

MBH GROUP PRINCIPLES ON COMPLIANCE WITH INTERNATIONAL SANCTIONS PROVISIONS AND PROTECTION OF REPUTATION

PREAMBLE

MBH Bank Nyrt. and the MBH Group (collectively, the MBH Group) are committed to complying with and enforcing sanctioning provisions set out in international or national legislation, as well as those issued by international organisations and the authorities of individual states, in order to protect the interests and reputation of the MBH Group, its owners, employees and customers during the provision of financial services.

The MBH Group acts prudently with respect to establishing business relationships and executing transactions where the subject matter, circumstances or actor of the transaction is subject to sanctions restrictions or is deemed to be sensitive with respect to the reputation or professional relationship of the MBH Group.

This document of the MBH Group (hereinafter referred to as the "Sanctions Basic Document") is intended to set out the principles of the activities of the MBH Group in relation to these risks, to identify the areas particularly exposed to these risks and to serve as a basic document for the development of the documents governing the activities of the MBH Group in relation to sanctions and sensitive transactions and the activities of the relevant specialist areas.

The scope of the Sanctions Basic Document extends to all functional units of the MBH Group and to all employees involved in the provision, management and control of the financial and investment services and products offered by the MBH Group.

GENERAL BASIC PRINCIPLES

The Sanctions Basic Document sets out the principles that the MBH Group follows and applies in order to fulfil its obligations in relation to sanctions and sensitive transactions:

- The MBH Group will not engage in and prohibits all activities that are subject to international and/or national sanctions and are contrary to the Sanctions Basic Document.

In particular, but not exclusively, such activities shall be deemed to be the following:

- direct or indirect engagement in transactions or the provision of services or in any activity that ultimately benefits sanctioned persons and organisations,
- direct or indirect engagement in any activity that involves legal persons, individuals or vessels on the sanctions lists,
- transactions involving goods that are subject to restrictions, thus, in particular military equipment, non-approved dual-use items, nuclear-related material.

- The MBH Group does not do business with or establish relations with persons subject to sanctions.
- In order to protect itself, its employees, its customers, its reputation and that of the financial industry, the MBH Group reserves the right to refuse to execute certain transactions or to provide certain services or to investigate them further, even if those transactions or services are not prohibited by sanctions, but the MBH Group reasonably believes that such transactions or services risk a possible violation of sanctions.
- The MBH Group will not establish or maintain business relationships with persons considered to be a risk to the reputation of the MBH Group, nor will it execute orders that could damage the reputation of the MBH Group (sensitive transactions).
- The MBH Group will also take particular care in the case of persons who are engaged in activities or provide services that may be associated with products and technologies that are formally not but could become classified as suitable for dual use.
- The MBH Group will exercise caution with respect to persons who are in the public eye and whose association with the MBH Group could jeopardize the reputation of the MBH Group.
- The MBH Group pays particular attention to transactions and customer relationships in regions of uncertain reliability and in countries with unsettled legal systems.
- In order to meet its obligations in relation to the treatment of transactions subject to sanctioning provisions and sensitive transactions, the MBH Group implements and applies screening procedures in its relevant policies, procedures and processes.
- The MBH Group may request additional information and documentation from its customers, concerning them, their transactions and their counterparties, in order to fulfil its obligations related to the prevention of sanctioned and sensitive transactions.
- The MBH Group will also take into consideration restrictive measures in accordance with the nationality of its correspondent banks.

REGULATION

The MBH Group issues internal policies to implement and apply in practice the principles of the Sanctions Basic Document.

In developing the regulatory documents, the rating of the risks associated with transactions from a sanctioning and sensitivity point of view is established in grades.

Based on the established grades, the Group will apply responsible judgement in its business relationships and in the execution of the orders of its customers.

In particular, the MBH Group takes into account and applies the restrictive provisions issued by the following persons/entities in its banking processes and procedures in order to comply with the regulations and their application:

- Sanctioning provisions issued by the Hungarian authorities,
- Resolutions of the Security Council of the United Nations Organisation,
- Regulations of the European Union,
- Decrees of the President of the United States of America,
- The regulations of the United States Office of Foreign Assets Control (OFAC)
- The regulations of the Office of Financial Sanctions Implementation HM Treasury, United Kingdom (OFSI)
- The sanctions regulations of certain states (in particular, but not limited to, the Commonwealth of Australia, Canada, Japan).