BNP Paribas ("BNP" or "the Bank") is a French multinational financial services company headquartered in Paris, France. The Bank is supervised on a consolidated basis by the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank. BNP, including its branches and subsidiaries in France and abroad ("BNP Group") is committed to economic sanctions compliance, the prevention of money laundering and corruption, tax evasion and the fight against terrorist financing.¹

As part of these efforts, BNP Group has adopted and maintains a risk-based compliance program (the "Financial Security Program") reasonably designed to ensure conformity with applicable anti-money laundering, anti-corruption, counter-terrorist financing, and Sanctions² laws and regulations in the territories in which BNP Group operates. Significant resources and personnel are dedicated to this end, within an integrated Compliance Function.

The Financial Security Program consists of policies, procedures, training and controls (including independent testing) which are informed by international best practices.

As part of the Financial Security Program, the Bank has established standards in anti-money laundering, compliance with Sanctions, anti-corruption and counter-terrorist financing including:

- A Know Your Customer program designed to identify, update and confirm the identity of its customers, including, where applicable, their respective beneficial owners³ and proxy holders;
- Enhanced due diligence for high-risk clients, politically exposed persons, or situations of increased risk;

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¹ BNP Group is: (i) a "shell bank" (ii) the target of Sanctions, or (iii) targeted under Section 311 of the USA PATRIOT Act. A "shell bank" means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision. Section 311 of the USA PATRIOT Act refers to the individuals or entities listed pursuant to Section 313 of the USA Patriot Act (http://www.fincen.gov/statutes_regs/patriot/sec313.html) as well as entities beneficially owned or controlled by such persons.

² Sanctions means any economic or trade sanctions, including embargoes, asset freezes, prohibitions, restrictions, embargoes, and asset freezing measures, that are enacted, administered, imposed, or enforced by the French Republic, the European Union, the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any other competent authority in territories where BNP Group is located, organized, or resident.

³ Beneficial owner refers to:
- the natural person(s) who ultimately (i.e. including through a chain of ownership) owns 25% or more of the shares or voting rights of a customer or controls a customer; and/or
- the natural person(s) on whose behalf a transaction or an activity is being conducted.
- Policies, procedures and controls reasonably designed to ensure that it does not establish or maintain relationships with Shell banks;
- A policy, based on the internal assessment of the risks and the economic situation, to generally not process or otherwise engage in activity for, on behalf of, or for the benefit of:
  - any individual, entity or organization targeted by French, European Union, United States authorities, United Nations or other applicable sanctions regimes (notably, any activity involving directly or indirectly, Crimea/Sevastopol, Cuba, Iran, North Korea, or Syria);
  - financial institutions or territories which could be connected to or controlled by terrorist organisations, recognized as such by the relevant authorities in France, the European Union, the U.S and the United Nations;
- Customer database screening, transaction filtering (prior to execution) reasonably designed to ensure compliance with applicable laws;
- Systems and processes to detect and report suspicious activity to the relevant regulatory body;
- A compliance program to prevent and detect bribery, corruption and influence peddling, implementing the best international standards and regulations (including the Sapin II Law, the U.S. FCPA and the UK Bribery Act).

Nathalie HARTMANN,
Head of Compliance

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- July 12, 2016
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