



Economic Sanctions Policy

This document sets forth the rules for compliance with economic sanctions by **NOVÁ HUŤ s.r.o.** (hereinafter referred to as the “**Company**”) and its subsidiaries and affiliates.

Purpose and Scope

This document sets forth rules for compliance with economic sanctions in the Company's sales, purchases, contracting, and other business activities.

Employees responsible for these activities must monitor the Company's business transactions to ensure they comply with applicable economic sanctions and the Company's business policies.

Violations of these rules may result in disciplinary action and potential liability under applicable laws. Since these Economic Sanctions Policy cannot cover every situation, we encourage Company employees to use their good judgment and common sense. If in doubt, please contact the Legal Department.

Legal Framework

Legislation regarding economic sanctions stems from many sources and is enacted to support national and international policies aimed at combating terrorism, money laundering, drug trafficking, the proliferation of nuclear weapons, and many other objectives in the field of international relations.

The company complies with sanctions arising from directly applicable European Union legislation, the laws of the Czech Republic, and binding resolutions of the United Nations Security Council.

Sanctions regimes of third countries (e.g., the U.S. or the United Kingdom) are assessed on a case-by-case basis only if a specific transaction involves these jurisdictions or if compliance with them is required by a contracting party or a financing bank.

Types of Sanctions

Generally, there are two types of economic sanctions: sanctions targeting countries and sanctions targeting specifically designated individuals and organizations.

i. Sanctions Against Countries

Countries currently subject to sanctions based on designated lists are listed in Appendix A.

Prior to initiating any transaction, an assessment by the legal department is required.

In some cases, compliance is complicated by the existence of a country's laws that prohibit compliance with another country's economic sanctions regulations (so-called “**blocking laws**”). The best-known example is Council Regulation (EC) No. 2271/96 (“**EU Blocking Statute**”), which was adopted to protect European companies from certain U.S. sanctions against Cuba, Iran, and other countries. If in doubt, please contact the Legal Department.

ii. List-Based Sanctions

List-based sanctions target specific individuals and organizations. Transactions with sanctioned persons or entities, for the benefit of sanctioned persons, or where the sanctioned end-user is known are prohibited.

Before entering into a transaction with a party based in a country listed in Appendix A of this Policy, the following information must be verified:

- business partner
- beneficial owner, and
- a person acting on behalf of a business partner

through publicly available EU and UN sanctions lists. If this party appears in the database, the Legal Department must be notified, and the transaction may not be executed until the Legal Department grants approval.

Enforcement

Violations of international sanctions may result in administrative fines, criminal liability for both individuals and legal entities, restrictions on the Company's ability to conduct business in certain markets, and significant reputational damage. In case of doubt, every employee is required to suspend the transaction and immediately contact the Legal Department.

Sales and Purchasing Processes

Before concluding any transaction, the Company conducts a due diligence check on the business partner using publicly available European Union and United Nations sanctions lists, such as the EU Financial Sanctions Files (EU Consolidated List) or the Sanctions Map EU.

In addition to the business partner itself, its beneficial owner, or, where applicable, its statutory body or a person acting on behalf of the business partner, must also be screened if there are indications that the business partner is controlled or managed by a sanctioned person.

A transaction must not be carried out:

- with a sanctioned person or entity,
- for the benefit of a sanctioned person,
- if it is apparent that the end user or beneficial owner is a sanctioned person,
- if the transaction would result in a violation of EU or Czech Republic sanctions regulations.

For business partners who are neither based in a country subject to sanctions against specific states nor citizens of such a country, but who are based in countries subject to sanctions based on lists, a check against the sanctions database is required (see "Sanctions Based on Lists" above) before any transaction is approved or authorized.

In the case of a new business partner (customer or supplier), employees of the relevant department must also include in their process an assessment of the business partner's status as an entity that may be subject to sanctions.

Both the purchasing and sales departments should maintain a list of vetted or approved business partners whose status has been reviewed for the risk of potential sanctions. This list of business partners should be reviewed at least once a year to determine whether there have been any changes to the sanctions regime.

If the Company has reason to believe that goods are directly or indirectly intended for a sanctioned entity, the transaction must be reassessed based on the end-user's status in accordance with sanctions regulations.

In addition to economic sanctions, the Company is also required to comply with regulations governing

the export of dual-use goods, military equipment, and other sensitive technologies. Employees are required to verify, prior to export, whether the goods in question are subject to export restrictions or licensing requirements. Export laws regulate goods and technology based on their origin and prohibit the sale or transfer to certain end users or destinations. The Company must comply with both economic sanctions regulations and export regulations. These rules apply only to regulations related to economic sanctions.

Red Flags

If unusual circumstances arise during a transaction that raise suspicion that the true nature of the transaction and the identity of the parties are unknown to the Company, contact the Legal Department. Unusual circumstances in any given transaction will vary depending on the type of product, market, and many other factors; the following list indicates potential red flags:

- The counterparty has a name or address similar to that of a sanctioned entity.
- The counterparty or agent is reluctant to provide standard information regarding:
 - the counterparty's identity
 - the end use of the product
 - whether the product will be exported or used in a particular country.
- The payment terms are unusual, e.g., cash payment for items not typically sold for cash.
- The shipping or delivery terms are vague or suggest that further shipments will follow.
- The counterparty is unfamiliar with the product or its intended use.
- The product does not fit within the counterparty's usual business activities or location.

If unusual circumstances arise in any transaction, contact the Legal Department and request guidance before proceeding further with the transaction.

Internal Controls

The Company and its subsidiaries and affiliates must have a system of internal controls and procedures in place to support compliance with this Economic Sanctions Policy.

Audits

The Company is committed to conducting audits to ensure compliance with applicable sanctions and blocking regulations.

Document Updates

The Legal Department may update this Policy as necessary based on regulatory changes, other legal restrictions, or organizational developments.

Issued by: NOVÁ HUŤ s.r.o.

Effective Date: September 1, 2026

Appendix: Appendix A – Classification of Countries by Sanctions Regime

Responsible Department: R – Legal Affairs

Scope of Application: Applies to the Company and its subsidiaries and affiliates

Appendix A – Classification of Countries by Sanctions Regime

I. Countries Subject to Extensive Sanctions (approval from the Legal Department is required before entering into a business relationship)

This group includes countries where significant EU territorial, trade, or sectoral restrictions are in place:

- Russia
- Belarus
- Iran
- North Korea (DPRK)
- Syria
- Crimea and Sevastopol
- Donetsk Oblast (non-government-controlled areas)
- Luhansk Oblast (non-government-controlled areas)
- Parts of Kherson and Zaporizhzhia Oblasts under Russian occupation

II. Countries where the business partner, beneficial owner, or person acting on behalf of the partner is subject to due diligence

Trade is not generally prohibited. Screening focuses on sanctions lists.

- Afghanistan
- Bosnia and Herzegovina
- Myanmar (Burma)
- Burundi
- Democratic Republic of the Congo
- Haiti
- Iraq
- Yemen
- Lebanon
- Libya
- Mali
- Moldova
- Nicaragua
- Somalia
- Central African Republic
- Sudan
- Venezuela
- Zimbabwe

In addition, all persons and entities listed on:

- EU sanctions lists,
- UN sanctions lists.

Situation	Procedure
Partner from the Czech Republic or the EU with no sanctions risk	routine check
Partner from a country listed in Part II	verification of the business partner and beneficial owner
Partner from a country listed in Part I	mandatory review by the legal department
Partner on the EU or UN sanctions list	trade prohibited
Unclear ownership or unclear end user	refer to the legal department

