



FOR INTERNAL USE

Approved by

the Decision of the Board of Directors of
Freedom Finance Global PLC

(Minutes dated July 04, 2024)

Effective

from July 04, 2024

POLICY
on anti-money laundering and counter-terrorism financing, as well as
financing of proliferation of weapons of mass destruction

Astana

2024

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Chapter 1. General provisions

1. The Policy on anti-money laundering and counter-terrorism financing, as well as financing of proliferation of weapons of mass destruction (hereinafter referred to as the Policy) was developed in order to ensure proper implementation of the requirements of the Law of the Republic of Kazakhstan, on Anti-Money Laundering and Combating the Financing of Terrorism (hereinafter referred to as the AML/CFT Law), regulatory legal acts of the Astana International Financial Center (hereinafter referred to as the AIFC), and taking into account the recommendations of the Financial Action Task Force (hereinafter referred to as the FATF).

2. The purpose of the Policy is to protect business reputation and create an internal control system in Freedom Finance Global PLC (hereinafter referred to as the Company), for prevention/ non-admission of involvement of the Company, its officials and employees in processes of money laundering and counter-terrorism financing, as well as financing of proliferation of weapons of mass destruction.

3. The requirements of the Policy are mandatory for compliance by all employees of the Company.

4. The supervisors of the Company's structural units bear a personal responsibility for failure to comply or improper fulfillment of the requirements set out in the Policy.

5. The following are the basic concepts and terms used in the Policy:

1) shell bank - a non-resident bank that does not have a physical presence in the state (territory) in which it is registered as a bank and (or) received a license to carry out banking activities, with the exception of such a bank being directly or indirectly owned by a bank holding company, subject to consolidated supervision in the state (territory) in which it is registered;

2) Top Management – the Company's Chief Executive Officer and/or the Managing Director for Legal and Compliance Strategy;

3) ill-gotten gains - money and (or) other property received as a result of committing a criminal offense;

4) business relationships - relationships with clients, arising in the course of the Company's professional activities;

5) client - an individual, legal entity or foreign structure without forming a legal entity receiving the Company's services;

6) legalization (laundering) of proceeds from crime – involvement, in legal circulation, of money and (or) other property obtained by criminal means, through transactions in the form of conversion or transfer of the property, representing proceeds of criminal offenses, or possession and use of such property, non-disclosure or concealment of its true nature, source, location, method of disposal, movement, rights to property or its accessory, if it is known that such property represents the proceeds of the criminal offenses, as well as mediation in legalization of money and (or) other corrupt assets;

7) ML/TF - money laundering and terrorism financing, as well as financing of proliferation of weapons of mass destruction;

8) suspicious transaction with money and (or) other property (hereinafter referred to as the suspicious transaction) - a client transaction (including an attempt to perform such a transaction, a transaction in the process of being completed or an already completed transaction), in relation to which there are suspicions that the money and (or) other property used for completion of the transaction are the proceeds of criminal offenses, or the operation itself is aimed at money laundering or financing terrorism, or other criminal activity;

9) AML/CFT - Anti-Money Laundering, Combating the Financing of Terrorism;

10) Rules – Internal control rules for the purpose of anti-money laundering and counter-terrorism financing, as well as financing of proliferation of weapons of mass destruction approved by the Board of Directors of Freedom Finance Global PLC;

11) Authorized body - a government agency carrying out financial monitoring and taking other measures on anti-money laundering and counter-terrorism financing, as well as financing of proliferation of weapons of mass destruction, in accordance with the AML/CFT Law;

12) financial monitoring - a set of measures for collection, processing, analysis and use of data and information on transactions with money and (or) other property carried out by the authorized body and the Company, in accordance with the AML/CFT Law;

13) financing of terrorism - provision or collection of money and (or) other property, rights to property or benefits of a property nature, as well as donations, exchanges, donations, charitable assistance, provision of information and other types of services or provision of the financial services to an individual or group of persons, or to a legal entity, committed by a person who was knowingly aware of the terrorist nature of their activities or that the provided property, information, financial and other services would be used to carry out terrorist activities or support a terrorist group, terrorist organization, illegal paramilitary group;

14) financial monitoring unit - an independent structural unit that performs daily control over compliance the Rules and the applicable legislation by the Company's employees, in the field of AML/CFT;

15) Lists – a list of organizations and persons associated with financing of terrorism and extremism, a list of persons involved in terrorist activities, a list of organizations and persons associated with financing of proliferation of weapons of mass destruction, and other lists compiled by the Authorized Body.

Chapter 2. Main goals, objectives and principles of the Policy

6. The main purpose of this Policy is to ensure compliance by the Company and its employees with the requirements of the applicable AML/CFT legislation, and to prevent involvement of the Company, its officials and employees in the ML/TF processes.

7. The following are the basic principles of the Policy:

1) a responsibility: involvement of all Company employees, regardless of their position, within the scope of their competence, in AML/CFT processes;

2) inadmissibility of participation of the Company employees in assisting clients and other persons in actions aimed at evading financial monitoring procedures;

3) risk-based approach: risk assessment and management based on an analysis of the risks associated with clients, products and (or) services represented by the clients, as well as their jurisdiction.

4) confidentiality: protection of client data and compliance with confidentiality requirements, when collecting, processing and storing information.

5) cooperation and interaction: active interaction with the regulator, the Authorized Body and other government bodies, regarding the AML/CFT issues.

8. The main objectives of the Policy are as follows:

1) creation and maintenance of internal AML/CFT policies and procedures.

2) application of effective procedures for assessing risks associated with ML/TF, as well as development of proposals for their minimization;

3) identification and verification of clients: development and implementation of procedures for identifying and due diligence of the clients (their representatives) and beneficial owners;

4) monitoring and reporting: ensuring completeness and timeliness of submission, to the Authorized Body, of data and information provided for by the applicable legislation of the Republic of Kazakhstan.

5) employee training: regular training and advanced training of the Company's employees, in the field of AML/CFT.

6) internal control and audit: conducting regular inspections and audits to assess effectiveness of AML/CFT measures and identify areas for improvement.

Chapter 3. Internal control, in the field of anti-money laundering and counter-terrorism financing, as well as financing of proliferation of weapons of mass destruction

9. The Company has developed and operates the internal documents regulating the procedure for managing a ML/TF risk and implementing internal control, for AML/CFT purposes, including:

1) the Company's procedures of internal control, for AML/CFT purposes, including the functions and procedures of interaction of the Company's structural units, when implementing internal control, for AML/CFT purposes;;

2) information about automated information systems and software used to implement internal control for AML/CFT purposes and transfer information and data to the Authorized Body;

3) a management program and a methodology for assessing a ML/TF risk;

4) a procedure for accepting clients for servicing (taking into account risk factors), including the procedure, grounds and deadlines for making a decision to refuse to establish a business relationship and (or) conduct a transaction, or terminate a business relationship;;

5) procedures for proper verification and identification of clients (their representatives) and beneficial owners, including recording information, storing documents and the information received as part of internal control, for AML/CFT purposes;

6) procedures for monitoring and studying client transactions;

7) procedures for submitting information to the Authorized Body;

8) provisions on ensuring safety of confidential information;

9) a training and education program for the Company's employees, regarding the AML/CFT issues;

10) a procedure for informing about facts of breach of the Rules, the internal documents and the AML/CFT legislation that have become known to the Company's employees;

11) a list of management reporting provided to the Top Management and the Board of Directors of the Company, as well as the procedure for preparing and submitting management reporting based on the results of assessing effectiveness of internal control, for AML/CFT purposes, by the Company's internal audit unit.

10. Internal documents defining implementation of internal control, for AML/CFT purposes, are regularly reviewed, in order to improve AML/CFT processes, bringing them into compliance with the changed requirements of the applicable legislation, internal documents and (or) in connection with other changes in the Company's activities.

11. Internal documents of the Company, regulating the procedure for managing a ML/TF risk and implementing internal control, for AML/CFT purposes, are not subject to disclosure to the third parties, except as required by the applicable law of the Republic of Kazakhstan and the AIFC.

Chapter 4. Know Your Client Policy

12. One of the key principles of the system for preventing and identifying operations (transactions) aimed at ML/TF is due diligence of the client (its representative) and the beneficial owner. The Company employees shall have sufficient information about clients (their representatives) and beneficial owners from the moment of interaction with them and/or during the period of a separate operation/transaction.

13. The Company carries out due diligence on clients (their representatives) and beneficial owners, in the following cases:

1) establishing business relationships with the client;

2) carrying out transactions with money and (or) other property, including the suspicious transactions and the transactions having characteristics corresponding to typologies, schemes and methods of ML/TF, completion of an unusual operation (transaction) by the client;

3) there are grounds to doubt reliability of previously received information about the client (its representative), the beneficial owner.

14. Due diligence of clients (their representatives) and beneficial owners includes the following measures:

- 1) recording the information necessary to identify an individual, a legal entity (a branch, a representative office), a foreign structure without forming the legal entity;
- 2) identifying a beneficial owner and recording the information necessary for its identification;
- 3) establishing an intended purpose and a nature of the business relationship;
- 4) carrying out, on an ongoing basis, verification of business relationships and examination of transactions carried out by the client;
- 5) obtaining and recording information about the client's sources of funds and welfare;
- 6) checking accuracy of the information necessary to identify the client (its representative), a beneficial owner, and updating information about the client (its representative) and the beneficial owner.

15. In the process of identifying the client (its representative) and the beneficial owner, the Company checks for the presence of such client (its representative) and the beneficial owner in the Lists.

16. In the process of identifying the client (its representative) and identifying the beneficial owner, the Company checks whether such client (its representative) and the beneficial owner belong to politically exposed persons, their spouses and close relatives.

17. The Company does not open or maintain anonymous accounts or the recognizably fictional names accounts, or the numbered accounts, and does not carry out transfers on behalf of the clients to such accounts.

18. The Company does not establish business relationships with the persons included in the Lists. If a client is included in the Lists, the Company takes measures to freeze transactions with money and (or) other property provided for by the AML/CFT Law.

19. The Company does not establish or maintain a business relationship with a shell bank or a bank that allows its bank accounts to be used by the shell bank.

20. The Company identifies the client (its representative) and the beneficial owner before establishing a business relationship.

21. The Company refuses to establish/continue business relations with a client, in terms of conducting transactions with money and (or) other property, in the manner and in cases provided for by the applicable legislation of the Republic of Kazakhstan, the AIFC and the internal documents of the Company.

22. The Company does not provide services or establish business relationships with the persons included in the sanctions lists published by the OFAC (US), OFSI (UK), EU, UN and the Authorized Body, in accordance with the Company's IRD regulating the special economic policies.

Chapter 5. Assessing a risk of money laundering and counter-terrorism financing, as well as financing of proliferation of weapons of mass destruction

23. The Company implements the AML/CFT procedures, taking into account a risk-based approach by applying measures provided for by the law and internal documents of the Company.

24. In order to organize ML/TF risk management, the Company has developed a ML/TF risk management (risk assessment) program, which includes, but is not limited to:

- 1) the procedure for organizing the management of ML/TF risks of the Company, in the context of its structural units;

- 2) a methodology for assessing the ML/TF risks, taking into account the main categories of the risks (by type of a client, a country risk and a service/product risk), in relation to the following:
a client's risk level;

- a degree of exposure of the Company's services (products) to the ML/TF risks;
- 3) the procedure for regular monitoring, analysis and control over client risks and the degree of exposure of the Company's products (services) to the ML/TF risks, providing a list of preventive measures, the procedure and timing for implementation, monitoring the results, in accordance with the measures taken;

- 4) the procedure for assigning, terms and grounds for revising the client risk levels.

25. As part of implementation of the ML/TF risk management program, the Company applies measures to classify clients, taking into account categories and risk factors, in accordance with the Company's internal document regulating the ML/TF risk management issues.

26. The risk level of a client (a group of clients) is established by the Company, based on the results of an analysis of the information and data available to the Company, regarding the client (its representative) and the beneficial owner, and is assessed according to a scale for determining the risk level, which consists of three levels, including a high level, a standard (normal) level and a low level.

27. The procedure for assessing the ML/TF risk is determined by the Rules and other internal documents of the Company.

Chapter 6. Organization of work and a responsibility of the Company's employees, when implementing the Policy

28. In accordance with the procedure established by the Company's internal documents, a Money Laundering Reporting Officer (MLRO) is appointed, who is responsible for introduction and implementation of anti-money laundering policies, procedures, systems and controls in the Company, as well as daily monitoring of compliance with the Rules and the applicable legislation by the Company's employees, in the field of AML/CFT.

29. The functions of the MLRO and the financial monitoring unit include, but are not limited to:

1) ensuring availability of the Rules and (or) amendments (additions) to them, developed and approved by the Board of Directors, as well as ensuring monitoring of their compliance;

2) organization of submission and control over the submission of messages to the Authorized Body, in accordance with the AML/CFT Law;

3) making decisions on recognizing client transactions as suspicious and the need to send messages to the Authorized Body, in the manner prescribed by the Company's internal documents;

4) making decisions to refuse to carry out client transactions, in cases provided for by the AML/CFT Law and (or) agreements with clients, and in the manner prescribed by the Company's internal documents;

5) sending requests to the Top Management to make a decision on establishment, continuation or termination of business relationships with the clients, in cases and in the manner provided for by the AML/CFT Law and (or) internal documents of the Company;

6) informing the Top Management and the Board of Directors of the Company about identified breaches of the Rules, in the manner prescribed by the Company's internal documents;

7) preparation and coordination, with the Top Management and the Board of Directors of the Company, of information on implementation of the internal rules and recommended measures to improve risk management and internal control systems for AML/CFT purposes, for generating reports to the Board of Directors of the Company;

8) making decisions on classifying client transactions as complex, unusually large and other unusual transactions, operations that have characteristics corresponding to typologies, schemes and methods of ML/TF;

9) other functions, in accordance with the applicable AML/CFT legislation and internal documents of the Company.

30. The Company's employees, within the framework of their authorities, comply with the requirements of the AML/CFT legislation of the Republic of Kazakhstan, the Rules and other documents of the Company, regulating procedures in the field of the AML/CFT.

31. The Company's employees are required to comply with the requirements of the Policy, the Rules and other internal documents of the Company, regulating the AML/CFT processes, and are responsible for non-fulfillment and (or) improper fulfillment of these requirements.

32. The supervisors of the Company's structural units are responsible for not reflecting internal control programs in internal and other documents of the Company, regulating establishment of business

relations and implementation of transactions with money and (or) other property subject to financial monitoring, in accordance with the requirements of the Policy and the Rules.

33. The Company's employees are obliged to assist the financial monitoring unit in carrying out its functions, in accordance with the Company's internal documents, including identifying the Clients, drawing out suspicious transactions, and also reporting facts that have become known to them about possible involvement of the Company client or an ongoing transaction in ML/TF.

34. The Company employees whose responsibilities include servicing the clients are required to continuously monitor the client's activities throughout the entire period of business relations with it. If significant discrepancies are detected, in relation to the intended activities, the results of this monitoring shall be brought to the attention of the financial monitoring unit.

35. The Company employees are prohibited from the following:

1) inform clients and other persons about AML/CFT measures taken, in relation to the clients and other persons, with the exception of informing the clients about measures taken to freeze transactions with money and (or) other property, refusal to establish and terminate business relations, as well as on the refusal to conduct transactions with the money and (or) other property.

2) inform clients and other persons about the specifics of organizing internal control in the Company, for AML/CFT purposes.

3) provide direct or indirect assistance to clients or other persons, in evading financial monitoring and due diligence procedures.

36. The Company employees who become aware of facts of breaches of the AML/CFT Law by the employees, regulatory legal acts of the Republic of Kazakhstan, the AIFC and internal documents of the Company, in the field of AML/CFT are required to immediately report this by e-mail or other means of communication accepted by the Company, in the financial monitoring unit.

37. The financial monitoring unit controls compliance of the Company's activities with this Policy.

38. The supervisors of the structural units are responsible for timely, complete and high-quality implementation of the tasks and functions of the structural unit defined in the Policy and the internal documents of the Company, regulating procedures, in the field of AML/CFT.

Chapter 7. Final provisions

39. In everything that is not directly regulated by the Policy, it is necessary to be guided by the norms and requirements of the applicable AML/CFT legislation of the Republic of Kazakhstan and the AIFC, the Rules and other internal documents of the Company, regarding the AML/CFT.

40. Any changes or additions to the AML/CFT legislation of the Republic of Kazakhstan and the AIFC entail changes and additions to this Policy by its owner.

41. If, as a result of changes in the legislation of the Republic of Kazakhstan, the AIFC, certain clauses (norms) of the Policy conflict with the law, these clauses (norms) lose force and, until the relevant changes are made to the Policy, the Company is guided by the applicable legislation of the Republic of Kazakhstan and the AIFC.