposed Person.

“SOE” means State-Owned Enterprise, and is a legal entity in which a government has a degree of ownership, and which participates in commercial activities for, or for the benefit of, such government. It can be either wholly or partially owned by a government and is typically established to participate in specific commercial activities.

“SOE Inquiry” means the process of inquiry and investigation used to understand and validate an ATS transaction involving a PEP or SOE, referred to as the **Procedure for Review of Transactions with Government or State-Owned Entities**, and which is attached to these Operational Directions as Annex A.

“Screening Database” means a third party service providing a global, digital database of Politically Exposed Persons (PEPs), as well as sanctioned and high-risk individuals and organisations, such as World-Check, used to help to identify and manage financial, regulatory, and reputational risk.

“Third Party” means a physical or legal entity that is not directly or indirectly owned by ATS, but that interacts or could interact with ATS in a relationship governed by contract, commercial agreement or other legal relationship, and includes, without limitation, customers, distributors, agents, resellers, suppliers, and consultants.



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5 TRANSACTION REVIEW

Before engaging in any international transaction, each operating division will take measures to ensure that the transaction will not involve any unauthorized party or embargoed country. Exporting products and permitting their re-export to any unauthorized party and/or embargoed country may result in the detention or seizure of shipments as well as civil and/or criminal penalties imposed against the Company, any other entity involved, and any individuals participating in the transaction.

5.1 Screening Transaction Parties.

Each operating division must use a Screening Database to assist with screening the names of transaction parties. *Screening of transaction parties must be completed in accordance with this Policy prior to the execution of any binding agreement with such transaction party.*

If any party to a transaction is definitively identified as an unauthorized party or a resident or national of an embargoed country, the proposed transaction should be halted immediately – even if an order has already been placed or if the transaction has otherwise proceeded beyond negotiations. This will occur irrespective of any contractual obligation or possible civil liability that the Company could face. Any further communication with the transaction party will be subject to prior approval by the Vice President, Legal and Global Compliance or his/her designee. In addition, ATS may review the extent of the relationship, if any, with the unauthorized party and determine whether additional remediation or others steps are warranted.

If a transaction party is identified as a potential unauthorized party, the proposed transaction must be halted until the potential transaction party can be thoroughly reviewed. This could include, as needed, requesting additional information from the transaction party about its operations, locations, ownership, employees, or other such information, and/or conferring with internal/external counsel or other outside advisors to review the potential match. Regardless of what steps are taken, those steps – and the outcome of the review – must be documented in the compliance files of the relevant operating division.

If it is concluded that the transaction partner is not an unauthorized party, transactions with the partner may proceed. In addition, each operating division should develop and maintain a list of potential matches that have been cleared. This list should be updated each time a potential match is cleared, though the list should also be reviewed on a periodic basis, and once annually at least, to ensure that a cleared party has not been added to a prohibited parties list.



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5.2 Review of High-Risk Transactions

Given the challenge of doing business in certain countries and jurisdictions, each operating division must implement a process to specifically review transactions with designated countries, for which a guideline is outlined in Section 6 below. The designated countries may be updated from time to time to reflect changes in the law and ATS company policy.

5.3 Classification and Licensing

Classification. It is essential to determine whether a license is required to export or re-export a product to a particular destination or end-use. Under US law, this includes US-origin products that are incorporated into another product manufactured outside the United States. To make the licensing determination with respect to any US-origin product, including a US-origin product incorporated into a product manufactured outside the United States, each operating division must first classify the product with its Export Control Classification Number (ECCN). The ECCN is an alphanumeric code based on the technology level and capabilities of the product. All US-origin dual use products have an ECCN on the Commerce Control List, which forms part of the EAR, or are classified in a catch-all category, EAR99.

Each operating division of ATS must identify all US-origin products and obtain the ECCN of each from the manufacturers. Each operating division must also identify the Canadian and any other applicable export control classifications (e.g., the Canadian Nuclear Security Commission classification number) for all products (not just US-origin products).

The classification information must be obtained from the manufacturer upon procurement of the products, and must be documented in the records of each operating division.

Each operating division should track this information in conjunction with the Harmonized System (HS) tariff classification number and country of origin for all of its products.

Licensing. Each operating division must ensure that it does not engage in any export or other international transaction without the appropriate authorization. The first step in identifying the licensing requirement related to any product is to know the correct export classification of the product. Based on that classification, as well as the destination, end-user, and end-use, a determination can be made as to whether an export license or other export authorization is required.

Any required authorization or licensing must be secured prior to the date that the product is scheduled to be shipped.



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5.4 Red Flags

Throughout the life of a transaction or relationship with any transaction partner, each operating division must monitor for any compliance red flags suggesting that the partner is likely to violate any applicable export or sanctions laws.

The following list of red flags provides examples of ways that transaction partners may attempt to evade export restrictions. This list should help employees detect the possibility of a violation. Note that this is not a complete list; any unusual situation or activity involving a transaction partner may be considered a red flag and must be further reviewed:

- Customer's name and/or address is like one of the parties found on any government list of unauthorized parties.
- Customer does not have a legitimate website.
- Customer or purchasing agent is reluctant to offer information about the end-use of the product being acquired.
- Product capabilities do not fit the buyer's line of business, such as an order for an expensive vehicle for a small bakery.
- Product ordered is incompatible with the technical level of the country to which it is being shipped, such as semiconductor manufacturing equipment being shipped to a country that has no electronics industry.
- Customer is willing to pay cash for a very expensive product when the terms of sale would normally call for financing.
- Customer appears to have little or no business background.
- Customer is unfamiliar with a product's performance characteristics but still wants the product.
- Routine installation, training, or maintenance services for the product are declined by the customer.
- Delivery dates are vague, or deliveries to unusual destinations are requested.
- A freight-forwarding firm is listed as the product's destination.
- The shipping route is abnormal for the product and destination.
- Packaging is inconsistent with the stated method of shipment or destination.
- When questioned, the buyer is evasive and especially unclear about whether the purchased product is for domestic use, for export or for re-export.



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If any of these or any other Red Flags are present in a transaction, the transaction shall be halted and further review must be done in order to satisfy any concerns that have been identified, and to ensure the transaction does not contravene this Policy or any applicable laws. Consider retaining external legal counsel as needed.

6 DEFINING AND ASSESSING THE THIRD PARTY

The Third Party screening process implemented by each operating division, which involves screening for export compliance as well as for anti-bribery and anti-corruption, should consist of the following three steps:

Step 1 – Screen Customer and End Users

The purpose of this Step 1 is to identify if the Third Party is sanctioned which would prohibit the transaction, or if it is a high-risk individual or organization, thereby requiring further action to manage financial, regulatory, and reputational risk.

This Step should be completed ***prior to entering into any agreement*** with a third party.

Screens and results achieved through the Screening Database should be refreshed at least every twelve (12) months.

Proposed transactions involving Iran, North Korea, Syria, or the Crimea Region of Ukraine require the review and approval of the Vice President, Legal and Global Compliance before proceeding.

Step 2 – Determine if any Licenses are Required

The purpose of this Step 2 is to ensure compliance with export laws including the requirement of any export licenses.

The process described in Step 2 is to determine whether export controls rules apply, and whether any licenses are required for shipment, and should be undertaken ***upon the commencement of the project***, and should be completed ***prior to the completion of the project***.

Consider:

- Do any of the goods contain more than (i) 25% US content by value, or (ii) 10% US content by value if destined for Cuba or Sudan?
- Is any other export license required for the sale to proceed following a review of the product, the destination, and its end use?

Step 3 – Review for Bribery and Corruption Risk

The purpose of this Step 3 is to protect against bribery and corruption.



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The review process described in Step 3 is to determine if the Third Party is a government or state-owned enterprise (SOE), and should be completed ***prior to entering into any agreement*** with a third party. This determination can be made through the Screening Database or, in some cases, through an internet search. If the Third Party is a SOE, the SOE Inquiry detailed in Annex A must be followed.

7 ENGAGING THIRD PARTY REPRESENTATIVES

From time to time, it is necessary to retain agents, including freight forwarders, customs brokers, and other representative to assist with various specialized aspects of an operating division's international business. In addition, although ATS generally cannot control the disposition of products once ownership and possession have been transferred, all each of the operating divisions must take measures, as needed, to protect against the resale or diversion of products to any unauthorized party or destination.

Before engaging any representative, each operating division will conduct an appropriate level of due diligence. In addition, to govern its relationship with Third Party representatives, each operating division will implement written agreements that include appropriate export and sanctions compliance provisions.

8 ROLE OF US PERSONS

There are certain transactions that are prohibited under US law that are not prohibited under Canadian law, the laws of the European Union and/or the laws of any other applicable jurisdiction. Thus, no US person who is an employee of ATS is permitted to have any involvement, whether direct or indirect, in any transaction involving a country, entity, or individual that is a prohibited party under US law. As needed, each operating division must implement specific processes to protect against US person/employee involvement in transactions in which US parties cannot participate.

9 TRAINING

All management personnel should have at least a working knowledge of the applicable export and sanctions laws. Employees regularly engaged in international business should have more detailed knowledge.

Each operating division should provide an introductory training on trade compliance as part of new employee orientation to employees with responsibilities involving international business. Certain employees may also be required to have additional training on compliance issues. Such employees will also be encouraged to attend seminars and conferences on compliance with export, sanctions, and other trade laws. Training may be offered in-house, by outside sponsors, and/or online. Each operating division must keep records of all training sessions with a list of attendees, training date(s), and topics covered.



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10 QUARTERLY CERTIFICATION

Each Operational Lead is required to ensure that employees within their segments are aware of, and compliant, with this Policy and these Operational Directions. This requires ongoing training and discussion about this Policy within their respective divisions with employees. As such, each Operational Lead and the Controller of each operating division or business segment, as the case may be, will be required to certify quarterly that he or she has met these responsibilities.

11 AUDITING AND MONITORING COMPLIANCE

Periodic audits may be conducted to ensure continuing compliance with this Policy and applicable law throughout ATS. Such audits will be coordinated by Internal Audit in conjunction with the ATS Legal Department and other ATS employees as appropriate.

12 RECORDKEEPING

To comply with applicable law and as a compliance best practice, each operating division will retain records for five years from the end of each export transaction. Records must be maintained in legible format and be able to be made available to the government if copies of the records are requested.



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ANNEX A to Operational Directions

Procedure for Review of Transactions with Customers that are Government Entities or State-Owned Entities

When conducting business with government or state-owned entities (“SOEs”), it is important to recognize potential corruption compliance risk. Under applicable law, any official or employee of an SOE is considered a Public Official. An improper payment to a Public Official in order to obtain or retain business or any unfair advantage is a violation of applicable anti-corruption law, and can lead to severe penalties for the Company. This includes an improper payment made or offered by a Third Party, such as a distributor or agent, acting on behalf of the Company.

To identify potential risks related to SOEs, ATS is implementing a specific process to review all SOEs that are customers of the Company. The level of review will differ depending on the level of risk the SOE presents based on the country in which it is based or operating.

Note that “customers of the Company” can include distributors, resellers, or end-users, that transact directly with ATS. If ATS’ customer is a distributor or a reseller, and is an SOE, and that SOE (distributor or reseller) operates legally and practically at arm’s length from ATS, then the review of the SOE referred to below refers to a review of the distributor or reseller, not the end-user. If ATS’ direct customer is the end-user, and is an SOE, then the following review will relate to the end-user.

The process for reviewing customers of ATS that are SOEs is outlined below:

Step 1: Determine whether the government entity or SOE has already been reviewed in accordance with this Procedure within the last twelve (12) months. If so, there is no need to take any further steps; if review has not been completed within the last twelve (12) months, proceed to Step 2.

Step 2: Assess the risk level of the SOE based on the country in which it is based or operating. In accordance with the Transparency International Corruption Perceptions Index, each country with which the Company conducts business is designated as low risk, medium risk, or high risk.

Step 3: Based on whether the country is considered to be low, medium, or high risk, the following process should be followed:

Low-Risk Countries. Conduct a Screening Database review of the SOE. If the Screening Database review identifies potential compliance issues, restrictions or prohibitions relating to the SOE (e.g., the SOE is implicated in a corruption investigation or has been disqualified by the World Bank or a national government), these issues must be resolved before proceeding with the transaction. If no issues are raised



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by the Screening Database review, prepare a memorandum to file documenting the review and attaching the Screening Database results, and then proceed with the next steps in the transaction.

Medium-Risk and High-Risk Countries. Conduct a Screening Database review of the SOE. If the Screening Database review identifies compliance issues, restrictions, or prohibitions on conducting business with the SOE, these issues must be resolved before proceeding with the transaction.

If the Screening Database review does not identify restrictions or prohibitions on conducting business with the SOE, proceed to review the following:

- The product(s) ordered, the price, and whether there is any special pricing or discount involved;
- A history of transactions involving the SOE, if any;
- How the account originated, e.g., through an agent, through a direct approach by the customer, etc.
- If the account originated through an agent:
 - How long has the operating division had a relationship with the agent?
 - Has the operating division ever had any actual or possible compliance issue involving the agent?
 - How did the agent become involved in the transaction originally?
 - A review of the written agreement, if any, between the agent and the operating division should be conducted.
- The payment structure of the agent, including whether the agent is paid a fixed fee, on a commission basis, or other.

If anything unusual or potentially problematic is identified (e.g., the products are not consistent with the type of business the SOE is in or previous transactions if any, unusually low pricing, the agent has no experience with the products or the sector involved), these issues must be resolved before proceeding with the transaction. If no issues are raised by the review, prepare a memorandum to file documenting the review, and then proceed with the next steps in the transaction.

Where issues arise that must be resolved before proceeding, consider consulting external legal counsel for advice.

Regardless of the screening results, proposed transactions involving Iran, North Korea, Syria, or the Crimea Region of Ukraine require the review and approval of the Vice President, Legal and Global Compliance before proceeding.