

EMCOR GROUP, INC.

# Economic Sanctions & Export Control Policy

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EMCOR Group, Inc. (“EMCOR” or the “Company”) is committed to conducting business with integrity and in compliance with all applicable economic sanctions and export control laws. This Economic Sanctions and Export Control Policy (this “Policy”) provides the framework for this commitment. This Policy applies to all our operations and to all Employees worldwide, as well as to all third parties when acting on our behalf.<sup>1</sup>

## I. ECONOMIC SANCTIONS POLICY

Employees (and third parties when acting on our behalf) are required to adhere to all applicable economic sanctions, including the sanctions administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”). Economic sanctions are financial, trade, and travel-related restrictions targeting individuals, entities, or countries (“Sanctioned Parties”). Countries may be subject to comprehensive sanctions (each, an “Embargoed Country”) or non-comprehensive sanctions (each, a “Restricted Country”).

Embargoed Countries <sup>2</sup>	Restricted Countries <sup>2</sup>
Cuba	Russia <sup>3</sup>
Iran	Ukraine (other regions)
North Korea	Venezuela <sup>4</sup>
Syria	
Ukraine (Crimea region, Donetsk People’s Republic, Luhansk People’s Republic)	

Employees (and third parties when acting on our behalf) are prohibited from engaging in transactions with any Sanctioned Party unless the transaction is preapproved in writing by the Company’s General Counsel. Employees also are prohibited from “facilitating” (i.e., assisting, supporting, or approving) activities by third parties that involve Sanctioned Parties. Examples of prohibited facilitation include, without limitation:

- Approving, financing, or providing transportation or insurance for transactions involving Sanctioned Parties;
- Filling orders through a third party for Sanctioned Parties; and
- Referring business requests from Sanctioned Parties to third parties.

<sup>1</sup> See **Appendix A** for a list of defined terms used throughout this Policy.

<sup>2</sup> This list is subject to change. The current list of sanctions programs administered by OFAC—including those implementing comprehensive or non-comprehensive sanctions, as well as programs targeting specified entities and individuals—is available online at <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>. If an Employee has any questions about the scope of a sanctions program, they should contact the Company’s General Counsel.

<sup>3</sup> Russia is subject to wide-ranging sanctions that prohibit, among other things: (1) new investments in Russia; (2) a wide range of exports to Russia; and (3) dealings with a wide range of Russian counterparties, including most major Russian financial institutions. As such, all dealings with Russia should be subject to careful review.

<sup>4</sup> Venezuela is subject to a partial embargo. Although Venezuela is not subject to country-wide restrictions, virtually all dealings (unless otherwise authorized) involving the Government of Venezuela are prohibited.

Employees should never assume that they may engage in a transaction with a Sanctioned Party (including an Embargoed Country or a Restricted Country). Instead, any inquiries concerning such a transaction should be directed to the Company's General Counsel.

#### A. Embargoed and Restricted Country Screening

Employees must contact the Company's General Counsel before proceeding with a transaction if:

- A shipment starts from, ends in, or passes through an Embargoed Country or Restricted Country;
- A transaction or shipment involves any individual ordinarily resident in, entity located or organized in, or Government Entity of an Embargoed Country or Restricted Country; or
- A counterparty refuses to provide its location, country of organization, or the country of origin or ultimate destination of goods.

#### B. Restricted Party Screening

Restricted Party Screening is the process of confirming that an individual or entity is not the target of restrictive measures imposed by governments or international organizations. Targeted individuals or entities are included on "Restricted Party Lists." Parties to be screened include, but are not limited to, distributors, vendors, customers, end users, shipping companies, freight forwarders, agents, intermediate consignees and banks. Screening can be conducted using automated screening software, or manually online.<sup>5</sup>

An Operating Company's Accounting Department must perform Restricted Party Screening of all known parties prior to entering into international business arrangements or transactions.<sup>6</sup> If Restricted Party Screening reveals a potential match against a Restricted Party List, the Operating Company's Chief Financial Officer should transmit a record of the result, including all listed references, to the Company's General Counsel, who will review the potential match and make a decision with respect to the alert message. The Operating Company should retain all records, whether in hard copy or electronic form, indicating a potential match against a Restricted Party List for a period of five years.

#### C. Blocking and Reporting

U.S. persons are required to "block" any property in their possession that a Sanctioned Party holds a present, future, or contingent interest in. Parties with such property in their possession are required to freeze that property—either by placing funds in a separate, interest-bearing account or securing physical property in a particular location—and submit a report to OFAC within ten (10) business days. In addition, U.S. persons must submit annually a report of all blocked property in their possession.

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<sup>5</sup> For example, screening can be conducted manually using the Consolidated Screening List, available online at <https://www.export.gov/csl-search>.

<sup>6</sup> "International" transactions include any transaction where a third party is located, or will provide or receive goods or services to or from the Company or an Operating Company, outside of the United States. No screening is required for U.S.-based parties involved in a transaction occurring entirely within the United States (e.g., U.S.-based suppliers, where owners and principal operations are based in the United States, providing goods or services to the Company or an Operating Company in the United States). If it is unclear whether this exception applies, the Operating Company's Accounting Department should conduct Restricted Party Screening.

If any Employee becomes aware that an Operating Company holds any blocked property, including any property of an entity on a Restricted Party List, he or she should immediately notify the Company's General Counsel, who will determine what blocking and reporting obligations may exist. No Employee should sell, transfer, release, or otherwise dispose of any blocked property without the approval of the Company's General Counsel.

## II. EXPORT CONTROL POLICY

To comply with U.S. export control laws,<sup>7</sup> an Operating Company must ensure that no exports of controlled items occur without the proper authorization. An Operating Company must also ensure that all exports are cleared in accordance with applicable U.S. law. Finally, an Operating Company must also ensure that it does not inadvertently transfer controlled technical data or information to foreign persons without the requisite license.

### A. Product Classification and Licensing

An Operating Company must determine the proper classification and licensing requirements for products and technical data relating to products that it exports. This requires the Operating Company to determine the following:

- The relevant export controls (if any) that apply to the export of the Operating Company's goods, services, or technology;
- The intended country and end-users of the Operating Company's goods, services or technology; and
- What licenses or other authorizations may be needed to properly transfer items to the intended country or person.

An Operating Company may not be responsible for seeking and obtaining export licenses if that responsibility is borne by another contractual counterparty, but Operating Companies should be apprised of licensing requirements applicable to their products. For example, an Operating Company may not be responsible for seeking and obtaining export licenses if their product is first delivered to a customer or distributor within the U.S. (*e.g.*, EXW Incoterms<sup>8</sup>), and the customer or distributor is contractually responsible for seeking and obtaining any export licenses.

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<sup>7</sup>The primary set of U.S. export control laws relevant to EMCOR's business is the Export Administration Regulations ("EAR") administered by the U.S. Department of Commerce. The International Traffic in Arms Regulations ("ITAR"), administered by the U.S. Department of State, apply to defense articles and defense services, and are unlikely to be relevant to Operating Companies.

<sup>8</sup>This is an international trade term where the buyer of goods, rather than the seller, is obligated for loading and transport. The seller's responsibility ends when the buyer loads the good for transport.

## B. Controlling the Release of Technology Outside the United States and to Foreign Nationals in the United States

Under U.S. export control laws, the release or disclosure of controlled U.S. technology or technical data to a foreign national is considered to be an export of such technology to the country of citizenship of the foreign national (a “Deemed Export”). “Foreign Persons” are generally defined as anyone that is not a U.S. citizen, U.S. permanent resident (*i.e.*, green card holder), or protected individual (*e.g.*, asylum seeker).

There are many situations in which an Operating Company might be in a position to transfer controlled technical data or hardware to “Foreign Persons,” including:

- Foreign customer site visits to any of the Company’s facilities;
- Employment of foreign nationals;
- Sharing research results with a sponsor;
- Uploading technical data to a shared drive or the cloud;
- Transfers of information to foreign persons in the Company’s non-U.S. offices;
- Interaction with local consultants in foreign countries;
- During procurement, and follow-up maintenance, with foreign vendors; and
- Discussions with foreign regulatory bodies and their personnel.

The Operating Company must ensure that it does not release or disclose controlled U.S. technology to (1) foreign national personnel; or (2) foreign national visitors to Company sites. An assessment of whether any products are controlled is a necessary prerequisite to assessing whether the disclosure of U.S. technology could be a Deemed Export, as technology will only be controlled under the EAR if the underlying item is also controlled.

If any questions or concerns arise regarding export control, Employees are expected to seek guidance from their managers, segment General Counsel, or the Company’s General Counsel.

## C. Red Flags

Regulators expect exporters to identify and investigate “red flags” suggesting that a proposed export transaction may violate export control laws. An Operating Company and its Employees must accordingly carry out a reasonable level of due diligence on customers to ensure that all applicable export control laws are complied with. Employees must therefore be mindful of red flags, and contact the designated employee with export responsibility before proceeding with a transaction if:

- Delivery dates are vague, or deliveries are planned for out of the way destinations;
- A freight forwarding firm or P.O. Box is listed as the item’s final destination;
- The shipping route is abnormal for the item and destination;
- Packaging is inconsistent with the stated method of shipment or destination;
- Customer is reluctant to provide sufficient explanation of the end use of the item or provides evasive responses to routine commercial or technical questions;
- Customer’s reason for needing the item is unusual in view of its usual business or technological sophistication;

- Customer requests unusual and/or excessive confidentiality regarding final destination or details of the items;
- There is reason to believe dual-use goods are intended to be used for military purposes; or
- Any other aspect of the transaction appears unusual or suspicious.

These considerations should be assessed even in cases where the Operating Company does not serve as the U.S. Principal Party in Interest (also known as the exporter of record).

#### D. Recordkeeping

All documents related to all export transactions—including bills of lading, commercial invoices, purchase orders, letters of instructions, contracts, government agency notifications, licenses, and license applications—must be retained, whether in hard copy or electronic form, for a minimum of five years from the date of export (or reexport). In addition, all documents related to due diligence of export customers must be retained for a minimum of five years from the conclusion of the business relationship with that customer.

### III. REPORTING AND ENFORCEMENT

#### A. Reporting a Concern

All Employees and third parties acting on our behalf have a duty to report potential, suspected, and actual violations of law or any EMCOR policy. Reports may be made anonymously, and the Company will strive to maintain the confidentiality of such information (however, the Company retains the right to disclose such information to third parties, including Government Entities). Reports may be addressed to your manager, your segment General Counsel, the Company's General Counsel or the Company's Ethics Hotline at (888) 711-3648. Employees may also submit reports in writing via e-mail to the Company's General Counsel.

No Employee will be subject to reprisal for reporting information about potential compliance issues in good faith. Any retaliation for reporting suspected misconduct or participating in an investigation should be immediately reported to the Company's General Counsel.

#### B. Enforcement

Employees who violate this Policy may be subject to disciplinary action up to and including termination of employment. If an Employee's conduct violates applicable economic sanctions, he or she may be subject to referral for prosecution. Violations of this Policy by third parties will be considered grounds for termination of the relationship and may result in referral for prosecution.

### IV. RESOURCES

This Policy does not—and could not—address every possible issue that may arise concerning compliance with economic sanctions and export laws. If any questions or concerns arise regarding this Policy or its application to a specific situation, Employees are expected to seek guidance from their managers, segment General Counsel, or the Company's General Counsel.

## APPENDIX A – DEFINITIONS

<b>Deemed Export</b>	The release of controlled technology to a foreign national.
<b>Embargoed Country</b>	A country or territory that is targeted by comprehensive ( <i>i.e.</i> , country-wide or territory-wide) economic sanctions.
<b>Employee</b>	Any director, officer, contractor, or temporary or permanent employee of the Company or an Operating Company, as well as any other person designated by the Company's General Counsel.
<b>Export Administration Regulations</b>	The primary U.S. export control regulations, the EAR regulate the export, re-export, transfer, or release of items and technology to non-U.S. jurisdictions and non-U.S. nationals.
<b>Government Entity</b>	Any national, federal, state or local, whether domestic or foreign, government, governmental entity, quasi-governmental entity, court, tribunal or any governmental bureau, or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing.
<b>Operating Company</b>	Any direct or indirect subsidiary of EMCOR.
<b>Restricted Country</b>	A country or territory that is targeted by non-comprehensive economic sanctions.
<b>Restricted Party List</b>	A list of individuals and entities subject to restrictive measures imposed by Government Entities or international organizations including, without limitation, (1) the Specially Designated Nationals List, the Foreign Sanctions Evaders List, and the Sectoral Sanctions Identifications List, all administered by OFAC within the U.S. Department of the Treasury; and (2) the U.S. Denied Persons List, the U.S. Entity List, and the U.S. Unverified List, all administered by the U.S. Department of Commerce.
<b>Restricted Party Screening</b>	The process of confirming that an individual or entity is not the target of restrictive measures imposed by Government Entities or international organizations.
<b>Sanctioned Party</b>	An individual, entity, country, or geographic region that is the target of restrictive measures imposed by a Government Entity or international organization.

Updated: October 7, 2022