Anti-Money Laundering Policy

AML/KYC

Money laundering is any transaction or series of transactions undertaken to conceal or disguise the nature and source of funds that have been obtained from illegal activity. The main objective of the money launderer is to transform illegally obtained money into seemingly legal money or other assets in the way so transformation does not leave any or little trace. Examples of illegal activities that often involve money laundering are: drug trafficking; terrorism; smuggling; fraud; bribery; robbery; embezzlement; and illegal gambling. More details you can find in the informative in this article. LORIDANO HOLDING LTD . (further Exenium) introduced all the rules and procedures related to prevention of money laundering.

The following standards and duties are considered to be minimum requirements for Exenium:

1. Know Your Customer

1. For each Person and/or Legal entity willing to use all the advantages of our system should hold a Exenium certified account.

2. All persons and legal entities should have their identities verified by Exenium.

2. Monitoring

1. Exenium will monitor any unusual or suspicious transactions or activities.

2. In order to comply with the strict laws on money laundering, we reserve the right to report suspicious transactions to the relevant authorities.

3. Record keeping

1. Exenium will keep the records of all documents obtained for the purpose of identification and all transaction data as well as other information related to money laundering matters in accordance with the applicable anti-money laundering laws/regulations.

2. All records must be kept for at least 3 years.

AML&KYC

Article Why we`re asking from you documents and identity?

1. What is money laundering?

Money laundering represents various types of manipulation with cash funds aimed at concealing the illegal origin of illicitly acquired funds.

Illicit funds, according to the Cyprus law are defined as those acquired directly or indirectly, through a criminal activity or in other cases specified in the Criminal Procedure Law.

2. Know your client principle or why are financial institutions asking questions?

Similar to worldwide practices, the financial institutions in Cyprus apply 'know your client' (KYC) principle. KYC principle is aimed at reduction of risk of undermining the financial institution's reputation due to the clients' involvement in the transactions of money laundering or terrorism financing.

The goal of this principle is to obtain the necessary information about clients and the origination of their funds, and to ensure, that such funds do not have criminal origination and are not used for illicit purposes. In order to assess and control such risks, the financial institutions have to inquire into the profiles of their clients, transactions and the origins of their funds to meet the provisions of the following laws and regulations:

• The Law on the Prevention of Laundering the Proceeds from Criminal Activity (Money Laundering) and of Terrorist Financing;

• Regulations for Enhanced Customer Due Diligence issued by the Financial and Capital Market Commission. Following the provisions of the above mentioned legal acts and implementing the KYC principle, the financial institution performs the customer due diligence as follows:

• Acquires information on customer's personal or business activities and the origination of funds;

• Identifies customer's beneficiary*;

• Obtains information on the purpose and the essence of the business relationship;

• Monitors transactions and obtains the information and documents substantiating the transactions performed on the account;

• Maintains and regularly updates the documents, data and information obtained through the customer due diligence.

* A beneficiary is a natural person who:

• owns or directly/indirectly controls at least 25% of the undertaking's share capital or of total shares with voting rights or in otherwise controls the undertaking's activities;

• is directly/indirectly entitled to a property or directly/ indirectly controls at least 25% of a legal non-business entity. The beneficiary of a foundation is a person or a group of persons for whose benefit the foundation has been established. The beneficiary of a political party, society or a co-operative company is the respective political party, society or a co-operative company;

• is interested in or benefits from establishment of business relationship;

• is interested in or benefits from a separate transaction without establishing business relationship. In order to prevent money laundering the financial institution has the right to establish and maintain processing systems for personal data of its customers and persons with whom the business relationship has not been commenced or has been terminated pursuant to the legal requirements.

Such personal data processing systems may include the information about the beneficiaries and authorized representatives of such persons. In such cases processing of data is not subject to the provisions of the Personal Data Protection Law determining the rights of individual to request the information about the data processing, including its goals, end users and sources. According to the provisions of the Law on the Prevention of Laundering the Proceeds from Criminal Activity (Money Laundering) and of Terrorist Financing the individual is not entitled to access his/her data and request its alteration, destruction, interruption or banning of processing.

3. What is customer identification?

According to the provisions of the Law on the Prevention of Laundering the Proceeds from Criminal Activity (Money Laundering) and of Terrorist Financing the financial institution's duty is to identify the customer before entering into business relationship. The financial institution identifies a natural person by requesting presentation of a valid personal identification document**. When identifying a legal entity, the financial institution checks the following:

• The fact of incorporation and registration of the legal entity (e.g. requesting to present a registration certificate);

• Information on registration address of the customer;

• Persons authorized to represent the legal entity, based on a valid personal identification document;

• Power of attorney or other document supporting the person's rights to represent the legal entity in a business transaction with the financial institution.

** The following personal identification documents are accepted: a passport (a citizen's passport, non-citizen's passport, diplomatic passport, service passport, stateless person's travel document, asylum seekers travel document, a travel document issued to a person granted an alternative status) and a person's identification card (the ID card of a citizen, non-citizen, staff member of an international organization accredited in Singapore, a diplomatic or consular office, a certificate issued to a person under temporary protected status).

4. What can the financial institutions ask the client and what happens if the client refuses to provide information?

Under provisions of Article 28 of the Law on the Prevention of Laundering the Proceeds from Criminal Activity (Money Laundering) and of Terrorist Financing the financial institution is entitled to ask its customers and the customers duty is to submit information and documents necessary for customer due diligence, including data on the beneficiaries, transactions performed by the customers, economic, personal activities, financial status, sources of funds or other assets of the customers and beneficiaries. In some cases, the financial institution may request additional information.

If the financial institution does not receive the requested information and documents sufficient for performing of customer due diligence in substance, the financial institution will discontinue its business relationship with the customer and demands pre-mature customer payoff. The financial institution expects its clients to submit the requested information in due time, in order to observe its KYC principle and prevent any misunder standing regarding customers' transactions that may interfere with successful business relationship.