

## Policy Document Extract

<b>POLICY NAME:</b>	Anti-Money Laundering and Countering Terrorist Financing (AML/CTF) Policy
<b>POLICY NUMBER:</b>	4-004-001
<b>VERSION:</b>	02.0
<b>CLASSIFICATION:</b>	External Publication

This published document contains relevant extracts from Maitland's specific internal policy of the abovenamed policy which has been distributed to all Maitland staff.

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## 1. INTRODUCTION

- 1.1 This document sets out the policy of the Maitland Group of Companies (“Maitland”) with respect to Anti-Money Laundering (“AML”) and Countering Terrorist Financing (“CTF”) (the “Policy”).
- 1.2 Money Laundering and Terrorist Financing represent a significant threat to the financial services industry around the world. By law and regulation, financial services firms have an obligation to maintain effective procedures for the detection and prevention of Money Laundering and Terrorist Financing.
- 1.3 Maitland recognises the importance of these laws, rules and regulations and is committed to the highest standards of compliance.

## 2. EXECUTIVE OVERVIEW AND POLICY OBJECTIVE

- 2.1 This Policy seeks to outline minimum requirements based on applicable laws and regulatory requirements.
- 2.2 Comprehensive measures have been established across Maitland to mitigate the risk of Maitland facilitating Money Laundering and Terrorist Financing, including procedures and controls around customer acceptance, anti-bribery and corruption, and whistleblowing.
- 2.3 Maitland provides a range of services to its clients around the world; accordingly Maitland employees are required to be cognisant of the risks posed by Money Laundering and Terrorist Financing as it relates to their jurisdiction and service line, as well as to the financial services industry as a whole. Maitland has implemented stringent operative policies aimed at reducing the risk of exploitation by those who would seek to use the financial system for illegitimate purposes.

## 3. POLICY STATEMENT

It is the policy of Maitland to prohibit and actively prevent money laundering and any activity that facilitates money laundering, the funding of terrorist or criminal activities and Proliferation Financing (“PF”).

## 4. MINIMUM REQUIREMENTS

### 4.1 Money Laundering and Terrorist Financing

- 4.1.1 Money Laundering is any transaction aimed at concealing or disguising the true origins of illegally obtained funds or proceeds, so that it appears to have originated from legitimate sources.
- 4.1.2 Terrorist financing refers to activities that provide financing or financial support to individual terrorists or terrorist groups.
- 4.1.3 PF refers to the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.
- 4.1.4 Generally, the money laundering process consists of three stages:

- (a) **Placement:** the process of placing illicit funds into the financial system. This normally involves depositing cash with a bank.
- (b) **Layering:** the process of disguising the original source of the illicit funds through the use of layers of complex financial transactions and/or by transferring funds or assets purchased from one country to another and/or between financial instruments/systems, creating extra layers of complexity.
- (c) **Integration:** integrating the laundered proceeds into the economy in such a way that they re-enter the financial system as apparently legitimate funds.

## 4.2 Anti-Money Laundering Standards

- 4.2.1 Maitland recognises that each jurisdiction has a nuanced and specific set of regulations created to combat money laundering. This Policy is based on and subject to applicable local legal and regulatory requirements and sets out the broader objectives of such regulations while not seeking to diminish or ignore the importance of and the requirement to, adhere to any specific provisions. These objectives and requirements include:
- (a) Appointment of Money Laundering Reporting Officers or AML Compliance Officer (as applicable), who have responsibility for the coordination of oversight of compliance with relevant legislation, regulations, rules and industry guidance;
  - (b) Procedures for reporting suspicious activity internally and to the relevant law enforcement authorities, as appropriate;
  - (c) Establishing and maintaining a risk based approach towards assessing and managing the money laundering and terrorist financing risks to Maitland;
  - (d) Establishing and maintaining risk based customer due diligence, identification, verification and know your customer procedures, including enhanced due diligence for those customers presenting a higher risk or where unusual or suspicious activity is identified;
  - (e) Establishing and maintaining risk based systems and procedures to monitor ongoing customer activity, including but not limited to screening customers against OFAC and other composite Politically Exposed Person (PEP) and sanctions lists;
  - (f) The maintenance of appropriate records for the minimum prescribed periods;
  - (g) Appropriate training and awareness for all employees;
  - (h) The provision of appropriate management information and reports to the respective Board of Directors and senior management on Maitland's on-going compliance with the requirements.
- 4.2.2 Maitland applies a risk-based approach to prospective and existing clients which includes (but is not limited to) geographical factors, business activities and services sought/offered, customer background searches, country of origin, linked accounts, public or other high profile positions (including the identification of Politically Exposed Persons and close associates thereof), links to sanctions and delivery channel, in order to assess the risk of money laundering and terrorist financing that's posed by the client, any beneficial owners and related parties.
- 4.2.3 All Maitland entities are required to implement customer due diligence measures when:
- (a) Establishing a business relationship;

- (b) Carrying out any applicable single / occasional transactions;
- (c) There is a suspicion of money laundering or terrorist financing; or
- (d) It doubts the veracity of documents or information previously obtained for the purpose of identification or verification; and
- (e) It identifies unusual transactions.

4.2.4 The minimum Customer Due Diligence methods employed by Maitland are as follows:

- (a) Verifying the identity and address of the customer (and individuals / entities acting on behalf of customers) using documents provided by the customer or other reliable means;
- (b) Verifying the identity and residential address of Ultimate Beneficial Owners (“UBO”), as required by law;
- (c) Gathering information on the purpose and extent of a particular business relationship;
- (d) Establishing the source of wealth of the customer (or UBOs) and the source of funds where necessary;
- (e) Conducting on-going due diligence and monitoring of a business relationship which includes scrutinising transactions where necessary in order to identify suspicious activity and consistency with the customer’s originally stated purpose;
- (f) Monitoring and prohibiting any customer relationships which involve a shell bank;
- (g) Monitoring and prohibiting any customer relationships which are anonymous or the delivery of products or services that may favour anonymity;
- (h) Monitoring and prohibiting any customer relationship which could contravene any international sanction measures; and
- (i) Recording and keeping safe customer information in accordance with the relevant periods set out in applicable regulation.

4.2.5 Maitland is highly mindful of factors which can affect the risk and exacerbate the potential for illicit funds to be channelled into the financial system. These indicators may include:

- (a) customers operating within high risk jurisdictions;
- (b) customers who are or are connected to Politically Exposed Persons;
- (c) Customers operating in high risk industries / sectors;
- (d) transactions where Maitland finds difficulty in assessing the commercial rationale, and the intent to execute overly complex or large transactions; and
- (e) Where the client’s company structure is, or seems to be, unnecessarily complicated.

4.2.6 Maitland will, after taking into account factors including those described in 4.2.4 and 4.2.5 hereof, from time to time classify customers as high risk and perform enhanced due diligence. This may occur at the outset, when taking on a new client or in the course of the client relationship or during on-going due diligence, when circumstances require the reclassification of a client as high risk.

- 4.2.7 Maitland employees are required to undertake annual AML/CTF training which provides a global overview of money laundering and terrorist financing, giving detail on the global context within which the measures work and the motivations those seeking to operate outside the law may have. Additionally, on the job training of specific AML/CTF processes and procedures employed within the business is provided to relevant staff as required.
- 4.2.8 Suspicious activity is monitored on an on-going basis, with escalation procedures put in place to notify the relevant authorities, including relevant law enforcement agencies in each jurisdiction.

## 5. **GROUP GOVERNANCE**

### **Policy Reviews**

Regular reviews on the effectiveness of group policies are carried out by members of the compliance function with further periodic audits undertaken by the Maitland internal audit function. This provides the executive management of Maitland with the necessary assurances regarding the operational effectiveness of Maitland's controls relating to AML/CTF.

6. **DISCLAIMER**

- 6.1 Nothing in this summary will amount to a delegation to Maitland or an assumption by Maitland to perform such duties as otherwise described within the contractual agreement between Maitland and its client(s).
- 6.2 Please note that this information is strictly confidential and intended solely for the use of the intended recipient(s). It is for your general information only and Maitland is not soliciting any action based upon it. Before acting on anything contained in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice. This material has been prepared based upon information that Maitland believes to be reliable; however, Maitland does not represent that that this material is accurate, complete and up to date and accepts no liability if it is not.