

Annex 6A

SANCTIONS POLICY OF OTP GROUP
(Policy on compliance with sanctions provisions)

I. Sanctions Compliance Framework of OTP Group

OTP Bank Plc and its directly or indirectly owned subsidiaries (hereinafter together: OTP Group or the Group) including Ipoteka Bank (hereinafter: the Bank) are committed to complying with, and preventing and detecting any violation of, economic, financial, trade sanctions laws and regulations and embargo provisions of the European Union, the United Nations, the United States of America and the United Kingdom, as well as members of the Group are also committed to complying with local national sanctions laws and regulations specifically applicable to them (hereinafter together Sanctions or separately EU Sanctions, U.S. Sanctions, UK Sanctions, UN Sanctions or Local Sanctions). In case of conflict or collusion of applicable Sanctions, local laws and regulations should prevail to the extent such compliance does not create Sanctions risk for the entire Group. If compliance with local laws and regulations results in Group-level risk exposure, the decision on the risk, its acceptance and potential mitigation must be made by the competent Group-level decision maker.

OTP Group strictly prohibits and will not tolerate any breach of Sanctions regardless it was conducted directly, indirectly or via circumvention.

II. Sanctions and their mandatory application within the Group

II/A. In accordance with OTP Group's geographic presence, markets, business and customer relationships, the following rules are in effect in terms of applicability of Sanctions:

- 1) all members of OTP Group fully comply with all UN Sanctions;
- 2) all members of OTP Group that are registered in the EU fully comply with all EU Sanctions;
- 3) all members of OTP Group that are not registered in the EU fully comply (meaning that they act as EU persons) with all EU Sanctions which
 - a) impose financial sanctions on designated (named/listed) individuals and entities, bodies, authorities and their majority owned or controlled subsidiaries, affiliates,
 - b) impose trade sanctions and related restrictions on designated (named/listed) individuals and entities, bodies, authorities and their majority owned or controlled subsidiaries, affiliates,
 - c) establish obligations on third countries or third country-based persons ("extraterritorial sanctions"),
 - d) are applicable to the transaction due to the involvement of relevant EU nexus;
- 4) all members of OTP Group fully comply with all U.S. secondary sanctions and extraterritorial U.S. export control regulations;

- 5) no OTP Group member can participate by any means in any transaction, deal, or other activity or business relationship which may result in – direct or indirect – breach of UK or U.S. Sanctions;
- 6) no OTP Group member can participate by any means in any transaction, deal, business or other activity or relationship which may result in or could be interpreted as circumvention of Sanctions.

II/B. In order to facilitate the implementation of the above principles:

- 1) no member of OTP Group can establish or maintain business relationship with natural or legal persons, entities or bodies directly or indirectly subject to asset freeze measures, regardless whether imposed by the EU, U.S., UK, UN or for the Group member concerned the national sanctions authorities;
- 2) no member of OTP Group can establish or maintain business relationship with legal persons, entities or bodies resident, located, established, incorporated, registered in, or which derive a significant part of their revenues by doing business with or in, countries or regions subject to comprehensive sanctions or embargoes;
- 3) establishing or maintaining business relationship with natural persons who are citizens, nationals or residents of countries or regions subject to comprehensive sanctions or embargoes, is allowed within the limitations of Sanctions and the above rules, and is only possible through strict customer due diligence, monitoring, and the application of other necessary controls.

In case of collusion of EU or U.S. Sanctions, for a Group member that is registered in the EU, the primacy of EU law should prevail. Nevertheless, all possible measures have to be taken in order to achieve conformity with colliding EU or U.S. Sanctions.

In terms of trade sanctions (i.e. export, import, transfer, re-export of goods and related services specified in the applicable regulation), the participation of non-EU members of the Group in transactions which would be prohibited for EU entities and persons, may be prohibited based on risk-based Group-level decision. Non-EU members of the Group shall act as if they were EU persons, if the underlying commercial transaction would be prohibited under EU Sanctions without possibility to authorisation (e.g. arms, dual-use items, nuclear).

III. Risk Appetite

Sanctions risk appetite of the OTP Group members shall be established and executed in accordance with the Sanctions Compliance Framework of OTP Group and the mandatorily applicable Sanctions as elaborated in section I. and II.

IV. Statement on Management Commitment

The Board of Directors of OTP Bank Plc is committed to foster and facilitate the culture of compliance with Sanctions within OTP Group. Therefore:

- 1) the Board of Directors of OTP Bank Plc approves (and reviews or renews when and as appropriate) the Sanctions Compliance Program of OTP Group;
- 2) the Supervisory Board of the Bank approves the Sanctions Compliance Program of the Bank (and reviews or renews it in accordance with the reviewed or renewed Group-level Sanctions Compliance Program) with prior positive opinion of OTP Bank Plc.'s Compliance Directorate;
- 3) the Board of Directors of OTP Bank Plc (and in case of Ipoteka Bank, its governing bodies) demonstrate and require zero-tolerance with any form of non-compliance with Sanctions or with the internal regulations aiming to prevent or detect such non-compliance by every Group member;
- 4) all resources necessary for assuring effective sanctions controls shall be provided for sanctions compliance function (or for the function that performs tasks necessary for effective sanctions controls).

OTP Group ensures that decisions regarding Sanctions and Sanctions-related risk acceptance or rejection are made at a level that corresponds to their complexity and their impact on the Group.

V. Sanctions Risk Assessment

Each year a comprehensive, Group-level Sanctions Risk Assessment is performed. Additional ad-hoc and/or subject-specific Sanctions Risk Assessment may be performed as required.

The methodology shall be reviewed by the Compliance Directorate of OTP Bank Plc every year based on previous experiences, market best practices, issues detected during operation, evolving authority requirements, findings of internal, external audits or authority investigations, or other triggering events.

Full cooperation and an adequate preparation of risk assessment is expected from all Group members concerned. The information, data and evaluations provided by the Group members must be reliable, true and accurate. Group and OTP Bank Plc level risk assessment is deliberated and approved by OTP Bank Plc's Board of Directors, while the Risk Assessment specific to a given Group member (considering the Sanctions Risk Assessment prepared by Ipoteka Bank, the Bank) is deliberated and approved by the Board of Directors or the most senior decision-making forum of the given Group member (in case of Ipoteka Bank, the Supervisory Board of the Bank).

Mitigation actions determined based on the results of the annual Sanctions Risk Assessment shall be executed and implemented by the responsible Group member (considering the Sanctions Risk Assessment prepared by Ipoteka Bank, the Bank). Follow-up checks of execution and implementation are coordinated and/or performed by the Compliance Directorate of OTP Bank Plc and considering the Sanctions Risk Assessment prepared by Ipoteka Bank, by the Compliance Directorate of the Bank.

VI. Internal Control Mechanisms

Sanctions related policies, regulations and procedures are implemented in writing and must be approved by senior management (as appropriate considering the level and nature of the given policy or regulation). OTP Group strives to ensure that, aside from necessary deviations arising from local legal or regulatory requirements, the rules, regulations, processes and procedures or other controls in general related to Sanctions (hereinafter: Sanctions Policies) are unified across the Group.

Considering the constantly evolving regulations regarding Sanctions laws and the associated changing practices, regulatory requirements, Sanctions Policies must be reviewed regularly. In the event of significant change in legal background, practices, or regulatory expectations concerning Sanctions, a shorter review period may also be required.

Basic principles of the main Sanctions Policies aiming to ensure compliance with Sanctions

a) KYC and due diligence

Prior to establishing customer or other business relationship with third parties, all Group members shall conduct appropriate due diligence on the potential customer, partner to identify Sanctions risk. The due diligence should extend – but not exclusively – to the customer’s ownership structure, geographic exposure, business relationships, and the identification of Sanctions risk arising from its business activities.

b) Screening of passive transactions and customer database; screening during on-boarding

Group members are obliged to operate automated screening system in order to screen and monitor payments and other relevant transactions executed by or in which the given Group member participates, as well as (potential) customers and customer’s ownership data and any other additional customer or its business activity related data as available, during onboarding and regularly thereafter, against Sanctions lists.

Sanctions lists administered by the UN, the EU, the U.S., the UK and national sanctions authorities must be applied and screened against potential customers, customer database and transactions. Specific Sanctions lists (compiled by suppliers or used based on specific requirements) applied across the Group shall be as unified as possible. Group members shall strive to apply unified approach and methodology regarding the evaluation of alerts generated by the screening or monitoring systems.

c) Active Transaction Review

Active banking transactions shall be assessed from Sanctions exposure point of view. General exceptions can be established by formally approved derogations, based on specific risk assessments justifying the lack of Sanctions exposure or those being within the risk appetite of the Group/Group member.

Active transactions shall be evaluated from Sanctions risk and Sanctions sensitive industry point of view. Business units as first line of defence must perform a manual or automated Sanctions screening of the transactions. In case possible Sanctions exposure is detected by the first line, Sanctions compliance function as second line of defence is obliged to review and analyse the active transaction in question.

d) Reporting Lines

The Sanctions compliance function(s) shall have sufficient authority and autonomy to deploy its policies and procedures in a manner that effectively controls the organisation's Sanctions risk. Sanctions compliance function shall have direct reporting line to senior management and in case of local sanctions compliance function to Compliance Directorate of OTP Bank Plc.

e) Data Retention

Data related to compliance with Sanctions (including, without being exhaustive: management decisions, transaction reviews, KYC data, screening system matches, etc.) must be appropriately retained for a suitable duration and an extractable manner from the systems and databases. The retention period shall be governed by the relevant local regulations. In the absence of such regulations, the retention period must be governed by and stipulated in internal policies.

f) Sanctions Clauses

When appropriate, Group members shall strive to ensure appropriate exit options available from contractual relationships that become illegal, or non-compliant with internal policies, or maintaining of which would result in significant reputational or regulatory risk for the Group or the Group member.

VII. Testing and Auditing

The Group conducts regular testing and auditing to monitor the efficiency, adequacy, implementation and adherence of processes, procedures, regulations and risk mitigating actions. Tests and audits can be carried out by both external and authorised internal organisations possessing adequate expertise in the field of Sanctions. Upon learning of a confirmed negative testing result or audit finding pertaining to the Sanctions Compliance Program, the Group member (in case of a negative result or finding concerning Ipoteka Bank, the Bank) shall take effective action to identify and implement safeguards/safeguarding measures to avoid further instances until the root cause of the weakness can be determined and remediated.

VIII. Training

All relevant employees shall receive effective Sanctions compliance specific training when onboarded and later on at least annually. In addition, high-risk employees and business units shall receive tailor-made trainings.

The scope of the trainings and the training materials is required to be adequate to the scope of the products and services the Group member / the Bank offers; the customers, clients, and partner relationships it maintains; and the geographic regions in which it operates.

Once learning of a confirmed negative testing result or audit finding, or other deficiency pertaining to the Sanctions Compliance Program, the Group member (in case of a

negative result or finding concerning Ipoteka Bank, the Bank) shall take effective action to provide training to or other corrective action with respect to relevant personnel.