



GLOBAL TRADE SANCTIONS AND EXPORT CONTROLS POLICY

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1 INTRODUCTION

Boart Longyear (the “**Company**”) is an Australian public company, having its headquarters in the United States and operations all across the Americas, Europe, Africa, Middle East and Asia-Pacific. Because we operate globally, there are a number of very important restrictions on where we can operate and, with whom we can conduct business that we need to follow. The purpose of this Global Trade Sanctions and Export Controls Policy (the “**Policy**”) is to ensure that all international business transactions of Boart Longyear are made in compliance with applicable trade compliance regulations.

The regulations that we must follow include international trade sanctions, export controls and anti-boycott regulations that are enforced by the Australian Department of Foreign Affairs and Trade, the U.S. Department of the Treasury’s Office of Foreign Assets Control, the U.S. Department of Commerce’s Bureau of Industry Security, the European Union and the United Nations (“**UN**”), among others.

Failure to comply with the requirements and restrictions of the various regulatory programs summarized in this Policy can expose both the Company and individual employees to severe sanctions, including: (i) criminal and civil fines; (ii) imprisonment for individual violators; and (iii) restrictions on the ability of the company to engage in international business transactions.

Accordingly, under no circumstances may any international business transaction be conducted in a manner contrary to this Policy.

This Policy applies to all Boart Longyear:

- business units (including subsidiaries and affiliates) (“**BUs**”);
- employees (“**Employees**”), regardless of where they are located; and
- third party distributors, resellers, and agents (“**Third Parties**”) operating on its behalf.

Compliance with this Policy is a condition of continued employment with Boart Longyear. Any failure to comply with this Policy may result in disciplinary action, which may include termination of employment.

2 INTERNATIONAL TRADE SANCTIONS

International trade sanctions are structured to prohibit certain commercial transactions. They can either be a blanket prohibition against any business in a given country (also referred to as a trade embargo), or can be more narrowly directed against certain individuals or

business sectors within specific countries. Accordingly, trade sanctions can be considered in three general categories: prohibited countries, restricted countries and sectoral sanctions. The requirements for each category are explained below.

2.1 Prohibited Countries

Boart Longyear prohibits any transaction with any company, entity or resident based in or organized under the laws of any of the following countries:

- Cuba
- Iran
- North Korea
- Sudan
- Syria
- Crimea region of Ukraine/Russia

Boart Longyear utilizes a number of internal procedural and financial controls to help ensure our compliance with these prohibitions. However, every Employee involved with international transactions has the obligation to monitor for potentially prohibited transactions and “speak up” and immediately contact the Legal Department if they become aware of a transaction they believe may violate these restrictions.

2.2 Restricted Countries and Restricted Parties

The following countries are considered “Restricted Countries”:

Afghanistan	Liberia
Belarus	Libya
Central African Republic	Myanmar (Burma)
Cote d’Ivoire	Russia
Democratic Republic of the Congo	Somalia
Egypt	South Sudan
Eritrea	Tunisia
Guinea	Ukraine
Guinea-Bissau	Venezuela
Iraq	Yemen
Lebanon	Zimbabwe

These countries are subject to sanctions primarily targeting individuals or entities that are defined as “Restricted Parties” or “Specially Designated Nationals” (“**SDNs**”). In other words, while we can conduct business in a Restricted Country, we cannot do so if it would entail doing business with a Restricted Party or SDN.

Restricted Parties or SDNs involve the following categories:

- individuals or entities associated with restrictive regimes or undermining democracy, or;
- terrorists, narcotics traffickers, proliferators of weapons of mass destruction, transnational criminal organizations, and foreign sanctions evaders wherever located.

Because of the very large number of Restricted Parties or SDNs and the fact that various law enforcement agencies around the world update and revise their lists continually, Boart Longyear relies on an automated screening tool to check all customers, vendors and employees on a daily basis. This provides a “first line of defense” against engaging in prohibited transactions. If a transaction entered in Oracle is flagged by the system, the Legal Department will impose a “Legal Hold” within Oracle to prevent any further processing of the transaction.

It is imperative that you or others do not attempt to work around or ignore a Legal Hold if you receive or see such a notification on a transaction. Sometimes a Legal Hold can be cleared by the Legal Department through further investigation. However, if the transaction is confirmed as suspect, it will be permanently blocked. Again, in such instances, it is imperative that you strictly adhere to the instructions you receive from the Legal Department.

Although the automatic screening system is designed to be robust, the risk related to conducting business in Restricted Countries is significant enough that we cannot rely on a system alone. Accordingly, before conducting any business in a Restricted Country, every BU, Employee or Third Party involved in such transactions must ensure that the “Know Your Customer” process described in Section 4, 4.1below, is followed.

A “Know Your Customer” due diligence process is a best practice, generally. Importantly, it also is required before transacting any business in a Restricted Country. As described below, if you encounter any “Red Flag”, such as the ones listed in Section 4.2, below, in the process of the due diligence, you must stop and ask for further guidance from the Legal Department before proceeding.

2.3 Sectoral Sanctions (Russia)

As a consequence of the political and military crisis in Crimea and Eastern Ukraine a category of trade sanctions, called Sectoral Sanctions, has been defined and implemented against Russia. The Sectoral Sanctions specifically target the financial, oil and gas, and defense sectors. These sanctions are broader than any other sanctions programs targeting restricted countries and are subject to frequent changes.

As a consequence, Boart Longyear has adopted the following specific procedure with respect to every sale into Russia:

- i. You must confirm that all goods shipped to Russia are not subject to any specific export license requirements;
- ii. You must follow the “Know Your Customer” due diligence process outlined in Section 4 and ensure that the customer’s activities and projects do not involve any targeted activities specified in the sanctions;
- iii. You must document your due diligence process and maintain a record of it in your files;
- iv. You are required to obtain an “End-User Certificate” as provided under Annex A from the intended customer that clearly states that:
 - a. The customer it is not involved in any targeted activities;

- b. It is purchasing the goods for its own purposes and;
- c. The goods will not be transferred or assigned over to any affiliates or third party involved in such prohibited sectors in any capacity.

No sales or transactions in Russia are permitted without following this procedure and obtaining the End User Certificate.

3 EXPORT CONTROLS AND PROHIBITED USES

Many governments maintain controls on the export of items (e.g., goods, software, technology, etc.) or information (e.g., designs, specifications, etc.) from their jurisdictions that constitute defense/military articles (essentially, items that are specially designed or modified for military use) or that are “dual-use” (i.e., having both civilian and military applications). Export controls and licensing requirements may apply depending on the characteristics and specifications of a particular product.

Export controls also exist with respect to the sale of items that are intended for certain sensitive end-uses such as:

- Military
- Nuclear weapons projects
- Missile projects
- Chemical/Biological weapons projects
- Ballistic weapons

Pursuant to these regulations, no Boart Longyear BUs, Employees or Third Parties shall export or permit re-export of products or services where there is reason to believe the product or the service will be used for any of these purposes.

Specific attention must be paid to U.S. export controls regulations that are extra-territorial, meaning that they also control re-exports and transfers (in-country) of controlled items subject to U.S. jurisdiction. Items subject to U.S. jurisdiction include items manufactured in or exported from the United States and foreign-made items incorporating certain *de minimis* levels of U.S. content. Exports, re-exports, or transfers of items subject to U.S. jurisdiction (even wholly outside the United States) may require specific authorization from the U.S. Government or be entirely prohibited, depending on the items, their end-uses, and end destinations.

While Boart Longyear does not manufacture or sell items for military use, there is always a risk that our products might be used on prohibited military sites or projects. For example, our products might be used in the course of construction of a hardened, underground bunker by a military regime. The best defense against this type of risk is to adopt and follow a consistent “Know Your Customer” process (as described in Section 4). Never ignore any Red Flags that you may encounter that would cause you to be concerned that our products may either be used by military authorities or on military sites. When in doubt, “Stop” and seek further guidance from the Legal Department.

4 “KNOW YOUR CUSTOMER”

“Know Your Customer” is a short-hand way of describing a basic standard of due diligence that should be exercised when we conduct business internationally. Whether you realize it or not, you are likely engaged in due diligence related to our customers already. Whenever you enquire as to creditworthiness, payment or delivery terms, bank details, or meet with customers, you are getting to “Know Your Customer.” You should rightly consider this as a best practice for business reasons, but it also serves a critical compliance function.

The application of this process involves, at a minimum, the three-step process defined below:

4.1 Due Diligence

Customer and supplier (defined as “Counterparty” under this Section) due diligence begins with the Oracle set-up procedure. In order to create a new Counterparty in Oracle you must provide the following information as a minimum standard:

- Counterparty name;
- Registered address and telephone number;
- Tax identification number;
- Registration Certificate providing the registry number;
- Main business activity; and
- Bank details.

Some circumstances, such as the end destination of the products, the Counterparty’s business activity or its country of registration may require you to “dig further” to be fully comfortable with the transaction contemplated. The more significant the transaction is, the more due diligence should be conducted. Such an “enhanced due diligence” will result in obtaining as much of the following information as is reasonably available regarding a potential Counterparty:

- Whether the owners or officers of the company are government officials or have close relatives who are government officials;
- Brochures and available public reports;
- Bylaws and articles of association;
- Curriculum vitae of key personnel, individual shareholders, directors and officers of the company.

This process must be thoroughly documented and recorded in the Oracle database.

4.2 Red Flags

In the process of conducting the “Know Your Customer” due diligence, you may discover or be confronted with some of the following facts or scenarios. If so, you should consider them as “Red Flags” which alert you to the fact that you either need more information or that you should refrain from proceeding with the transaction. These Red Flags include:

- The customer was previously entirely unknown to you or your contacts in the industry;
- The customer or purchasing agent is reluctant to offer information about the end-use of an item or its intended destination;
- The capabilities or potential uses of the product being sold do not fit the buyer’s line of business (e.g., such as an order for ground monitoring equipment received from a bakery);
- The customer is willing to pay cash for a very expensive item;
- The delivery destination is unrelated to either the customer or its purchasing agent;
- The customer has little or no business background;
- The customer is unfamiliar with the products performance or characteristics but still wants the product;
- Routine installation, training, or maintenance services are declined by the customer;
- A freight forwarding firm is listed as the product’s final destination; and
- The shipping route is abnormal for the product or its destination.

Do not ever ignore such issues. Encountering any Red Flag triggers an obligation for you to do more. You must raise these concerns with your manager and the Legal Department before proceeding with such a transaction.

4.3 End User Certificate

As discussed in Section 2.2 and 2.3, an “End User Certificate” may be required to conduct business in such circumstances. In other circumstances, it is a best practice for certain international transactions. An End User Certificate is a document that is completed by the purchaser that attests to several key categories of information. First, it confirms both the final (or end) user of the product (who is often different from the purchaser). Second, it confirms where the product will be used (which country) and also attests to the fact that the product is not intended to be trans-shipped to some alternative destination.

Every End User Certificate is required to be uploaded to Oracle in order to retain a proper record the information it contains. Contact your local Customer Services Representative if you are unsure of the procedure for doing so.

In addition, when the name and address of the end-user differ from the purchaser’s, you must provide this information to the trade.compliance@boartlongyear.com global address. This provides us the ability to run the name and address of the actual end user through the Restricted Parties and SDNs database.

A standard End User Certificate is provided under Annex A to this Policy.

Note: If, when asked, a customer or purchasing agent is reluctant or refuses to sign an End-User Certificate, this fact alone should be consider a serious Red Flag and should be immediately reported to the Legal Department.

5 ANTI-BOYCOTT REGULATIONS

No employee of Boart Longyear or its BUs, or Third Parties involved in a transaction to which Boart Longyear is a party, is permitted to agree, as a condition of doing business , to participate in or cooperate with any boycott of Israel, **even if the transaction in question does not involve any United States products or services, and even if there is no other connection between the transaction and the United States.** This includes agreeing to refuse to do business with an Israeli national, furnishing information about a person’s race, religion, national origin or relationship with Israel and agreeing to refrain from hiring or doing business with persons because of their race, religion or national origin.

In addition, no employees of Boart Longyear or its BUs are permitted to furnish information about Boart Longyear’s business dealings with Israel in reference to a boycott-related request or requirement for that information.

In order to ensure compliance with this Policy, the following points require special emphasis and attention:

- Requests and requirements for boycott-related actions and boycott-related information may be encountered in a wide variety of commercial documents, including requests for proposal, tender documents, purchase orders, sales contracts and letters of credit. Commercial documents, especially those involving the sale of goods and services to customers in Bahrain, Iraq, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, the United Arab Emirates and the Republic of Yemen must be carefully scrutinized to assure that they do not contain any impermissible boycott requests or requirements. Special attention should be given to any provisions that refer to "Israel boycott" or "blacklisted entities."
- Requests for boycott-related actions and requests to furnish boycott-related information may be encountered in commercial documents for transactions with non-Arab countries (e.g., Pakistan, Bangladesh, Malaysia and Indonesia). Compliance with boycott-related requests from customers in those countries are similarly prohibited under this Policy.
- Sometimes the boycott-related requirements are incorporated into a document by reference to a law, decree or general rules governing solicitation. It is important that you do not accept such boycott requirements.

Any employee of Boart Longyear or its BUs, or Third Parties involved in a transaction to which Boart Longyear is a party, who receives a request for information, directive or requirement that has to do with a boycott of Israel must retain the documents related to the request and immediately report it to the Legal Department. This requirement includes oral or written requests and also includes those requests to which you do not respond or which you decline.

6 REVISION HISTORY

Revision	Date	Comments
001	August 11, 2010	Corrected formatting
002	December 1, 2015	Rename policy and update to reflect current international trade rules and regulations
003	February 14, 2017	Removed the words "and/or without obtaining requisite re-export licenses." From the end user certificate.

Please note that this Policy may be subject to frequent changes, so it is important to regularly refer to the most current version available at Boart Longyear internal website: <http://underground/policies/home/pages/default.aspx>

ANNEX A: END-USER CERTIFICATE

Global Trade Compliance and Export Controls Laws require that Boart Longyear obtains the following information. Please respond to the questions below and fax or email this document to us at your earliest convenience. Please type the information, as written text is not acceptable.

Name:	
Address:	
PO#:	
Purchaser Capacity: <i>Tick where applicable</i>	
Distributor	
Agent	
Reseller	
Customer	

1. Who is the "End User" of the products? Please provide the name and address, and contact name if different from the Purchaser.
2. What is the End User's primary business activity?
3. Please indicate the intended use of the Products.
4. Please confirm the country of destination of the Products.
5. Please indicate if there will be any intermediate consignees and their names and address.

We the undersigned, certify that all the facts contained in this statement are true and correct to the best of our knowledge.

We will not divert, transship, or re-export the above mentioned products in contravention to global trade sanction and export controls regulations (forbidden countries: Cuba, Iran, North Korea, Sudan, Syria, Crimea region of Ukraine/Russia).

If the products are sold to the Russian market:

We further certify that we are not involved in any activities targeted by the sectoral sanctions applicable in Russia. The products are purchased for our own purpose and will not be transferred or assigned over to any affiliates or third party involved in such prohibited sectors, in any capacity.

Name of Authorized Representative

Date

Signature of Authorized Representative