

HSBC Sanctions Policy Statement

HSBC Trinkaus & Burkhardt AG ("HSBC Germany") as a financial institution located in Germany has to comply with the sanctions laws and regulations implemented by the United Nations, the European Union and the Federal Republic of Germany.

As part of the HSBC Group ("HSBC"), HSBC Germany is also obliged to comply with the HSBC Sanctions Policy, an internal policy that is binding for all HSBC entities worldwide. As a group wide program, the HSBC Global Sanctions Policy is based on sanctions measures imposed by the relevant authorities of the jurisdictions in which HSBC operates.

Within the legal framework, the HSBC Global Sanctions Policy defines the risk appetite of HSBC for conducting certain client relationships and for the products and services offered to these clients considering their business activities with sanctioned countries.

HSBC's Global Sanctions Policy sets minimum standards which all HSBC Group entities must adhere to, including:

- Screening of customers and transactions against applicable sanctions lists;
- Prohibiting business activity or transactions that may violate applicable sanctions laws or considered as being outside HSBC's risk appetite (This includes engaging with individuals or entities named on a sanctions list or activity, directly or indirectly, involving countries or territories subject to comprehensive sanctions; as of February 2021, these countries and territories include **Iran, Syria, North Korea and the Crimea Region**);
- Restricting certain business activity involving, directly or indirectly, countries or persons that are subject to selective or targeted sanctions programs. These restrictions impact not only the types of products or services that HSBC may make available, but also the types of transactions HSBC may process (As of February 2021, the selective country programs may prohibit certain transactions and services relating to **Belarus, Zimbabwe, Sudan, Venezuela and Russia**);
- Investigating all customer name alerts or transactions that are stopped by HSBC's screening systems; while HSBC seeks to investigate these alerts and transactions within a reasonable timeframe, compliance with applicable sanctions laws or HSBC's Global Sanctions Policy may result in delays to the processing of customer transactions while additional due diligence is conducted and information is obtained on the nature of the underlying transaction or the parties involved;
- Blocking or rejecting transactions where HSBC is required to do so under applicable sanctions laws or regulations or HSBC's Global Sanctions Policy; transactions may also be returned by HSBC where they fall outside HSBC's risk appetite;
- Reporting breaches of sanctions laws to the relevant regulatory authority; this may include any attempt by a customer to evade sanctions laws.

HSBC Germany may agree to process certain transactions, at its sole discretion, such as those which relate to humanitarian aid or which are otherwise permitted by local regulations (e.g. transactions that are covered by a license from an appropriate authority). These transactions will be considered on a case-by-case basis.