



AML POLICY

This Policy is in accordance with the general principles, laws, regulations and directives for combating money laundering. The Company is taking security measures and has adopted policies, practices and procedures that promote high ethical and professional standards and prevent the Company from being used, intentionally or unintentionally, by criminal elements.

The Company has put in place Know Your Customer (KYC) procedures as an essential element for service, risk management and control procedures.

Such procedures include:

- Risk based customer acceptance policy
- Customer identification and verification
- On-going monitoring of high-risk accounts and transactions
- Risk Assessment

The Company is obliged not only to establish and verify the identity of its customers, but also to monitor the account activity to detect any suspicious activity or transactions that do not conform with the normal or expected transactions for that customer or type of account.

KYC constitutes a core feature of services risk management and control procedures. The intensity of KYC procedures beyond these essential elements is tailored to the degree of risk.

1. CUSTOMER ACCEPTANCE POLICY

The company maintains clear customer acceptance policies and procedures, including a description of the types of customers that may pose a



higher-than-expected risk. Before accepting a potential client, KYC and due diligence procedures are followed, by examining the following factors:

- Customers' background.
- Country of origin.
- Public or high-profile position (i.e. PEPs).
- Client's age (Above 18 years-old).
- Linked accounts.
- Business activities.
- Any other risk indicators.

Enhanced due diligence is essential for an individual from high-risk countries, politically exposed persons (PEPs), complex structures and high net worth clients.

A decision to enter into business relationships with higher risk customers, such as politically exposed persons, is taken exclusively at senior management level. Company's operations procedures in terms of accepting new traders and compliance requirements, accepting funds and withdrawal procedures:

- Compliance verifies the provided documents to identify and verify the information that the client provides to the company.
- Depositing methods must be examined making sure there will be no suspicious activity and in order to comply with the Anti Money Laundering procedures.

2. CUSTOMER IDENTIFICATION

Customer identification is an essential element of the KYC policy. For the purposes of this document, a customer includes:

- The person or entity that maintains an account with the firm or those on whose behalf an account is maintained (i.e., beneficial owners);
- The beneficial owners of transactions carried out by professional intermediaries;
- Any person or entity related to a financial activity that may pose a significant reputational or other risk to the company.



The Company maintains a systematic procedure for identifying and verifying of new customers and cannot enter into a service relationship until the identity of a new customer is satisfactorily verified.

The Company must collect certain information and verify the client's identity (including, in accordance with our policy, all of the client's authorized signatories), before opening the Account. The Company gives extra caution in the case of non-resident customers and in case a new customer cannot present sufficient documents and information to satisfy the KYC procedures established by the Company and the Company will not accept the Customer till provide all the requested documents.

The customer identification process is naturally applied at the time of opening the client's account. To ensure that the records are kept up to date and that the information matches that of the client the company will be in contact with the client to make any necessary updates, as well as the client must inform the company of any change of residence or relevant personal information. An appropriate time to do so is when the client performs a significant transaction, when the client's documentation standards change substantially, or when there is a material change in the way the account is operated. However, if the Company's employees becomes aware at any time, through compliance reviews and/or the AML/CFT responsible person becomes aware, that it lacks sufficient information on an existing customer, immediate steps are taken to ensure that all relevant information is obtained as soon as possible so that the customer's account can be brought up to date. Failure to do so will result in the account being closed.

In the event that the Company's reputation may be jeopardized by the lack of information provided by the client, the Company must conduct a more intensive search due to the nature of the transactions handled and for greater scrutiny. Private accounts, which by their nature require a high degree of confidentiality, may be opened in the name of an individual, a commercial company, a trust, an intermediary or a customized investment company. In each case, reputational risk can arise if the firm does not diligently follow established KYC procedures. All new clients and new accounts are approved by the relevant department, the firm's client finance manager or the firm's dedicated AML/CFT manager. In the case of a new high-risk client, the final decision is made by the firm's CEO. Specific procedures are in place internally



XNCapitals

to protect the confidentiality of clients and their business. The company will ensure that equivalent due diligence and monitoring of these clients and their business is carried out, e.g. available for review by the AML/CFT Manager and auditors.

The company maintains clear rules and policies on the records to be kept for the identification of clients and individual transactions. This practice is essential for the company to monitor its relationship with the client, understand its ongoing business activity and, if necessary, provide evidence in the event of litigation, legal action or financial investigation that may lead to criminal prosecution. As a starting point and follow-up to the identification process, the Company obtains client identification documents and retains copies of them for at least five years after an account is closed. The Company also retains all financial transaction records for at least five years from the date the Company's relationship with the Client ended or a transaction was completed.