

Anti-Money Laundering Policy

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1. Purpose of the Policy

Money Laundering is the participation in any transaction that seeks to conceal or disguise the nature or origin of funds derived from illegal activities including fraud, corruption, organized crime, terrorism, and many other crimes. Predicate offences for money laundering are defined by local law in the diverse jurisdictions.

In everyday business CEB faces the risk that by processing a payment instruction or by accepting a deposit to a customer's account, it performs an act that apparently gives a legitimate 'face' to an otherwise unlawful money flow. Money launderers seek to ensure flows of unlawful funds by disguising them as legitimate financial transactions. As a result, almost every transaction will appear 'clean' on the face of it. To counter these risks CEB is vigilant in handling its customers' transactions.

To assist the banking industry in this task various international organizations have published standards (i) providing a complete set of counter-measures against money laundering covering the criminal justice system and law enforcement, the financial system and its regulation, and international co-operation, and (ii) to detect, prevent and suppress the financing of terrorism and terrorist acts.

The purpose of this policy is to establish a general framework for the fight against money laundering and financing of terrorism. Adherence to this policy is absolutely fundamental for ensuring that all offices of CEB, regardless of geographic location, fully comply with applicable AML legislation. In this respect, CEB also endorses:

- the FATF standards on money laundering and terrorist financing;
 - publications by the Basel Committee on customer due diligence and
 - the AML principles of the Wolfsberg Group.
- as setting solely or jointly the benchmark for best industry practices in banking.

2. Applicability

In response to the international community's growing concern about the problem of money laundering and potential terrorist financing, many countries around the world are continuously enacting or strengthening their laws and regulations regarding this subject.

CEB must ensure that the statutory duties resulting from the different applicable laws and regulations on money laundering and terrorist financing are fulfilled by all its offices. In any country/jurisdiction where the requirements of applicable AML laws and regulations establish a higher standard than described in this document, the respective office of, CEB must meet those standards.

Each office of CEB has therefore developed programs against money laundering. These so-called AML Programs include, as a minimum, this policy, CEB's KYC policy and both local AML and KYC procedures. Local AML procedures meet (i) the applicable AML laws and regulations of the relevant jurisdiction and (ii) the provisions set out in this policy whereas local KYC procedure meet (i) the respective local regulatory requirements, as well as (ii) the provisions set out in CEB's KYC policy.

If any applicable laws and regulations are in conflict with this policy, the relevant office of CEB must consult with local Compliance or the Country AML Officer where applicable, to resolve the conflict.

3. Detailed Policy

Sound AML standards constitute a key component of CEB's efforts to prevent CEB from being misused for money laundering, terrorism financing or other fraudulent transactions.

The following standards are to be understood as minimum requirements for CEB based on either legal and regulatory requirements or directive guidelines.

3.1 Risk identification

To minimize the money laundering risk CEB needs to make sure that it carries out appropriate due diligence when entering into a relationship with a customer, and ongoing due diligence and monitoring of transactions throughout the course of the relationship.

The continuing threat of money laundering through financial institutions is most effectively managed by understanding and addressing the potential money laundering risks associated with customers and transactions.

In measuring a potential money laundering risk it is recommended to consider and assess its following components: country risk, customer risk and services risk.

Local AML procedures shall provide guidance on the way of identification of the customer's money laundering risk, including the proportional weight of each on the risk components in the overall risk assessment and on the way of measuring thereof.

Risks posed by some customers may only become evident once the customer has commenced transacting through the account, making monitoring of customer transactions a fundamental component of the local AML procedures.

3.1.1 Country Risk

Country risk, in conjunction with other risk factors, provides useful information as to potential money laundering risks. There is no universally agreed definition by either governments or institutions that prescribes whether a particular country represents a higher risk. Factors that may result in a determination that a country poses a higher risk include:

- Countries subject to sanctions, embargoes or similar measures issued by, for example, United Nations, European Union.
- Countries identified by the FATF as:
 - o non-cooperative in the fight against money laundering;
 - o lacking appropriate money laundering laws and regulations;
 - o providing funding or support for terrorist activities;
 - o having significant levels of corruption, or other criminal activity.

3.1.2 Customer Risk

Determining the potential money laundering risks posed by a customer will provide significant input into the overall money laundering risk assessment. CEB needs to assess, based on its own criteria, whether a particular customer poses a higher risk of money laundering and whether mitigating factors may lead to a determination that customers engaged in such activities do not pose a higher risk of money laundering. Application of the different risk variables plays an important part in this determination.

There is no universal consensus as to which customers pose a higher risk, but the below listed characteristics of customers are recommended to be viewed as associated with potentially higher money laundering risks:

- Customers subject to sanctions, embargoes or similar measures issued by, for example, United Nations, European Union.
- Customers which are established in offshore, obscure or apparently unconnected jurisdictions (in which respect attention shall be paid to the FATF's 'black-list' of non cooperating countries (or NCCTs), and other similar databases or freeze-lists carrying similar precautionary advice issued by competent authorities).
- Cash (and cash equivalent) intensive businesses.
- Dealers in high value or precious goods (e.g. jewel, gem and precious metals dealers, art and antique dealers and auction houses, estate agents and real estate brokers).
- Accounts for "gatekeepers" such as accountants, lawyers, or other professionals for their customers where the identity of the underlying customer is not disclosed to the financial institution.
- The use or involvement of intermediaries within the relationship. However, the involvement of an intermediary that is subjected to adequate AML regulation and is supervised for compliance with such regulation or otherwise employs adequate AML procedures generally poses reduced money laundering risks.
- Customers that are Politically Exposed Persons or "PEPs".

3.1.3 Services Risk

Determining the potential money laundering risks presented by services offered by CEB may also assist in the overall risk assessment. Services that pose a higher risk of money laundering should be included in a determination of the overall money laundering risks posed. Determining the money laundering risks of services should include a consideration of such factors as services identified by regulators, governmental authorities or other credible sources as being potentially high risk for money laundering including, for example:

- International Correspondent Banking services.
- Trade financing transactions with unusual pricing features.
- Non-standard business i.e. a service or product which the customer specifically describes to CEB as wishing to receive; and in all cases, banking business of a nature which CEB has not provided in the past.

For the avoidance of doubt, services intended to render the customer deliberately anonymous to CEB, to avoid identification and detection, may not be offered and thus are not offered.

3.2 Establishment of customer identity

CEB establishes and maintains relationships exclusively with those customers whose source of wealth and funds, as well as the nature of business activities undertaken with CEB, can be reasonably established as legitimate. For this purpose CEB exercises due diligence on each prospective customer before entering into relations with it and continuously monitors the legitimacy of customer's business while providing banking services. In the process of customer acceptance, the use of one or more internal and/or external applications for name checking is mandatory.

Prudent identification of the customer consists of verifying:

- **for corporations**, by reliance upon official incorporation documentation (e.g. commercial registry extract, certificates of incorporation, good-standing and incumbency, articles and/or memorandum of association);
- **for natural persons**, by reliance upon official identity papers (i.e. valid passports or valid national identity cards);
- **for trusts**, by reliance upon satisfactory evidence of the creation, establishment and valid existence of the trust (e.g. deeds of trust, license).

Wherever possible customers shall be met face-to-face or at least their identities verified by identification (e.g. through veritable third parties). Only those customers who satisfy a thorough investigative process will be accepted.

3.3 Establishment of ultimate beneficiary

Whenever CEB is required to identify a customer, the ultimate beneficial owner(s) must also be properly identified.

Identification of the beneficial owner(s) consists of determination through official documentation of the ultimate beneficial shareholding in corporate customers (e.g. share certificates, certificates of incumbency, publication that the shares have been admitted to official stock-exchange listing); for nominee shareholders and/or directors, by determination upon whose behalf or by whom the nominations were made (e.g. declarations by the nominees, letters of appointment); determination of the directing "mind" behind the actions of the corporation.

Particular care must be taken to identify the true owners of funds when accounts are opened for lawyers, notaries, certified public accountants, tax advisors and trustees.

3.4 Establishment of account purpose

Prior to opening an account for a customer, CEB should gather sufficient information from the customer about the purpose and reasons behind opening the account.

3.5 Monitoring

Local Compliance or the respective Country AML Officers where applicable, shall ensure that ongoing account and transaction monitoring is conducted to detect unusual or suspicious activities.

Each business line monitors all its customers and their financial behaviour. The business lines have to be aware of significant transactions and increased activity in the accounts. Irregular behaviour (especially unusual or suspicious activities) by a customer will be recognized immediately by the relevant business line. In order to increase the efficiency of customer monitoring all available means should be utilized.

An unusual or a suspicious activity is a transaction which cannot be explained in any logical way (whether objectively or by the customer). Unusual or suspicious activities may include:

- account transactions or other activities which are not consistent with the profile of the customer or its group members;
- transactions over a certain amount;
- breaking up amounts before transfer or receipt without a logical explanation or clear business purpose (e.g. 'smurfing');
- transfer of company funds to private accounts or vice-versa;
- offering or acceptance of irregular transaction conditions; and
- the then prevailing indicators of unusual or suspicious activities as set by the competent authorities.

3.6 Reporting of unusual or suspicious transactions

Applicable laws and regulations of respective jurisdictions require CEB to report unusual or suspicious transactions to the competent authorities.

To help institutions in determining whether a transaction is unusual or suspicious the competent authorities have listed a number of 'objective' indicators whereby criteria are defined under which a reporting is mandatory. In addition, it may also refer to some 'subjective' indicators, whereby CEB is obliged to do some further investigation if it feels that it is or can be relevant.

Depending upon the seriousness of the unusual or suspicious activity (e.g. in terms of frequency, amount, transaction type, etc.) the responsible staff member for the customer relationship will report the matter to his or her superior and present an analysis of the background of the unusual or suspicious activity to local Compliance or the Country AML Officer where applicable, using a standardized template.

After receiving the internal notice of unusual or suspicious activity local Compliance or the Country AML Officer where applicable, will investigate the reported transaction(s) to patterns that disclose criminal financial networks and individual cases of money laundering. Following this, a decision will be made as to whether a reporting to the competent authorities has to be made. Furthermore, an advice will be given by local Compliance or the Country AML Officer where applicable, as to whether:

- the banking relationship should be continued with increased monitoring; or
- the banking relationship should be cancelled.

3.7 Record keeping

Records must be kept of:

- all transaction data;
- data obtained for the purpose of identification;
- all documents related to money laundering and financing of terrorism.

Furthermore, this will also enable CEB to comply with information requests from the competent authorities. The local AML procedures must stipulate the specific record keeping requirements according to the relevant laws and regulations of the respective jurisdiction.

3.8 Training

All staff with direct customer contact, staff who are authorized to execute cash and non-cash financial transactions, and staff in essential support functions for the processing of financial transactions (like, for example, Compliance, Internal Audit, or data processing centres) must be trained on the duties derived from the applicable legal and regulatory AML requirements initially upon commencement of employment with follow-up training on a regular basis.

4. Distribution

This policy is published using a form that can only be changed by the owner of this document. Any changes to this document require the approval from the Managing Board of Credit Europe Bank N.V.

It is recommended to have this document published on the internet and intranet of any CEB office in a form that is relevant, accessible and understandable to the intended reader. This document is to be maintained and made readily available to the appropriate staff members for access and further reference.

5. Enforcement

Governments and regulators have taken money laundering seriously for a long time. Even so, recent events have made everyone, especially the authorities, more sensitive. Previously money laundering was strictly a matter of regulation and criminal statutes. The regulations and criminal laws still apply, of course, but money laundering has now become more a political issue than ever before. Countries all over the world have adopted new laws. Enforcement of existing laws is more aggressive than ever before. As a practical matter, this makes potential reputation damage much more immediate. Even an allegation of money laundering can result in catastrophic damage to CEB's ability to do business.

CEB is therefore committed to high standards of AML compliance and requires local management and all other staff of every CEB office to adhere to these standards in preventing the use of its products and services for money laundering purposes.

6. Getting Help

Any queries related to the content and interpretation of this policy can be addressed to local Compliance or the Country AML Officer where applicable.

7. Policy Authority

This policy is approved by the Managing Board of Credit Europe Bank N.V. and valid as per effective date. As a minimum, this policy will be reviewed and updated every two years.

8. Definitions

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| AML | Anti-Money Laundering |
| CEB | Credit Europe Bank Group, consisting of Credit Europe Bank N.V. (Head Office, branches, overseas liaison offices) and its subsidiaries |
| FATF | Financial Action Task Force |
| KYC | Know Your Customer |