

EP Group Sanctions Policy

1. DEFINITIONS

For the purposes of this Policy the below mentioned terms are defined as follows:

Business Partner	means any individual or organization an Employee encounters during the course of his or her work for EP Group, which includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties;
Employee(s)	means all employees, directors and officers of EP Group Companies and all persons working on a contract basis, whether on a temporary or permanent basis, part-time or full-time (such as consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors etc.);
EP Group	means EP Group, a.s. and all companies that are directly or indirectly controlled by EP Group, a.s.;
EP Group Company	means any company which forms part of EP Group;
Policy	means this Sanctions Policy;
Sanctions	means (1) economic or financial sanctions, or trade embargoes or other restrictive measures imposed, administered or enforced from time to time by: (a) the United States of America; (b) the United Nations Security Council; (c) the European Union; or (d) the United Kingdom; and (2) economic or financial sanctions imposed, administered or enforced from time to time by the US Department of State, the US Department of Commerce or the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury;
Sanctions List	means any of the lists of specially designated nationals and blocked persons or designated persons (or equivalent) held by, or public announcement of Sanctions designations made by: (1) the US government and administered by OFAC, the US Department of State, the US Department of Commerce or the US Department of the Treasury; (2) the United Nations Security Council; (3) the European Union; or (4) the United Kingdom, each as amended, supplemented or substituted from time to time.

2. PURPOSE OF THE POLICY

The purpose of this Policy is to ensure compliance with Sanctions, i. e. to ensure that EP Group and/or its Employees do not establish or maintain business relations or process any transactions affected by sanctions.

3. SCOPE OF THE POLICY

This Policy applies to all Employees in all the countries and territories that EP Group operates in.

EP Group also does not have business relationships with Business Partners who are known to be in violation of the principles underlying the Policy.

4. EP GROUP'S COMMITMENT

EP Group believes that Sanctions constitute vital tool for protecting international law, defending against threats to international peace and security and combatting terrorism. EP Group is committed to avoiding trade with sanctioned parties or anyone in sanctioned countries.

5. GOLDEN RULE

EP Group would rather lose a particular business opportunity than engage in illegal or unethical conduct.

6. IDENTIFIED RISKS AND IMPLEMENTED STANDARDS AND PROCESSES

Sanctions generally involve arms embargoes, import licensing, and financial sanctions.

EP Group Company ensures that appropriate measures and procedures on a risk based approach are applied, so as to focus its effort in the area where the risk of non-compliance of Sanctions appears to be higher due to the nature of its business.

In order to address the risk, EP Group Company ensures that principles described in Article 7 of this Policy are strictly followed and that the risk assessment as well as the mitigating measures are subject to regular reviews and are continuously refined and improved.

7. BASIC PRINCIPLES

7.1. Sanctions List Screening as integral part of KYC

Sanctions List screening is a mandatory part of KYC procedure in accordance with the EP Group KYC (Know Your Customer) Directive. The purpose of Sanctions List screening is to check the Register of sanctions (see point 7.2.) and all publicly available Sanctions Lists to determine whether making business with the Business Partner does not constitute a breach of Sanctions. If such breach would be unavoidable, the Business Partner cannot be approved, and no business transactions can be made with such Business Partner. EP Group Companies are also obliged to continuously verify that their current Business Partners are not subject to Sanctions.

7.2. Register of Sanctions

EP Group Company ensures that a register of relevant Sanction's obligations is maintained. The register is accessible on demand by authorized Employees and updated at least once a month.

Whenever new Sanctions List is issued, EP Group Company is obliged to perform an immediate check of their Business Partners. If any Business Partners are listed, or if it is otherwise apparent that further

business with such Business Partners would constitute a breach of Sanctions, immediate measures must be taken and no business transactions with such Business Partners can be made in the future unless the sanctions are withdrawn.

7.3. Cooperation with Supervisory and Legal Authorities

EP Group actively collaborates with both supervisory and legal authorities concerning the enforcement of Sanction's systems. EP Group reports any breach of a Sanction's regime to the appropriate authority in a timely manner and in accordance with law.

8. BUSINESS PARTNER DUE DILIGENCE

Whilst there is no legal requirement to put in place formal procedures for evidencing the identity of EP Group Business Partners, in forming new business relationship or considering undertaking a significant one-off transaction, it is expected and prudent for management of EP Group Companies to satisfy themselves as to the identity of the parties with whom they are transacting.

Therefore, before entering into a business relationship, EP Group Company carefully checks its prospective Business Partners in accordance with the EP Group KYC (Know Your Customer) Directive.

Should the KYC procedure reveal any concerns or irregularities as regards the Business Partner's identity and suitability, EP Group Company adopts adequate mitigating measures outlined in the EP Group KYC Directive, including a decision not to enter into the business relationship or undertake the business transaction.

9. COMMUNICATIONS AND TRAINING

EP Group Company ensures that the Policy is communicated to all Employees. EP Group Company assesses which Employees are exposed to the issues mentioned above (Article 7) and where appropriate secures that these Employees are regularly trained on subject of this Policy. The frequency and scope of such trainings is to be decided by the EP Group Company.

EP Group expects the same high Sanction's standards as set forth in this Policy from all Business Partners acting for, on behalf of, or in conjunction with EP Group. EP Group communicates these standards to its Business Partners where necessary and appropriate.

10. MONITORING AND REVIEW

EP Group Company ensures that a regular review of the implementation of this Policy is conducted, considering its suitability, adequacy and effectiveness, and that any identified improvements are made as soon as possible. EP Group Company ensures that internal control systems and procedures are subject to regular audits to provide assurance that they are effective in preventing a breach of Sanctions.

11. RESPONSIBILITIES

The prevention, detection and reporting of a breach of Sanctions and any other violation of this Policy are the responsibility of all EP Group Employees. All Employees must ensure that they read, understand

and comply with this Policy. Managers, in particular, are called upon to actively promote the implementation of this Policy.

12. HOW TO RAISE A CONCERN

All Employees and Business Partners are encouraged to raise concerns about any issue or suspicion of a breach of Sanctions or other violation of this Policy at the earliest possible stage in accordance with the EP Group Reporting of Serious Concerns Policy.

EP Group aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

13. BREACHES OF THE POLICY

An Employee who breaches this Policy may face disciplinary actions, which could result in the termination of employment, as well as claims for damages and criminal prosecution. On the other side, no Employee will face disciplinary actions or any other detrimental treatment for refusing to commit a breach of Sanctions or for complying with this Policy, even if it may result in EP Group losing business.

EP Group may terminate its relationships with other individuals and organizations working on EP Group's behalf if they breach this Policy.

14. IMPLEMENTATION

In order to support EP Group's decision to mitigate against financial, regulatory and reputational risk and ensure regulatory compliance in accordance with the Policy, EP Group Company is responsible for implementation of measures and processes defined by this Policy that are necessary and appropriate with regard to the respective EP Group Company's profile and character of its activities and business relationships.

Approved by the EP Group, a.s. Board of Directors on 5 September 2024