

CLIENT CATEGORIZATION POLICY

In the event of a conflict between XCM Capital Markets and a Client, terms expressed in English and expressed in any other language, the terms described in English shall prevail over those expressed in any other language.

XCM Capital Markets. (hereinafter the “**Company**”) is required to categorize its Clients into one of the following three categories: retail, professional or eligible counterparty. Unless otherwise expressed, all Clients are, by default, classified as Retail Clients.

1. Client Classification

Before engaging in business relationships with its potential clients, upon receiving a request from the client in case the Company may inform the potential clients of the client’s classifications used by the Company. As such, it informs them about the category in which the Company initially classifies them. Clients shall be categorized as follows based on the criteria outlined below:

a. Eligible Counterparties

The Company, when dealing with eligible counterparties, is exempted from important obligations under the conduct of business rules, best execution rules, and client order handling rules.

For that purpose, eligible counterparties may fall within the following categories:

- Investment firms.
- Credit institutions.
- Insurance companies
- UCITS and their management companies.
- Pension funds and their management companies.
- Other financial institutions are authorized or regulated under community or national law.
- Commodity and commodity derivative traders (dealing on own account).
- National governments and their corresponding offices, including public bodies which manage public debt.
- Central Banks.
- Supranational organisations.
- Third-country entities equivalent to the categories mentioned above.

b. Professional Clients

A Professional client possesses the experience, knowledge, and expertise to make investment decisions and properly assess the risks he incurs.

To be considered a professional client, the client must fall within the following categories of clients:

i. Entities which are required to be authorized or regulated to operate in the financial market, either from Member States or non-member States, such as:

- Credit institutions.
- Investment Firms.
- Other authorized or regulated financial institutions.
- Insurance undertakings.
- Collective investment schemes and management companies of such schemes.
- Pension funds and management companies of such funds.
- Commodity and commodity derivatives dealers.
- Locals.
- Other institutional investors.

ii. Large undertakings meeting two of the following size requirements on a proportional basis:

- Balance Sheet total at least EUR20.000.000.
- Net Turnover at least EUR40.000.000.
- Own Funds at least EUR2.000.000.

iii. National and regional governments and public bodies

iv. Other institutional investors whose main activity is investing in financial instruments, including entities dedicated to securitising assets or other financing transactions.

c. Retail Clients

Each client who is neither an eligible counterparty nor a professional client is considered a retail client.

2. Option to change classification

It is noted that an eligible counterparty or professional client is allowed to request non-professional treatment, and the Company may agree to provide a higher level of protection. In this respect, the Company notifies its clients in a written form of their option to be classified as retail clients. The Company proceeds from this action to offer a uniform level of protection to all its clients.

A higher level of protection will be provided by the Company when the client enters into a written agreement with the Company, to the effect that it shall not be treated as a professional. The client, classified as a professional client, is responsible for asking for a higher level of protection when he cannot correctly assess and manage the risks involved in the transactions.

In addition, clients whom the Company has initially classified as retail clients are allowed to request to be treated as professional clients, provided that at least two of the following criteria are satisfied:

- The client has carried out transactions of significant size at an average frequency of 10 per quarter over the previous ten quarters.
- The size of the client's financial instrument portfolio exceeds EUR 500,000.
- The client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

3. Request for different classification

Following Section II above, the following request may be submitted to the Company:

- a) A Retail Client requesting to be categorised as a Professional Client. In that case, the Client will be afforded less protection.
- b) A professional client is requesting to be categorised as a retail client. In that case, the Client seeks a higher level of protection.
- c) An Eligible Counterparty requesting to be categorised as a Professional Client or Retail Client. In that case, the Client seeks a higher level of protection.

The Company reserves the right to decline any of the above requests for different categorisation.

4. Protection rights

Retail Clients/ Professional Clients

Where the Company treats the Client as a retail client, he/she/they will be entitled to more protections under the law than if the Client was entitled to be a professional client. In summary, the additional protections retail clients are entitled to are as follows:

- a) A retail client will be given more information/disclosures concerning the Company, its services and any investments, its cost, commissions, fees and charges and the safeguarding of client financial instruments and client funds.
- b) Under the law, where the Company provides investment services other than investment advice (in the form of personal recommendations) or discretionary portfolio management, the Company shall ask a retail client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded to enable the investment firm to assess whether the investment service or product envisaged is appropriate for the client. Based on the information received, suppose the Company considers the product or service unsuitable for a retail client. In that case, it shall warn the client accordingly. Please note that the Company is not required to assess appropriateness in some instances specified by law.
- c) The Company shall be entitled to assume that a professional client has the necessary experience and knowledge to understand the risks involved concerning those investment services or transactions or types of transaction or product for which the client is classified as a professional client.

Consequently, unlike a retail client, the Company should not generally need to obtain additional information from the client to assess the appropriateness of those products and services they have been classified as a professional client.

- d) When executing orders, investment firms and credit institutions providing investment services must take all reasonable steps to achieve the “best execution” of the client’s orders, that is, to obtain the best possible result for their clients.

Where the Company executes an order on behalf of a retail client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the cost related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to the third parties involved in the execution of the order.

When providing professional clients with the best execution, the Company is not required to prioritise the overall cost of the transaction as being the most essential factor in achieving the best execution for them.

- e) Investment firms and credit institutions providing investment services must obtain from clients such information as is necessary for the firm or credit institution, as the case may be, to understand the essential facts about the client and to have a reasonable basis for believing giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or entered into in the course of providing a portfolio management service, satisfies the following criteria:
 - i. It meets the investment objectives of the client in question.
 - ii. It is such that the client can financially bear any related investment risks with his investment objectives.
 - iii. It is such that the client has the necessary experience and knowledge to understand the risks involved in the transaction or the management of his portfolio.

Where the Company provides an investment service to a professional client, it shall be entitled to assume that, concerning the products, transactions, and services for which it is so classified, the client has the necessary level of experience and knowledge for paragraph (iii) above.

In addition, under certain circumstances, the Company shall be entitled to assume that a professional client can financially bear any investment risks consistent with its objectives.

- f) Upon becoming aware of the difficulty, the Company must promptly inform retail clients of material difficulties relevant to adequately carrying out their order(s).
- g) The Company is required to provide retail clients:
 - i. With more information than professional clients regarding executing orders other than for portfolio management.

- ii. With periodic statements in respect of portfolio management activities carried out on their behalf, more frequently than for professional clients,
- h) Where the Company provides portfolio management transactions for retail clients or operates retail client accounts that include an uncovered open position in a contingent liability transaction, it shall also report to the retail client any losses exceeding any predetermined threshold agreed between the Company and the client, no later than the end of the business day in which the threshold is exceeded or, in the case where the threshold is exceeded on a non-business day, the close of the next business day.
- i) Suppose the Company provides an investment service other than investment advice to a new retail client. In that case, the Company must enter into a written basic agreement with the client, setting out the essential rights and obligations of the firm and the client.
- j) We shall not use financial instruments held by us on behalf of a client for our account or the account of another client without the client's prior express consent to the use of the instruments on specified terms, as evidenced in the case of a retail client, by his signature or equivalent alternative mechanism.
- k) Retail clients may be entitled to compensation under the Investor Compensation Fund for Bank Clients or the Investor Compensation Fund for Clients of Investment Firms, as the case may be.

Eligible Counterparties

Where the Company treats the Client as an eligible counterparty, the Client will be entitled to fewer protections under the law than he/she/they would be entitled to as a professional client. In particular, and in addition to the above:

- a) The Company is not required to provide the Client with the best execution of the Client's orders.
- b) The Company is not required to disclose to Client information regarding any fees or commissions that the Company pays or receives.
- c) The Company is not required to assess the suitability or appropriateness of a product or service that it provides to the Client but can assume that the Client has the expertise to choose the most appropriate product or service for him/her/them and that he/she/they is/are able financially to bear any investment risks consisted with his/her/their investment objectives.
- d) The Company is not required to provide the Client with information about the Company, its services and the arrangements through which the Company will be remunerated.
- e) The Company is not required to provide the Client with risk disclosures on the products or services that he/she/they select/s from the Company.
- f) The Company is not required to provide reports to the Client on the execution of his/her/their orders or the management of his/her/their investments.

ANTI MONEY LAUNDERING POLICY

In the event of a conflict between The Company and a Client, terms expressed in English and expressed in any other language, the terms expressed in English shall prevail over those expressed in any other language.

The Company shall comply with the applicable guidelines and for the implementation of the legislative requirements.

The Company shall follow the applicable legislation due diligence procedures and other requirements with respect to the acceptance of large cash deposits and in cases of doubt, they shall seek the advice of the Central Bank.

The Company shall determine the identity of the beneficial ownership of all their clients' accounts and shall not open or maintain such accounts, unless they are satisfied of this requirement, as stipulated in the AML regulation and the legislative requirements. The AML laws and the applicable regulation, hereinafter, called the "AML Act".

The Company shall take all reasonable measures to ensure that accounts are not used for the purpose of holding assets obtained as the result of, or for facilitating the commission of any criminal activity or for any purpose contrary to the applicable legislation.

The Company shall develop and implement policies and procedures to identify and avoid money laundering transactions and to ensure compliance with the requirements of any relevant Jurisdiction legislation; and such policies shall include an appropriate training programme for their staff.

The Company shall, on a regular basis, evaluate the effectiveness of their policies and control procedures in complying with the legislative requirements and any relevant guidelines, and such evaluation shall be an integral component of any internal audit.

The Company shall be vigilant in ensuring the prevention of their involvement or misuse in money laundering activities, and shall not knowingly accept assets or enter into business relationships where there is reasonable cause to believe that such assets may have been acquired illegally or that they represent the proceeds of criminal activity.

The Company shall establish procedures to obtain appropriate evidence of client identity, and shall maintain adequate records of client identity and transactions involved in such a manner as to assist, if necessary, in the investigation of criminal offences.

The Company shall promptly report suspicious transactions relating to any account to the relevant Authority.

The Company shall pay special attention to all complex, unusual or large business transactions, or unusual patterns of transactions whether completed or not, and to insignificant but periodic transactions, which have no apparent economic or lawful purpose.

1. Customer Due Diligence

In accordance with the AML Act, the Company shall establish the identity and verify the identity of any customer of the Company by requiring the customer to produce an identification record or such other reliable, independent source document.

The requirements of this policy shall apply when:

- the Company establishes a business relationship in an amount equal to or above the sum of fifteen thousand dollars;
- in the absence of such a relationship, if the Company conducts:
 - o any transaction in an amount equal to or above the sum of fifteen thousand dollars, whether conducted as a single transaction or several transactions that appear to be linked and where the amount of the transaction is unknown at the time of the transaction, the identification and verification shall be undertaken as soon as the amount becomes known or the said threshold is reached;
 - o any wire transfers;
 - o there is a suspicion of money laundering or terrorist financing; or
 - o the Company has doubts about the veracity or adequacy of previously obtained customer identification data.

When establishing a business relationship, the Company shall:

- obtain information on the purpose and nature of the business relationship and the source of funds;
- if the transaction is conducted by a natural person, adequately identify and verify his identity including information relating to:
 - o the person's name and address;
 - o the national identity card, social security document, passport or other applicable official identifying document;
 - o the source of funds, if the Customer is a PEP or any reason for suspicion exist;

- o if the transaction is conducted by a legal person or legal arrangement, obtain information on that legal person or legal arrangement, adequately identify the company, the beneficial owner and ultimate natural persons providing the funds of such legal person or legal arrangement and take reasonable measures to identify and verify the legal status, ownership and control structure, including information relating to:

- o proof of incorporation or similar evidence of establishment or existence; and;

- o the customer's name, name of trustee and ultimate settler (for trusts) and of persons providing funds and council members (for foundations), legal form, head office address and identities of directors (for legal persons) and source of funds;

- have appropriate risk management systems to determine if a potential customer, customer or beneficial owner is, is likely to be, is found to be or becomes a politically exposed person, and if so, shall:

- o adequately identify and verify his identity as set out in this section;

- o take reasonable measures to establish the source of funds and source of property;
and

- o conduct regular enhanced ongoing monitoring of the business relationship.

- "Politically exposed person" means any individual who is or has been entrusted with prominent public functions in Jurisdiction or in another country or territory, including Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials including family members or close associates of the politically exposed person.

- perform due diligence measures on a risk sensitive basis which are consistent with guidelines issued by the Financial Intelligence Unit; and

- upon the establishment of a business relationship, and when completing the verification of the identity of the customer and beneficial owner, ensure that money laundering risks are effectively managed.

If it appears to the Company that an applicant requesting it to enter into any business relationship or transaction, whether or not in the course of a continuing business relationship, is acting on behalf of another person, the Company shall establish the true identity of any person on whose behalf or for whose ultimate benefit the applicant may be acting in the proposed transaction, whether as a trustee, nominee, agent or otherwise.

Nothing in this section shall require the production of any evidence of identity where:

- the customer is itself a financial institution to which the AML Act applies and which has been licensed or registered, and is supervised for anti-money laundering and countering the financing of terrorism measures by a regulatory authority and the Company has satisfied

itself as to the adequacy of the measures to prevent money laundering and the financing of terrorism; or

- there is a transaction or a series of transactions taking place in the course of a business relationship, in respect of which the applicant has already produced satisfactory evidence of identity.

Where the Company relies on an intermediary or third party to undertake its obligations under this Policy:

- must be satisfied that the third party is able to provide copies of identification data and other documents relating to the obligation of due diligence without delay;
- shall satisfy itself that the third party or intermediary is regulated and supervised, and has measures in place to comply with the requirements set out in sections of the AML Act and in accordance with the Financial Action Task Force recommendations on regulation, supervision and monitoring.
- shall immediately obtain from the third party, copies of identification data and other documents relating to the obligation of the customer due diligence process;
- shall ensure countries where third parties are based adequately apply the Financial Action Task Force recommendations;
- shall maintain ultimate responsibility for customer identification and verification of customer.

Identity generally means a set of attributes which uniquely define a natural or legal person. There are two main constituents of a person's identity, which for the purposes of these Guidelines are the physical identity (e.g. name and date of birth) and the activity undertaken.

As part of the due diligence process, the Company should:

- Use reasonable measures to verify and adequately document the identity of the customer or account holder at the outset of a business relationship. This process should include, where appropriate:
 - o Taking reasonable measures to understand the ownership and control structure of the customer;
 - o Obtaining information on the purpose and intended nature of the business relationship, the source of funds, and source of wealth, where applicable; and
 - o Discontinuing the transaction, if customer documentation information is not forthcoming at the outset of the relationship.
- Employ enhanced due diligence procedures for high risk customers or transactions or business relationships such as private banking operations, non-resident customers, trust

arrangements, companies having nominee shareholders or customers who the Company has reasons to believe are being refused for banking facilities by another financial institution.

The following original/copy documents are acceptable methods for confirmation of the identity of customers:

- Government-issued photo-bearing identification (e.g. passport, Social Security Card, Voter's ID, Driver's license);
- Armed forces ID card;
- Employer ID card;

The following original/copy documents are acceptable methods for confirmation of the current permanent address of local customers:

- Government-issued identification;
- Checking telephone directory;
- Recent utility bill;
- Tax bill;
- Letter from the employer acknowledging address;
- Letter from a Judge or Magistrate of the Courts of Jurisdiction;
- Letter from a financial institution acknowledging address;

2. KYC Documentation for natural persons

The Company must obtain and document the following basic information when seeking to verify identity:

- True name/names used and correct permanent residential address including postcode (if applicable);
- Valid photo-bearing identification, with unique identifier, (e.g. passport, social security card or driver's license along with a passport or social security card);
- Date and place of birth and nationality (indication should be made if dual citizenship is maintained);
- Contact details e.g. telephone number, fax number and e-mail address;
- Signature;

Purpose of the account and the nature of the business relationship. The following information may also be required when the Company seeks to verify identity:

- Occupation and name of employer (if self-employed, the nature of the self-employment);
- Estimated level of account activity including:
- Size in the case of deposit and custody accounts;
- Balance ranges, in the case of current and deposit accounts;
- An indication of the expected transaction volume of the account;
- Source of funds; and
- Any other information deemed appropriate and relevant.

Identification documents, either original or copies, should bear discernable photograph of the applicant, for example:

- Current valid passport;
- Armed forces ID card;
- Driver's license bearing the photograph and signature of the applicant (to be used along with a passport or social security card);
- Voter's card;
- Social security card; or
- Such other documentary evidence as is reasonably capable of establishing the identity of the individual customer.

One or more of the following steps used in order to confirm customer's addresses:

- Checking the Register of Electors;
- Provision of a recent utility bill, tax assessment or bank or credit union statement containing details of the address (to guard against forged copies it is strongly recommended that original documents are examined);
- Checking the telephone directory; and
- Record of home visit.

In circumstances where the Company's customer is considered a PEP client, the Company should also take reasonable measures to establish the customer's source of wealth and document findings.

Where a customer is unable to produce original documentation needed for identification or verification, copies should be accepted.

3. KYC Documentation for corporate customers

To satisfy itself as to the identity of the corporate customer, the Company should obtain:

- Name of corporate entity;
- Principal place of business and registered office;
- Mailing address;
- Contact telephone and fax numbers;
- Board resolution authorizing the opening of the account and conferring authority on signatories to the account;
- The original or a certified copy of the Certificate of Incorporation, authenticated where the body is incorporated outside of Jurisdiction, or Certificate of Registration where the body was incorporated abroad but registered under the Companies Act;
- Satisfactory evidence of the identity of all account signatories, details of their relationship with the company and if they are not employees, an explanation of the relationship. All signatories must be verified in accordance with the identification and verification of identity requirements of natural persons;
- Identity information on the natural persons with a controlling interest in the corporate entity. This information should extend, as far as practicable, to identifying those with a minimum of 10% shareholding, those who ultimately own and have principal control over the company's assets, including anyone who is giving instructions to the Company to act on behalf of the company. However, if the company is publicly listed on a recognized stock exchange and not subject to effective control by a small group of individuals, identification and verification of the identity of shareholders is not required;
- Confirmation before a business relationship is established, by way of company search and/or other commercial enquiries that the applicant company has not been, or is not in the process of being dissolved, struck off the companies register, wound-up or terminated. Such confirmation may be verified by obtaining a current Certificate of Good Standing or equivalent document or alternatively, obtaining a set of consolidated financial statements that have been

audited by a reliable firm of auditors and that show the group structure and ultimate controlling party;

Therefore, the Company obtains the following information and documents when seeking to verify the identity of corporate customers:

- Certified Copy of the Memorandum and Articles of Association of the entity;
- Description and nature of business, including date of commencement, products or services provided, location of principal business and name and location of the registered office and registered agent of the corporate entity, where appropriate;
- Purpose of the account, the estimated account activity (including volume, balance ranges in the case of current and deposit accounts), source of funds and source of wealth in circumstances where the customer is considered high risk;
- By-laws and any other relevant corporate documents filed with the Companies' Registry;
- Recent financial information or audited statements;
- Copies of Powers of Attorney, or any other authority, affecting the operation of the account given by the directors in relation to the company and supported by a copy of the respective Board Resolution;
- Copies of the list/register of directors and officers of the corporate entity including their names and addresses;
- Written confirmation that all credits to the account are and will be beneficially owned by the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity;
- Satisfactory evidence of identity must be established for at least two directors, one of whom should, if applicable, be an executive director where different from account signatories; and
- Such other official documentary and other information as is reasonably capable of establishing the structural information of the corporate entity.

4. KYC Documentation for partnerships and unincorporated business

The Company must obtain the following documents and information when seeking to verify the identity of partnerships and unincorporated businesses:

- Identification evidence for all partners/controllers of a firm or business, in line with the requirements in these Guidelines for individual customers who are relevant to their firm's application to become a facility holder and who have individual authority to operate a facility or otherwise to give relevant instructions;
- Identification evidence for all authorized signatories, in line with the requirements in these Guidelines for individual customers. When authorized signatories change, care should be taken to ensure that the identity of the current signatories has been verified;
- A copy of the partnership agreement (if any) or other agreement establishing the unincorporated business; and
- A mandate from the partnership authorizing the opening of an account or the use of some other facility and conferring authority on those who will undertake transactions should be obtained.

In the case of limited partnership, identification evidence must be obtained for the General Partner in line with the requirements in these Guidelines for individual customers. The partners of a partnership should be regularly monitored and verification carried out on any new partners whose identities have come to light as a result of such monitoring or otherwise.

The following may also be required when the Company seeks to verify the identity of partnerships and unincorporated businesses:

- Description and nature of the business including:
 - o Date of commencement of business;
 - o Products or services provided; and
 - o Location of principal place of business;
- The reason for establishing the business relationship and the potential parameters of the account including:
 - o Size in the case of client's accounts;
 - o Balance ranges, in the case of deposit and client accounts;
 - o An indication of expected transaction volume of the account;
- The source of wealth in circumstances where the customer is considered a PEP or any reason for suspicion arise;

- The source of funds in circumstances where the customer is considered a PEP or any reason for suspicion arise;
- A copy of the last available financial statements where appropriate;
- Written confirmation that all credits to the account are and will be beneficially owned by the facility holder except in circumstances where the account is being operated by an intermediary for the purpose of holding funds in his professional capacity; and
- Such documentary or other evidence as is reasonably capable of establishing the identity of the partners or beneficial owners.

5. KYC Documentation for other legal structures and fiduciary arrangements

Legal structures such as trusts and foundations and nominee and fiduciary accounts can be used by criminals who wish to mask the origin of funds derived from crime if the trustee or fiduciary does not carry out adequate procedures. Particular care is needed on the part of the Company when the facility holder is a trustee or fiduciary who is not an exempted client or an eligible introducer. The principal means of preventing money laundering and terrorist financing through the use of legal structures, nominee companies and fiduciaries is to verify the identity of the provider of funds, such as the settlor and also those who have the power to remove the trustees/advisors. The settlor may also be a sole trustee of the trust, in which case, identification documentation should be obtained in relation to him.

6. KYC Documentation for trust clients

The Company should take reasonable measures to obtain information about the true identity of the persons on whose behalf an account is opened or a transaction is conducted. This applies especially if there are any doubts as to whether or not these clients or customers are acting on their own behalf.

At a minimum, the Company should obtain the following, whether the Company is a named trustee or is providing services to a trust:

- Name of trust;
- Nature/type of trust;
- Country of establishment;
- Identity of the ultimate natural person providing the funds, if not the ultimate settlor.

Normally, in addition to obtaining identification evidence for the trustee(s) and any other person who is signatory on the account:

- Make appropriate enquiry as to the purpose of the legal structure and the source of funds;
- Obtain identification evidence for the settlor, protector(s)/controller(s) and for such other person(s) exercising effective control over the trust which includes an individual who has the power (whether exercisable alone, jointly with another person or with the consent of another person) to:
 - o Dispose of, advance, lend, invest, pay or apply trust property;
 - o Vary the trust;
 - o Add or remove a person as a beneficiary or to or from a class of beneficiaries;
 - o Appoint or remove trustees;
 - o Direct, withhold consent to or veto the exercise of a power such as is mentioned above.

In the case of a nominee relationship, obtain identification evidence for the beneficial owner(s).

7. KYC Documentation for foundations

A foundation is an entity which exists to support a charitable institution and which is funded by an endowment or donations. This type of non-profit organization may either donate funds and support to other organizations or provide the sole source of funding for their own charitable activities.

It will normally be necessary to obtain the following documented information concerning foundations:

- The foundation's charter;
- The Registrar General's certificate of registration or document of equivalent standing in a foreign jurisdiction should be obtained in order to confirm the existence and legal standing of the foundation;
- The source of funds. The Company should obtain and document information on the source of funding for the foundation. In cases where a person other than the founder provides funds for the foundation, the Company should verify the identity of that third party providing

the funds for the foundation and/or for whom a founder may be acting in accordance with verification of identity procedures for natural persons; and

- The Company should obtain identification evidence for the founder(s) and for such officers and council members of a foundation as may be signatories for the account(s) of the foundation. The Company should follow the guidance provided when verifying the identities of signatories. Where the founder is a company, the Company should have regard to the guidance on corporate clients. Where the founder is an individual, the Company should follow the guidance provided for natural persons.

8. KYC Documentation for Executorship Accounts

Where a business relationship is entered into for the purpose of winding up the estate it should be verified in line with this guidance, depending on the nature of the executor (i.e. whether personal, corporate, or a firm of attorneys). However, the identity of the executor or administrator need not normally be verified when payment from an established bank account in the deceased's name is being made to the executor or administrator in accordance with the Grant of Probate or Letters of Administration solely for the purpose of winding up the estate. Payments to the underlying beneficiaries on the instructions of the executor or administrator may be made in accordance with the identification and verification requirements as set out in the section on Identification Procedures in these Guidelines.

If any suspicions are aroused about the nature or origin of assets comprising an estate that is being wound up, then a report of the suspicions should be made to the Financial Intelligence Unit.

9. Certification of Customer Information

The Company should exercise due caution when considering certified documents, especially where such documents originate from a country perceived to represent a high risk, or from unregulated entities in any jurisdiction. Where certified copy documents are accepted, it is the Company's responsibility to satisfy itself that the certifier is appropriate. In all cases, the Company should also ensure that the customer's signature on the identification document matches the signature on the application form (if applicable), mandate, or other document.

For natural persons, face-to-face customers must, where possible, show the Company's staff original documents bearing a photograph and copies should be taken immediately, retained and certified by a senior staff member.

Where it is impractical or impossible to obtain sight of original documents, a copy is acceptable and that the photo is a true likeness of the facility holder.

10. Customers' Profile Policy

A customer profile policy is determined and implemented under particular criteria related with clients' risk profile. In particular, the factors that specify the risk category at which a client is attributed are mainly dealing with client:

- The nature of the customer's business (whether cash intensive e.g. casinos and restaurants);
- The nature and frequency of the activity;
- The complexity, volume and pattern of transactions;
- Type, status and value of account;
- Type of customer, based on specific risk factors (e.g. whether ownership of a corporate customer is highly complex for no apparent reason, whether the customer is a PEP, whether the customer's employment income supports account activity, whether customer is known to other members of the financial group, whether delegated authority such as power of attorney is in place);
- Type of product/service (e.g. whether private banking, one-off transaction, mortgage);
- Delivery channels (e.g. whether internet banking, wire transfers to third parties, remote cash withdrawals);
- Geographical origin of the customer;
- Geographical area (e.g. whether business is conducted in or through jurisdictions with high levels of drug trafficking, corruption or lacking proper standards in the prevention of money laundering/financing of terrorism, whether the customer is subject to regulatory or public disclosure requirements);
- Whether the origin of wealth and/or source of funds can be easily verified and whether the audit trail has been deliberately broken and/or unnecessarily layered;
- Unwillingness of the customer to cooperate with the Company's customer due diligence process for no apparent reason;
- Any other information that raises suspicion of the customer's connection to money laundering or terrorist financing.

11. Risk based approach

The Company's risk-based approach requires an assessment of the risk posed by the nature of the business and the implementation of appropriate mitigation measures, while maintaining an overall effective programme. This should be evidenced by categorization of the customer base, products and services by risk rating and identification of assigned actions by risk types.

Prior to establishing a business relationship, the Company should assess the potential risk inherent in each new client relationship. This assessment should take into account the products or facilities to be used by the customer and whether and to what extent a customer may expose the Company to risk. The Company should then decide whether or not to establish or continue with a relationship.

The Company categorises customers in terms of risk in 3 groups, namely:

- Low Risk
- Medium Risk
- High Risk

The Company's risk based approach take into account customer acceptance and on-going monitoring policies and procedures that assist the Company in identifying the types of customers that are likely to pose higher than average money laundering and terrorist financing risk.

The Company adopted reasonable criteria for assessing the risks (e.g. whether ownership of a corporate customer is highly complex for no apparent reason, whether the customer is a PEP, whether the customer's employment income supports account activity, whether customer is known to other members of the Company's group, whether delegated authority such as power of attorney is in place).

12. Simplified customer due diligence

Reduced due diligence is acceptable for example, where information on the identity of the customer or beneficial owner is publicly available or where checks and controls exist elsewhere in national systems.

13. Enhanced customer due diligence

A more extensive customer due diligence process should be adopted for higher risk customers. In particular, the Company applies enhanced due diligence to customers where the risk of being used for money laundering or terrorist financing is high. It follows, then, that

simplified customer due diligence measures are not acceptable whenever there is suspicion of money laundering or terrorist financing or specific higher risk scenarios apply.

The Company may determine that a customer is high risk because of the customer's business activity, ownership structure, nationality, residence status, anticipated or actual volume and types of transactions. Any Company may be wary of doing business with persons from countries where, for example, it is believed that there is a high level of drug trafficking or corruption and greater care may be needed in establishing and maintaining the relationship or accepting documentation from such countries.

The Company should give particular attention to the following business relations and transactions:

- Where a customer has not been physically present for identification purposes;
- Correspondent relationships;
- Business relationships or occasional transactions with a PEP;
- Business relations and transactions with persons from or in countries and jurisdictions known to have inadequate AML measures;
- Corporate customers able to issue bearer shares or bearer instruments.

In particular, the Company defines the following types of customers as high risk clients and therefore enhanced due diligence are applied:

- Non-Profit Organizations
- Non-Face to Face Customers
- Introduced Business
- Professional Service Providers
- Politically Exposed Persons
- High-Risk Countries
- Bearer Shares
- Correspondent Banking

The Company shall establish and maintain the following:

- records of all transactions in accordance with the requirements, where evidence of a person's identity is obtained in accordance with the AML Act, a record that indicates the nature of the evidence obtained, and which comprises either a copy of the evidence or such information as would enable a copy of it to be obtained;
- account files and business correspondence in relation to accounts;
- written reports established in accordance with this policy, if applicable.

Customer accounts of the Company shall be kept in the true name of the account holder. Records required under above subsection shall contain particulars sufficient to identify:

- the name, address and occupation or, where appropriate, business or principal activity of each person conducting the transaction; or
- if known, on whose behalf the transaction is being conducted, as well as the method used by the Company to verify the identity of each such person;
- the nature and date of the transaction;
- the type and amount of currency involved;
- the type and identifying number of any account with the Company involved in the transaction;

Records required be kept by the Company for a period of at least 1 year from the date the relevant business or transaction was completed, or termination of business relationship or any longer period if requested by the Financial Intelligence Unit in specific cases and upon proper authority and the requirement to keep the record shall apply whether the account or business relationship is ongoing or has been terminated.

In addition, The Financial Intelligence Unit may, in writing, require from the Company to keep a record for a specified period of time. The Company shall ensure that customer information and transaction records are available on a timely basis to domestic authorities upon proper authority.

The Company shall:

- comply with any instruction issued to it by the Financial Intelligence Unit pursuant to the AML Act;
- permit any authorized officer of the Financial Intelligence Unit to enter into any premises of the Company during normal working hours and inspect the records kept pursuant to the provisions of this policy and make any notes or take any copies of the whole or any part of any such record and shall answer any questions of the Financial Intelligence Unit in relation to such records;

- comply with the guidelines and training requirements issued and provided by the Financial Intelligence Unit in accordance with the AML Act.

The Company shall pay special attention to:

- all complex, unusual or large business transactions, or unusual patterns of transactions, whether completed or not, and to insignificant but periodic transactions, that have no apparent economic or lawful purpose;
- business relations and transactions with persons including legal persons and arrangements, from or in jurisdictions that do not have adequate systems in place to prevent or deter money laundering or terrorist financing;
- electronic funds transfer that do not contain complete originator information and shall adopt effective risk-based procedures to identify and handle any such transfer.

Whenever the Company suspects or has reasonable grounds to suspect that any transaction, proposed transaction or attempted transaction is related to the commission of a money laundering offence or terrorist financing offence or is related or linked to, or is to be used in connection with a terrorist act or for the financing of terrorism, or that the funds or property are the proceeds of crime, it shall as soon as possible but not later than 10 days after forming that suspicion and wherever possible before the transaction is carried out:

- take reasonable measures to ascertain the purpose of the transaction, the origin and ultimate destination of the funds involved and the identity and address, of any ultimate beneficiary;
- prepare a report of the transaction and send the report to the Financial Intelligence Unit in such form as the Director, may from time to time, approve;
- in case of clients companies which are dealers in precious metals and dealers in precious stones and other dealers in high value goods, shall report any transactions to the Financial Intelligence Unit in accordance with this subsection whenever they engage in any cash transaction equal to or above the equivalent of fifteen thousand dollars or such other sum as may from time to time be prescribed by the Minister;
- in case of clients companies which are real estate agents and dealers in vehicles, shall report transactions in accordance with this subsection to the Financial Intelligence Unit when involved in transactions for their clients concerning the buying or selling of real estate or vehicles of any description.

A report shall:

- set forth all particulars known regarding the transaction;
- contain a statement of the grounds on which the Company holds the suspicion; and
- be signed or otherwise authenticated by the Company;

If the Company has reported a suspicious transaction in accordance with this section shall, if requested to do so by the Financial Intelligence Unit, give such further information as requested by the Financial Intelligence Unit.