

METTYAP DMCC

POLICY AND PROCEDURES ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

DEFINITIONS:

Affiliates: Branches, subsidiaries or related parties of, or any entity that directly or indirectly controls, is controlled by, or is under common control with the Company

AML: Anti-Money Laundering

AMLSCU: Anti-Money Laundering & Suspicious Cases Unit – Based at the Central Bank of UAE

CDD: Customer Due Diligence

CFT / CTF: Combating the Financing of Terrorism

CIBO: Client Identification and Beneficial Ownership

Clients: Entities that have a commercial relationship with the Company

Company: METTYAP DMCC

DFSA: Dubai Financial Services Authority

DMCC: Dubai Multi Commodities Centre

ESCA: Emirates Security & Commodities Authority

FATF: Financial Action Task Force

FT: Financing of Terrorism

GRC: DMCC Governance and Risk Committee

ID: Identification

INTERPOL: International Police Organization

IOSCO: International Organization of Securities Commissions

KYC: Know Your Customer

ML: Money Laundering

NID: National Identification Card

SAR: Suspicious Activity Report

VR: Verification

INTRODUCTION

METTYAP DMCC is committed to prevent money laundering and terrorist financing in accordance with the Central Bank of the United Arab Emirate's regulations and international best practices in Anti-Money Laundering & Counter Terrorist Financing. To this effect, METTYAP DMCC is fully geared to detect suspicious activities associated with money laundering, fraud, terrorist financing & financing of illicit organizations, and report them to the Central Bank of the UAE, as per the regulations. METTYAP DMCC is dedicated to conduct business securely with integrity and in compliance with all applicable laws and regulations.

For the purpose of this policy (the "Policy"):

Money Laundering is: The process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities. If successful, the money can lose its criminal identity and appear legitimate. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

The Financing of Terrorism is: A) An offense within the meaning of the UN International Convention for the Suppression of the Financing of Terrorism (1999), where a person by any means, directly or indirectly, unlawfully and willingly, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out: (a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex of the above-mentioned treaty, or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking any active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population or to compel a government or an international organization to do or to abstain from doing an act. 2) For an act to constitute an offense set forth in paragraph 1, it shall not be necessary that the funds were actually used to carry out for any offenses referred hereinabove.

The UAE, cognizant of the need for regulatory legislation, has enacted numerous laws at federal level to prevent and criminalize money laundering and the financing of terrorism.

METTYAP DMCC is legally obligated to establish a set of policies and procedures to ensure that its Clients and Affiliates do not engage in any activities that facilitate money laundering and/or the financing of terrorist activities. Annex 'A' provides a list of the laws applicable to this Policy.

METTYAP DMCC'S COMMITMENT & DECLARATION

METTYAP DMCC is committed to supporting both domestic and international efforts and initiatives aimed at combating money laundering and the financing of terrorism, in addition to implementing and enforcing such internal measures as may be deemed necessary. METTYAP DMCC is also determined to constantly evaluate and uphold its AML policies, procedures and controls on an on-going basis by ensuring befitting internal and external audit program.

The issuance of this Policy together with the implementation, operation, and enforcement of the procedures and controls therein, are a reflection of our commitment in this regard. To combat money laundering and/or the financing of terrorism, METTYAP DMCC shall co-operate with UAE and international government agencies, and recognized law enforcement agencies.

PURPOSE & SCOPE OF THE POLICY

This Policy sets out the provisions, procedures and controls enacted by METTYAP DMCC concerning Anti-Money Laundering ("AML") and Combating the Financing of Terrorism ("CFT"). The rationale behind the Policy is unequivocally clear: METTYAP DMCC will only accept Clients whose sources of funds can be reasonably established as legitimate and who do not pose any risk (actual or potential) to the Company's reputation. In light of the foregoing, METTYAP DMCC will not tolerate any involvement in illegal activities by its staff, Affiliates or Clients.

The provisions, procedures and controls detailed below are mandatory and shall apply to METTYAP DMCC Clients, staff and Affiliates. Breach of the Policy by any METTYAP DMCC Client, staff or affiliate shall constitute a disciplinary offence and the Company reserves the right to take any additional action as it, in its sole discretion, deems fit in securing the diligent and proper implementation and enforcement of this Policy. The Company's Clients, staff and Affiliates that are found to have violated the provisions of this Policy may be warned / temporarily suspended / permanently terminated and / or reported to the relevant authority (AMLSCU, GRC or ESCA) depending on the severity of the violation.

PROCEDURES AND CONTROLS

This Policy contains, as an integral part to it, certain procedural checks and balances (collectively "Procedures and Controls"), so as to ensure the vigilant and effective operation of the Policy. The Procedures & Controls are as follows:

- Identification, verification and know-your-customer ("KYC") measures;
- Activity monitoring;
- Reporting of suspicious activities;
- Training and Awareness; and
- Record Keeping.

IDENTIFICATION (ID), VERIFICATION (VR) AND KNOW-YOUR-CUSTOMER (KYC)

ID, VR, and KYC together form the first key step in the Procedures and Controls and is to be conducted prior to the establishment of a commercial relation with a Client. It enables basic background information about the Client, their business, source of funds and their expected level of activity to be obtained and an initial decision undertaken.

The carrying out of ID, VR and KYC procedures are mandatory. Where the Client is a company, the ID, VR, and KYC process must, in order to be valid, cover the following details regarding the Client company: (a) Incorporated name; (b) Shareholders; (c) Names of Beneficial owners; (d) Names of Managers/Directors; (e) Signatories; (f) Country of origin / UAE physical address (if applicable); (g) Contact details; (h) Previous business activities (type and volume); (i) Anticipated type and volume of activities; (j) Source of funds; (k) Details of external auditors (if any); together with the supporting documentation of the above information.

Where the Client is an individual person or the Beneficial Owners, Managers/Directors and Signatories of the Client company, the ID, VR, and KYC process must, in order to be valid, cover the following details regarding the such person: (a) Full name (as per NID or passport); (b) Date and place of birth; (c) Nationality; (d) Physical address (residential and business / home country and UAE); (e) Contact details; (f) Source of funds (for Beneficial Owners); together with the supporting documentation of the above information.

An integral part of the KYC process is the carrying out of Client screening and relative risk assessment. Screening ensures that a Client is not listed on those official sanctions lists issued by Government and departments and law enforcement agencies. The risk assessment process classifies the Clients into three risk categories: normal, medium and high. Clients classified under high risk, including applicants defined as Politically Exposed Persons – PEPs, shall be subject to enhanced CDD during both the approval and monitoring process and applications shall be submitted to senior management for approval. When conducting the KYC process, no reliance must be placed on third party information or “hearsay” – ID, VR and KYC must all be carried out by the Company itself.

The FATFA Guidance for Risk-Based Compliance for Designated Non-Financials Business and Professions – DNFBPs allows entities to adopt a risk-based approach to determine the extent of due diligence measures with the level of risk posed by the customer type, business relationship, transaction, product/service or geographical location. The list of documents mentioned in this Policy is not absolute or exhaustive and the Company should assess on a case-by-case basis what documentation and information is necessary and appropriate on each particular client.

Reasonable steps must be taken to ensure that ID, VR and KYC information is updated as and when required. As a minimum standard, KYC information must be updated every 2 (two) years. For Clients that are considered of “high-risk”, updating of CDD information should be performed on a yearly basis.

ACTIVITY MONITORING

METTYAP DMCC is mandated to monitor, supervise and inspect the activities of its Clients and Affiliates. As such, the activity monitoring will be undertaken in the form of inspections of Clients/Affiliates documents to ensure that their operations are conducted in accordance with UAE Regulatory System.

REPORTING OF SUSPICIOUS ACTIVITIES

Article 15 of UAE Federal Law No. 4 of 2002 Regarding Criminalization of Money Laundering places a clear obligation on all Company staff and Affiliates to report any suspicious activities or information which may point to transactions, instructions, or arrangements related to illegal or unauthorized activities, with which any of its Clients is involved. As such, it is the legal duty of Company’s management, staff, and Affiliates to report any suspicious activity or information to the Compliance Officer of the Company (via a suspicious transaction report – “STR”), who in his turn, may report the suspicious activity or information to AMLSCU. METTYAP DMCC’s staff shall be trained and equipped to report unusual or potentially suspicious transactions through our internal channels to the compliance officer. The compliance officer, conducts an in-depth investigation and takes appropriate action before reporting such transactions to the AMLSCU, at the Central Bank of the UAE. In doing so, it is important that: (a) The reason for the suspicion is fully explained; (b) No mention of the suspicion is made to the Client or any third party of the subject of the suspicion (failure to observe this requirement may result in the divulging party being prosecuted for the offence of ‘tipping off’); and (c) Any additional information as may be deemed necessary to conduct the investigation is furnished. Any decision of the Compliance Officer not to

file a report to the AMLSCU after receiving an STR, should be fully explained and the explanation should be recorded in the Compliance Officer's files.

TRAINING AND AWARENESS

Training shall be carried out periodically for all relevant staff members, particularly for top management, so as to ensure that they are aware of those AML and CFT regulations, controls and responsibilities which require their compliance and which form the basis of this Policy. Within one month of joining the Company all relevant new staff members must be provided with an initial induction into the Policy, AML and CFT and the need for the reporting of suspicious transactions, with follow-up trainings conducted as and when considered necessary.

RECORD KEEPING

All records including the customer's identification documents, related data, transaction data and any other relevant document are maintained and retained for a minimum of five years. This is in line with the regulations of the Central Bank of the UAE. METTYAP DMCC shall always maintain the confidentiality of information provided by its customers and their transaction records.

KYC Documentation: For the purposes of this section, "KYC Documentation" shall refer to any information and documentation relating to Clients or entities which approached the Company for the purpose of establishing business relationship with, but for any reason such business relationship did not proceed.

Retention Periods: All KYC Documentation required under this Policy should be retained by the Company for a period of at least 5 years from the date of expiration/termination of a business relationship with a Client or 5 years from the date such documentation was obtained, whichever is the latest.

Investigations: Where a Client is the subject of an investigation of any kind, then all documentation relating to the investigation must be retained for such time until the authority conducting the investigation (e.g. ESCA, Dubai Police, Interpol etc) informs the Company otherwise in writing.

MANAGEMENT AND STAFF RESPONSIBILITIES

Scope of Responsibility: In carrying out the proper discharge of their duties under the Policy, both Company staff and management alike will be expected to: (a) Undertake their due diligence role; (b) Ensure their and their team's awareness of and compliance with ID, VR and KYC, record keeping and reporting; (c) Undergo such ongoing AML/CFT training as the Company deems necessary from time to time; (d) Ensure independency of the compliance function; and (e) Support the compliance function.

PERIODICAL REVIEW

This Policy shall be reviewed on at least an annual basis. Any review shall take into account legislative changes regarding AML and CFT and shall also examine the previous 12 months implementation of the Policy together with how such implementation may be improved.

ANNEXURE A

In this Policy reference has been made to the following legislation, directives and regulations (collectively the “Regulations”). In the event of any material change being effected to the Regulations following the date of this Policy coming into force, METTYAP DMCC shall make such amendments to the Policy as necessary to ensure that the intent, spirit and letter of the Regulation is reflected in the Policy.

- Federal Decree No. (20) of 2018 on anti-money laundering and countering the financing of terrorism
- UAE Federal Law No. (9) of 2014 Regarding the Amendment of some Provisions of the Federal Law No. 4 of 2002 Regarding Criminalization of Money Laundering
- Cabinet resolution No. (38) of 2014 Regarding the Executive regulation of the Federal Law 4 of 2002 Regarding Criminalization of Money Laundering
- UAE Federal Law No. (7) of 2014 Regarding the Combating of Terrorist Offences
- UAE Federal Law No. 4 of 2002 Regarding Criminalization of Money Laundering
- UAE Federal Law No. 1 of 2004 on Combating Terrorism Offence
- UAE Federal Law No. 8 of 2004 Regarding the Financial Free Zones
- Federal Law No. 4 of 2000 Regarding The Emirates Securities and Commodities Authority and Market
- ESCA regulation concerning procedures for Anti-Money Laundering
- Rule No. 4 of 2002 for Organizing Operations at DMCC
- Rule No. 1 of 2003 Amending Certain Provisions of Rule No. (4) for DMCC
- Dubai Multi Commodities Centre Authority Free Zone Rules and Regulations Third Edition – March 2012
- Guidance For Risk-Based Compliance for Designated Non-Financials Business and Professions - DNFBPs: G – 01
- FATF 40 AML and 9 CFT Recommendations