

EXCERPT

from OTP Fund Management Ltd.'s Compliance Policy No. 2/2025. (VI.3.)

I. INTRODUCTORY PROVISIONS

(1) OTP Fund Management Ltd, a member of the OTP Banking Group (hereinafter referred to as the "Fund Manager") ensures the legal and internal compliance of the Fund Manager, the identification and management of compliance risks in accordance with the provisions of the law, the guidelines of international and European financial supervisory authorities and Recommendation No. 12/2022 (VIII.11.) of the Magyar Nemzeti Bank on setting up and using internal lines of defence and on the management and control functions of financial organisations (hereinafter referred to as the "MNB Recommendation").

(2) Compliance risk is the potential legal risk, the risk of supervisory or other official sanctions, of significant financial losses, or of reputational damage due to a failure to adhere to legislation or other non-legislative standards¹ and internal rules applicable to the financial organisation and pertaining to its service activities.

(3) Annexed to the Compliance Policy are the Data Protection Policy, Social Media Policy, Anti-Corruption Policy, the Sanctions Policy and the Policy on the Financing of the Defence Industry, which (or the excerpt of which) are published on the website.

II. GENERAL PROVISIONS

II.1. Scope of the regulation

(4) The activities of the compliance function cover the whole of OTP Fund Management Ltd. (hereinafter referred to as the "Fund Manager"), all its organisational units and activities. Persons performing outsourced activities or engaged as experts or advisors, whether natural persons or legal entities, must meet compliance requirements and standards.

II.2. Position of the compliance function in the system of internal lines of defence

(5) In accordance with the guidelines of European financial supervisory authorities and the recommendations of international financial regulators, the MNB Recommendation established the key principles and requirements that financial service providers must satisfy in setting up internal lines of defence and security to promote the following as regards the organisation:

- a/ its prudential, reliable and efficient operations in compliance with legal and internal regulations;
- b/ the protection of its assets, the interests of its owners and customers in the organisation and its social objectives;
- c/ smooth and efficient operation and the maintenance of confidence in the organisation.

¹ This includes the supervisory regulatory instruments issued by the MNB, the rules of the so-called self-regulatory bodies (e.g. KELER, BSE, MABISZ), market conventions, codes of conduct and ethical rules.

(6) The organisation's internal lines of defence comprise the responsible internal governance and the internal control functions of the second and third lines of defence, which complement the controls built into the business processes (primary line of defence).

(7) According to the MNB Recommendation, internal control functions include the risk control function, the **compliance function** and the internal audit function.

II.3. Principles of operating the compliance function

(8) The compliance function operates to identify, mitigate and manage compliance risks, and to create a legal and ethical corporate culture that ensures the long-term prudent and ethical operation of the Fund Manager.

(9) The Fund Manager follows the following principles in the operation of the compliance function:

- a/ independence²;
- b/ integrity;
- c/ operation free from interference;
- d/ objectivity;
- e/ a preventive, proactive approach;
- f/ risk-based approach (requirement to ensure risk-based compliance);
- g/ application of the proportionality principle;
- h/ a high level of professional care and competence;
- i/ individual and banking group coverage;
- j/ efficiency, streamlining of compliance costs.

III. DETAILED PROVISIONS

III.1. Priority areas of compliance risks

III.1.1. Processing and protection of personal data – GDPR

(10) The Fund Manager is committed to ensuring an adequate level of protection for the personal data it processes, in accordance with the provisions of the General Data Protection Regulation and applicable national law. In this context, the Fund Manager has established, operates and applies a system for regulation, implementation and auditing and a specialised area of expertise to ensure the full and professional performance of these tasks that provide for the adequate protection of personal data by meeting the criteria specified in applicable legislation and safeguarding its core business interests. The Fund Manager publishes a Privacy Policy on its website.

² Ensuring compliance with the conditions set out in section 108 of the MNB Recommendation concerning the compliance function.

III.1.2. Integrity

(11) The Fund Manager has a vested business interest and a statutory obligation in ensuring that the personal interests of its employees and of members of its management bodies are not in conflict with the business interests and commitments of the Fund Manager and its customers, and that the Fund Manager identifies, prevents and manages the conflicts of interest related to its various activities, and regulates and ensures the assessment of suppliers' compliance (supplier pre-screening).

(12) The Fund Manager regulates the acceptable and prohibited forms and degrees of the external economic interests and personal relations of managers and employees, while also prohibiting managers and employees from giving precedence to their own interests and economic relations over the interests of the Fund Manager, its customers and business partners.

(13) The Fund Manager shall act with special care in handling the conflicts of interest arising in respect of the members of the management and supervisory bodies of the financial entity and of its group members, the persons holding key positions, its statutory auditors and their direct relatives.

(14) The Fund Manager develops a Conflict of Interest Policy, in which it specifies the circumstances within the framework of its investment and ancillary services and the related financial services that lead or may lead to a conflict of interest with the potential for adverse consequences for the business partners. The Policy also defines the detailed procedural rules and measures that allow the prevention, identification and management of conflicts of interest which have the potential to harm the business partners. The Conflict of Interest Policy constitutes a part of the Business Regulations in effect.

(15) With a view to protecting its values and its customers, the Fund Manager formulates requirements for ethical business operations. The Fund Manager shall develop ethical standards and internal professional standards, adapted to the specificities of the Group and its role in the financial intermediary system, aimed at mitigating risks, which are summarised and published in the Code of Ethics and the Partner Code of Ethics.

(16) The Code of Ethics and the Partner Code of Ethics state that the Fund Manager conducts its business in accordance with applicable laws and accepted corporate values, which include acceptable and unacceptable principles of conduct, compliance with legal requirements and internal policies, and the expectation that employees will act with honesty and integrity and perform their duties with due skill, care and diligence.

(17) The Fund Manager shall endeavour to ensure that all parties entering into a contract with it undertake to comply with the provisions of the Code of Ethics or the Partner Code of Ethics by accepting the contract with the Fund Manager, by a specific contractual clause or by a declaration of acceptance. Exceptions to this obligation are contractual relationships between the Parent Bank and a member of the Banking Group where the relevant member of the Banking Group has already implemented the provisions of the Bank's Code of Ethics. The Fund Manager has whistleblowing arrangements (hot line) in place for reporting breaches of ethical standards and of legal provisions on the rules of compliance.

(18) The Fund Manager is committed to combatting corruption, and declared zero tolerance towards all forms of bribery and the gaining of unfair advantages. The purpose of the Group-level Anti-Corruption Policy is to define the principles of the Group's anti-corruption activity, to identify the areas particularly exposed to the risk of corruption, and to serve as a core document for the formulation of the regulatory documents required for the Banking Group's anti-corruption efforts and for the anti-corruption activity of the relevant staff members. The Fund Manager applies a Group-level Anti-Corruption Policy, which is published on its website.

(19) The Fund Manager shall endeavour to include an anti-corruption clause in all its contractual relationships and governing documents, requiring the parties to act prudently and with minimum risk of corruption in their dealings with contractors, in particular in the tendering and preparation process.

(20) The Fund Manager shall publish a notice on its website setting out its policy on expected conduct on social media.

III.1.4. Prevention of market abuse (insider dealing, market manipulation)

(21) The Fund Manager is strongly committed to the maintenance of transparency and efficiency in the capital market, and to compliance with all applicable legal obligations.

(22) In accordance with the relevant legislation, insider dealing and attempted insider dealing, advising another person to engage in insider dealing, soliciting another person to engage in insider dealing, unauthorised disclosure of inside information, and market manipulation and attempted market manipulation are considered market abuse.

(23) The Fund Manager condemns and takes action against all forms of market abuse, analyses, investigates and takes action to prevent and, if they occur, to address them.

(24) Market abuse shall be governed by the Criminal Code, the relevant provisions of the European Union and the internal regulatory documents of the Fund Manager.

III.1.5. Fair treatment of customers, investor protection

(25) The Fund Manager is committed to promoting the interests of investors. It does so by applying a consistent approach to investor protection and by taking account of changes in investor habits and interests.

III.1.6. Ensuring compliance of the Fund Manager with legal and regulatory requirements, in particular supervisory requirements, for collective portfolio management and investment service activities

(26) Provision of collective portfolio management and investment services

- a/ The Fund Manager continuously monitors and regularly assesses the adequacy and effectiveness of the measures and procedures relating to investment services as well as the measures aimed at addressing compliance deficiencies.

- b/ The Fund Manager will take all necessary measures to ensure that orders are executed in the best interests of its clients and that it acts with utmost care and prudence in managing the financial and monetary assets of the clients.
- (27) Personal transactions
- a/ The Fund Manager has undertaken a commitment to safeguard the interests of capital market participants, investors and customers, to maintain fair competition, and to prevent market abuse and conflicts of interest. To that end, it regulates the conclusion, notification and registration of any transactions by the persons concerned that are linked to investment service activities or the provision of ancillary services.
 - b/ The Fund Manager aims to create an internal regulatory environment that is designed to prevent persons involved in activities that could give rise to a potential conflict of interest from entering into transactions that are prohibited by law or that involve the unlawful use of confidential information or that could give rise to a conflict of interest, by gaining access to inside information through the activity or to confidential information through a relationship with customers.

III.1.7. Corporate governance

(28) The Fund Manager assesses and evaluates its activities in terms of environmental impacts (E-Environmental), social justice (S-Social) and related corporate governance issues (G-Governance) in accordance with sustainability (ESG) requirements and complies with the relevant legal requirements.

(29) In accordance with the Corporate Governance Code, OTP Bank applies policies that help OTP Bank, as a public limited company, to comply with internationally recognised rules and standards of good corporate governance, to be transparent and accountable in its operations by making public information on its management and operations.

(30) In its business practices, the Fund Manager takes the interests of its investors, customers and partners into consideration.

(31) In the development of its products and in the accessibility of its services, the Fund Manager applies the ethical and consumer protection principles and regulations that ensure a modern, high-standard and fair service that meets the needs of its customers.

III.1.8. Compliance with international tax conventions

The Fund Manager has a fundamental interest and a legal obligation to ensure that it fully complies with the customer identification and reporting requirements of international tax conventions – FATCA (USA), CRS/DAC6 (OECD and European Union) – and applicable Hungarian laws.

III.1.9. Compliance with the requirements of international sanctions and the mitigation of risks associated with sensitive transactions

(32) Upon the establishment and maintenance of its relationships and making its business decisions, the Fund Manager takes into account the economic, financial and commercial sanctions and embargo requirements approved by international organisations and specific states, thus, in particular, by the United Nations Security Council, the Government of the United States of America, the competent office of the United Kingdom and the European Union. On its website, the Fund Manager publishes a Group-level financial Sanctions Policy on its general principles of the application of international sanctions, and a Group-level Policy on Financing of the Defence Industry.

(33) In the interest of retaining its market position, supporting international collaboration and complying with legal regulations, the Fund Manager formulates and shapes its regulations as well as its daily business processes so as to ensure appropriate compliance with sanctions-related obligations and to protect the Banking Group's reputation.

(34) In pursuing its business policy goals, the Fund Manager strives to avoid transactions and relations that may be detrimental to the good reputation, business relations of the Banking Group and accordingly, on the basis of its Sanctions regulation in force it inspects from a sanction perspective – in particular but not limited to – active transactions related to the production and trade of defence-related products and services, nuclear energy, space industry, dual-use goods and technologies, exploration, production and wholesale of coal, crude oil, natural gas and their wholesale, production and wholesale of petroleum products, crypto currency and maritime transport.

III.1.10. Prevention of money laundering and terrorist financing

(35) The Banking Group's anti-money laundering and counter-terrorist financing activities aim to effectively prevent and deter the laundering of criminal assets and the financing of terrorism.

(36) The Banking Group develops internal policies, establishes and maintains effective processes and procedures to comply with national and international AML/CFT legislation and supervisory requirements.

(37) In order to identify, analyse, assess and manage money laundering and terrorist financing risks, the Banking Group prepares an AML/CFT Group-wide risk assessment, which is reviewed at least annually.

(38) The Banking Group classifies its clients into risk categories and applies client due diligence measures according to the risk category. During the customer due diligence process, the "Know your customer" principle is applied to develop a client profile for the client and screen out suspicious transactions that do not fit the client profile, reporting to the financial intelligence unit (FIU) if necessary.

(39) The Fund Manager publishes on its website a Group-level Anti-Money Laundering and Counter-Terrorist Financing Policy on general compliance with domestic and international requirements.

III.1.11. Compliance due diligence screening of partner relationships

(40) As part of the due diligence process, the Fund Manager shall, prior to establishing a partner relationship³ with a service provider established in a foreign country and during the maintenance of that relationship, conduct a fact-finding analysis of the service provider in order to assess and evaluate its anti-money laundering and counter-terrorist financing instruments and provide the service provider with relevant information on the Fund Manager.

(41) As a result of the due diligence process, the Fund Manager and the Banking Group are able to assess and evaluate any negative information, events, business-related non-compliance cases that may arise in relation to the partner relationship.

(42) The Parent Bank provides professional support to Banking Group Members in order to ensure that the standards defined at Group level are implemented, applied, and enhanced as appropriate for local specificities.

III.2. General principles and requirements

III.2.1. Responsibility for compliance

(43) As set out in the legal regulations in effect and in the internal provisions and regulations, all employees of the Fund Manager undertake general responsibility for the application of compliance requirements and rules. All workers of the organisation are under obligation to enforce requirements for compliance, report any circumstances that pose a threat to enforcement, and participate in the elimination of such circumstances.

III.2.2. Conditions for the use of external consultants and experts

(44) In order to comply with the standards set out in this Policy, every person or organisation performing outsourced activities, external expert or consultancy activities for the Fund Manager must declare that they have read the extract of this Compliance Policy and accept the provisions contained therein as binding.

3 June 2025

OTP Alapkezelő Zrt.

³ Pursuant to Section 3(23) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing, *correspondent relationship* means:

a) the provision of certain financial or investment services by a credit institution to another credit institution, including in particular the management of a payment account, cash supply, international transfer of funds, settlement of cheques and foreign exchange transactions;

b) relationship between two or more credit institutions or financial service providers providing similar services, including in particular the settlement of securities transactions and payment operations.