Sanctions Compliance Programme

Hungarian Export-Import Bank Plc. (hereinafter referred to as "Eximbank") is committed to complying with applicable international and domestic laws and regulations in all its business activities, products and services, and to maintain its reputation for honesty, integrity and the highest professional and ethical standards. To this end, Eximbank has created a compliance programme aimed at preserving trust in our company. This includes the fight against and prevention of money laundering and terrorist financing, financial sanctions violations, fraud and corruption, as well as the identification, detection and elimination of situations of conflict of interest.

Eximbank also has a specific compliance sanctions programme, which aims to ensure specific compliance with international and domestic laws, regulations and embargo provisions on applicable economic, financial and trade sanctions.

I. The basis of the Sanctions Compliance Programme

"**Economic sanctions**" is a general term that refers to the use or threat of coercive economic measures against states, international organisations or individuals. In recent years, the geopolitical situation has led to a constant and exponential increase in the importance/application of these coercive measures at international level (International Sanctions), which are changing dynamically.

International Sanctions can be classified into three main categories: (i) asset-freezing, blocking sanctions; (ii) sectoral sanctions (including export controls); and (iii) comprehensive international sanctions, i.e. embargoes, on a specific country or territory.

An **embargo** is usually a restrictive measure or sanction at international level, a trade restriction imposed on another country, based on political, social, environmental or even economic conflict. A ban in this trade area can affect both exports and imports. Two main types are identified: (i) financial embargoes (restrictions on financial transactions and financial resources) and (ii) trade embargoes (restrictions on imports and exports of specific goods or on trade with specific countries or parties).

The **United Nations**, the **European Union** and other international organisations and authorities have the power to impose restrictive measures (economic sanctions or embargoes) on countries, entities, bodies and individuals.

II. High-level commitment to comply with International Sanctions

Eximbank is accountable to the authorities for conducting its business in a lawful manner and therefore complies with the mandatory requirements of laws and regulations in the context of economic sanctions and embargoes, and may go beyond the law because of its social responsibility and ethical conduct in business.

Eximbank strictly complies with the sanctions imposed by the United Nations Security Council, the European Union and is committed to comply with the economic, financial and trade restrictive measures, sanctions and embargoes imposed, adopted and enforced by the competent authorities of the United States and the United Kingdom.[1] However, it is committed to complying with

[1] UN: https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list

International Sanctions imposed by other competent authorities in its financial operations and services and in its activities in individual cases.

Eximbank has set out in its internal policies and regulations its compliance with International Sanctions and minimum requirements in relation to them, and has established internal control systems for the screening of International Sanctions in its business.

All Eximbank employees, directors, senior management and persons acting on behalf of Eximbank are required to comply with all relevant and applicable laws and supervisory requirements. All Eximbank employees, directors and senior management shall receive information and training on compliance risks, including internal rules and expectations regarding International Sanctions, and their responsibilities in relation thereto.

III. Taking Responsibility for Compliance with International Sanctions

Eximbank does not provide funds or economic resources to countries, public bodies, other entities or persons on embargoed sanctions lists. In addition, it will not engage in any transaction that could in any way result in a violation of international sanctions rules and our internal regulations.

Eximbank may, in its sole discretion, refuse to provide any banking product or execute any transaction if it is prohibited by, or would result in circumvention of, applicable and applicable International Sanctions.

Eximbank's management is ultimately responsible and accountable for managing the risks and implementing the requirements related to International Sanctions within the Bank, while the ongoing monitoring and oversight of International Sanctions controls is the responsibility of the Compliance Director.

IV. Specific provisions for dual-use products

Dual-use items are goods, software and technologies that can be used for both civil and military purposes.

The **European Union** has introduced restrictions on the export, transit, brokering and technical assistance of dual-use items at EU regulation level[2] in order to contribute to international peace and security and to prevent the proliferation of weapons of mass destruction In addition, the EU and many other countries have introduced restrictions on the export of dual-use items, such as the US.

In principle, dual-use items can be freely traded within the EU, except for a few particularly sensitive items, for which even intra-EU transfers are subject to additional prior authorisation.

Eximbank is also committed to complying with the legal restrictions on dual-use items, ensuring compliance with the relevant EU export control regime and monitoring the EU list of dual-use items.

V. Information concerning our customers

Not only institutional but also individual criminal liability for violations of international sanctions is established in the relevant legislation. Depending on the sanction risks, Eximbank may, as part of its control processes, request additional information, documents and declarations from its clients on their transactions and counterparties for each transaction.

EU: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions_en#guidance
USA (OFAC): https://home.treasury.gov/
[2] 2021/821/EU Regulation

In the sanctioning regulatory environment, it is possible that certain legal entities are not explicitly included in the sanction lists, but due to their ownership or control structure they are still considered sanctioned entities, and therefore the execution of transactions related to them is sanctioned, and Eximbank cannot provide financial services to these entities, but will provide information on this matter.

However, please be aware that all banks and credit institutions, including correspondent banks, have the right to suspend any transaction that may be sanctioned under their own established control processes and monitoring systems. In such cases, Eximbank will inform the customer to the extent of its legal possibilities, but the bank that stopped the transaction is the competent and competent.

Budapest, 24 March 2025.

Board of Directors of Eximbank Plc.

Approved: March 27, 2025.