

Sanctions Compliance Policy

Hielscher Ultrasonics GmbH

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1. Purpose and Scope

Hielscher complies fully with international economic sanctions. This policy applies to all employees and, through contractual obligations, to distributors, agents, and other business partners. It governs dealings affected by:

- **UN Security Council** sanctions;
- **European Union** restrictive measures (directly applicable in Germany);
- **German** sanctions and export-control law (AWV/AWG), enforced by the Federal Office for Economic Affairs and Export Control (BAFA);
- **US sanctions (OFAC)**, relevant where US persons, US-dollar payments, or US-origin goods/technology are involved.

2. Basic Rules

1. **No dealings with sanctioned parties.** Do not sell to, buy from, pay, or otherwise deal with persons or entities on applicable sanctions lists (EU consolidated list, UN list, OFAC SDN list, German national list) or owned/controlled by them.
2. **No dealings with sanctioned destinations.** Do not deliver goods, services, software, or make payments to or for use in comprehensively embargoed territories (e.g. currently Crimea, Donetsk, Luhansk, and other restricted areas as listed), or where rules prohibit such dealings.
3. **No evasion.** Do not structure, route, or document transactions to avoid sanctions, and do not assist others in doing so (including re-export of goods supplied here into sanctioned destinations without authorisation).
4. **No circumvention via partners.** Distributors and agents must undertake not to resell to sanctioned parties or destinations; contractual clauses and, where reasonable, destination declarations are used.

3. Screening Process

- Customers, end users, suppliers, intermediaries, banks, and freight forwarders are screened against relevant sanctions lists at onboarding and regularly thereafter, and before each shipment or payment to higher-risk destinations.
- Screening covers name, address, country, bank details, and — where a listed end-use regime applies (e.g. military end use) — the declared end user and end use.
- Potential matches ("hits") block the transaction until clarified and documented; unresolved doubts are escalated to management, which may seek BAFA guidance or authorisation.

4. Asset Freezes and Reporting

If a counterparty is identified as sanctioned, funds and economic resources must be made unavailable to that party (asset freeze), existing contracts performed only to the extent lawful, and the case reported internally to

management. Management will assess statutory notification or licensing duties (EU/German reporting requirements, OFAC where applicable) and file as required.

5. Training and Review

Sales, purchasing, logistics, and finance staff receive periodic sanctions-awareness training. Violations may lead to disciplinary and legal consequences. This policy and the screening procedures are reviewed at least annually and upon significant changes to sanctions regimes (e.g. Russia/Belarus-related measures).

Approved by the Management of Hielscher Ultrasonics GmbH.