

Anti-Money Laundering/KYC

1. Introduction

ANCHORAGE ASSET MANAGEMENT AG is a company incorporated in accordance with the laws of Liechtenstein, authorised and regulated by Fma with CIF licence n. 111372 /2006 (hereinafter the ‘**Company**’).

At ANCHORAGE ASSET MANAGEMENT AG (“Company”) we are committed to adhering to the highest standards of Anti- Money Laundering (“AML”) and countering the financing of Terrorism (“CFT”). Our AML/ KYC policy is designated to prevent the use of our services for any illegal activities and to ensure that we comply with all relevant Laws, Directives and Regulations, including those set out by our Regulator, the Fma Securities and Exchange Commission (“Fma”), the European Union and the guidelines set forth by the Liechtenstein Unit for Combating Money Laundering Offences (“MOKAS”).

2. Purpose

The purpose of this policy is to establish the general framework and procedures that ANCHORAGE ASSET MANAGEMENT AG follows in order to detect, prevent and report any activities related to money laundering, terrorist financing, and/or any other financial crimes.

3. Legal Framework

The Company’s AML/KYC policy is in line with the following Regulations and Guidelines:

- **The Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007 (as amended);**
- **The Fma Securities and Exchange Commission Directives and Circulars;**
- **The Fourth and Fifth EU AML Directives (AMLD4 AND AMLD5);**
- **The guidelines of MOKAS;**
- **The General Data Protection Regulation (“GDPR”) for the protection of personal data.**

4. Customer Due Diligence (CDD)

Identification and Verification

The Company performs comprehensive customer due diligence (CDD) measures, including the identification and verification of the identity of all clients before establishing a business relationship. This includes:

For Individuals:

- a) true name and/or names used as these are stated on the official identity card or passport (including copies of the passport and/or ID);

- b) full permanent residential address, including postal code (including copy of the proof of residential address issued from a Governmental Body);
- c) telephone number;
- d) e-mail address;
- e) date and place of birth;
- f) Tax residence;
- g) nationality and;
- h) details of the profession and other occupations of the Client including the name of employer/business organisation.

For Legal Entities:

- (a) Company name, registration number;
- (b) certificate of incorporation and certificate of good standing (where available) of the legal person;
- (c) certificate of registered office;
- (d) certificate of directors and secretary;
- (e) certificate of registered shareholders in the case of private companies and public companies that are not listed in a Regulated Market of an EEA country or a third country with equivalent disclosure and transparency requirements;
- (f) memorandum and articles of association of the legal person;
- (g) a resolution of the board of directors of the legal person for the opening of the account and granting authority to those who will operate it;
- (h) in the cases where the registered shareholders act as nominees of the Beneficial Owners, a copy of the trust deed/agreement concluded between the nominee shareholder and the Beneficial Owner, by virtue of which the registration of the shares on the nominee shareholder's name on behalf of the Beneficial Owner has been agreed. Identification documents are requested and kept as in the case of natural persons for all physical persons involved in the arrangement.

5. Enhanced Due Diligence (EDD)

For clients deemed to be of higher risk, we implement enhanced due diligence (EDD) measures. This may include:

- a) Obtaining additional information on the client's business activities;
- b) More frequent monitoring of transactions;
- c) collect additional information about the customer and the beneficial owner(s);
- d) collect additional information on the intended nature of the business relationship;
- e) collect information on the origin of funds and the source of wealth of the customer and the beneficial owner;
- f) collect information on the purpose of the transactions planned or executed;

- g) obtain approval from senior management to enter into or maintain a business relationship with such a person;
- h) conduct enhanced on-going monitoring of the business relationship by increasing the number and frequency of controls applied and selecting patterns of transactions that need further examination.

6. Ongoing-monitoring

ANCHORAGE ASSET MANAGEMENT AG aims to constantly monitor its Clients' transactions and deposits in order to identify unusual patterns of activity. This includes:

- Regularly updating client information and risk profiles.
- Reviewing and scrutinizing transactions that appear to be unusual or inconsistent with the client's known activities.

The Company once the client has reached his/her justified deposits, requests the client to provide proof of source of funds/source of wealth that are examined and approved by the Compliance Department. The justified deposits set by the Company are examined and assessed by the AML/Compliance Department through a risk-based approach before the verification of a Client's account. The Company currently has three (3) categories of justified deposit threshold: 10,000 EUR – 20,000 EUR – 50,000 EUR.

7. Risk Assessment

The Company assesses the risk associated with each client based on factors such as:

(1) Customer risk factors:

- (a) public companies listed on a stock exchange and subject to disclosure requirements, either by stock exchange rules or through law or enforceable means, which impose requirements to ensure adequate transparency of beneficial ownership;
- (b) public administrations or enterprises;
- (c) clients that are resident in geographical areas of lower risk as set out in point (3) below;

(2) Product, service, transaction or delivery channel risk factors:

- (a) life insurance policies for which the premium is low;
- (b) insurance policies for pension schemes if there is no early surrender option and the policy cannot be used as collateral;
- (c) a pension or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under the scheme;
- (d) financial products or services that provide appropriately defined and limited services to certain types of customers, so as to increase access for financial inclusion purposes;

(e) products where the risks of money laundering and terrorist financing are managed by other factors such as purse limits or transparency of ownership such as certain types of electronic money;

(3) Geographical risk factors:

- (a) Member States;
- (b) third countries having effective AML/CFT systems;
- (c) third countries identified by credible sources as having a low level of corruption or other criminal activity;
- (d) third countries which, on the basis of credible sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have requirements to combat money laundering and terrorist financing consistent with the revised FATF Recommendations and effectively implement those requirements.

8. Reporting Obligations

a. Internal Reporting

Employees are required to report any suspicious activities or transactions to the Company's AMLCO without delay.

b. Reporting to Authorities

The AMLCO is responsible for assessing reported suspicious activities and, if necessary, filing a Suspicious Activity Report (SAR) with the MOKAS.

9. Record Keeping

The Company maintains accurate and up-to-date records of all client information and transactions. This includes:

- Client identification documents.
- Records of transactions and communications.
- Documentation of any suspicious activity reports (SARs).

These records are retained for at least five years after the termination of the business relationship, in accordance with regulatory requirements.

10. Employee Training

All employees undergo regular training on AML/CFT obligations, including how to identify and report suspicious activities. This training is updated regularly to reflect changes in Laws, Regulations and Internal Procedures.

11. Data Protection and Confidentiality

The Company is committed to safeguarding the privacy and confidentiality of its Client's information. All personal data is processed in compliance with the General Data Protection Regulation ("GDPR"). Access to this data is restricted to authorized personnel only.

12. Sanctions Compliance

Prior of accepting any client, the Company screens them against World Check, international sanction lists, including those issued by the United Nations, European Union and other relevant authorities.

13. Independent Audit Review

The Company's AML/KYC policies and procedures are subject to regular independent audits and reviews to ensure their effectiveness. The results of these audits are reported to senior management, and to Fma and any identified deficiencies are promptly addressed.

14. Stages of Money Laundering

At ANCHORAGE ASSET MANAGEMENT AG does not accept any cash deposits, third party transactions, etc. We reserve our the right to reject any deposits from accounts not belonging to the client or effect any withdrawals to third parties.

Money Laundering usually follows three stages:

- **Placement:** cash, cash equivalents and/or any form of illicit funds are placed into the legitimate financial system.
- **Layering:** Funds are transferred or moved to other accounts through a series of financial transactions designed to create confusion and distance from the criminal origin of the money.
- **Integration:** The funds are re-introduced into the economy in a way so as the funds appear to have come from legitimate sources.

In general, trading accounts are one of the different ways that can be used to launder illicit obtained funds or to hide the true owner of the funds.

ANCHORAGE ASSET MANAGEMENT AG as such, directs all withdrawals back to the original source of deposit, as a preventative measure.

15. Policy Review and Updates

This AML/KYC policy is reviewed at least annually or whenever there are significant changes in the regulatory environment. Updates are communicated to all relevant stakeholders.

16. Conclusion

ANCHORAGE ASSET MANAGEMENT AG is fully committed to combating money laundering and terrorist financing. We strive to maintain the highest standards of compliance and continuously improve our AML/KYC practices. For any questions or concerns regarding our policy, please contact our Compliance Department.