

UEXO GLOBAL MARKETS LLC

Business Activity:

**Securities & Financial Products Promotion
Introduction to Financial Services**

Compliance & AML Manual

Log of preparation, version of Policy & approval date.

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Company Stamp



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1. Introduction

We at **UEXO GLOBAL MARKETS L.L.C** with commercial license Number **1569040** issued by Dubai Economy & Tourism are confirming that we are seeking approval from the SCA to approve our Category 5 SCA application with reference number LIC-0011290 as arranging and advising with activities Promotion & Introduction that we are involved in with the SCA.

Money Laundering ('ML') is a serious threat to the financial system of all countries. This has been widely recognized at the international level. The recognition has culminated, in concerted efforts, the world over to fight this ultra-criminal activity through enactment of stringent laws, regulations, and measures aimed at securing financial systems against money laundering.

FATF (Financial Action Task Force) was constituted in 1989, and is a concrete step initiated at the global level. The three basic tenets of Anti Money Laundering ('AML') i.e., know Your Customer (KYC), Source of funds and End use/destination of funds has been covered in the policy enclosed.

The adoption of this policy is aimed at increasing awareness of money laundering activity and its ill effects and to simultaneously contribute, on the part of staff members, to counter ML in a significant way. The directives by Regulators at all levels, and other bodies to which UEXO ('UEXO or 'the Company') subscribes will be abided by UEXO, while giving effect to this policy particularly the requirements outlined in the rules of the Securities & Commodities Authority of United Arab Emirates ('SCA'), and Dubai Financial Services Authority ('DFSA') and Federal Decree-Law of UAE.

2. Rationale / Objective of the Policy

The rationale of this policy is to reflect the global resolve to prevent and fight ML activity, by establishing governing standards to insulate the Company from being used as a component of the financial system to launder money.

Considering the above, the objectives have been laid down as enumerated below:

- Enable the Company to conduct its Introduction & financial Consulting business conforming to standards within the framework designed by regulations and management.
- To follow the internationally accepted standards used for KYC and customer due diligence.
- To report and take suitable action upon detecting the suspicious activity involving shades of money laundering as directed by regulators and UEXO senior management from time to time.
- To comply with applicable laws in United Arab Emirates ('UAE') particularly Federal Decree-law No. (20) of 2018 ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM AND FINANCING OF ILLEGAL ORGANISATIONS, Cabinet Decision No. (10) of 2019 Concerning the implementing Regulation of Decree Law No. (20) of 2018 on Anti-Monet Laundering and Combating the Financing of Terrorism and Illegal Organizations, DFSA Anti-Money Laundering, Counter- Terrorist Financing and Sanctions Module (AML) , The UAE Penal Code & Any other laws applicable in the UAE and/or DIFC in relation to Anti-Money Laundering compliance; and International standards concerning Anti-Money Laundering, such as the International Organization of Securities Commissions principles or the Financial Action Task Force Principles.
- The requirements of this policy will apply when.
- Cash deposits are received from Clients.
- Establishing business relations with a new or existing customer.
- Customer documentation standards have substantially changed.
- The Company has doubts about the veracity or adequacy of previously obtained customer due diligence information.
- A significant transaction takes place.
- There are material changes in the way that an account is operated or in the way the business relationship is conducted; or
- There is a suspicion of money laundering or terrorist financing.

3. Money Laundering

Money Laundering is the process by which individuals attempt to conceal the true origin, ownership and/or use of the proceeds of illegal activities and includes, without limitation, monies associated with 'terrorist financing'. Article 2 of the UAE Federal Law No. 20 of 2018 concerning Combating Money Laundering and Terrorism Financing Crimes defines the offence of Money Laundering as follows:

Where a person intentionally commits or assists in commission of any of the following acts in respect of property derived from any of the offences specified in Clause 2 of this Article such person shall be considered to have committed the offence of money laundering:

- Conversion, transfer or deposit of the proceeds with intent to conceal or disguise their illicit origin.
- Concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to or ownership of proceeds.
- Acquisition, possession, or use of such proceeds.
- Assisting the perpetrator of the Predicate Offence to escape punishment.

The crime of Money Laundering is considered as an independent crime. The punishment of the perpetrator for the Predicate Offence shall not prevent his punishment for the crime of Money Laundering.

A conviction with a Predicate Offence shall not be deemed as a condition to prove the illicit source of the Proceeds.

For the purposes of this Law, property shall mean those derived from the following offences:

- narcotics and psychotropic substances.
- kidnapping, piracy and terrorism.
- offences in violation of the environmental law;
- illicit dealing in firearms and ammunition;
- bribery, embezzlement and misuse of public funds.
- fraud, breach of trust and related offences; and
- any other related offences specified in international agreements to which the UAE is a party."

Pursuant to the UAE Law any person who commits the acts listed in Article 2, or intentionally attempts to disguise or conceal the illicit origin of such proceeds by conversion, transference of the proceeds, or by concealment or disguise of the true nature, source, location, disposition, movement and rights with respect to ownership of the proceeds, or by the acquisition possession or use of such proceeds shall be considered a perpetrator of the offence of Money Laundering, which is a criminal offence.

Money Laundering can be divided into three stages:

1. "Placement" which involves the placement of illicit funds into the financial system.
2. "Layering" which involves the transfer of the funds from one source to another to conceal the source of the funds.
3. "Integration" which involves the placement of the proceeds of crime into use as legitimate funds by purchasing a legitimate business or real estate.

4. Customer Acceptance Policy

In the context of the concerns regarding ‘Money Laundering’ it is appropriate that the Company lays down appropriate guidelines regarding whom it shall accept, or more precisely, whom it shall not accept as its customers as also suitable set of ‘Know Your Customer’ norms and formalities for accepting a customer. It will be desirable to eliminate the possibility of accepting as customers, persons, institutions, or parties where there may be reasonable apprehension that the account could be used for money laundering or other anti-social activities.

As a preventive and as a prudential measure the Company may not open accounts in such cases as the following:

- where the customer’s identification is not as per SCA/ DFSA and Federal Decree rules.
- where account is proposed to be opened in a fictitious name / corporate identity or is anonymous.
- where there is reasonably reliable information that the prospective customer has a doubtful past.
- accounts of terrorist individuals/organizations as advised by the UAE Central Bank or other regulatory or similar authorities; and
- Where in case of a bank, which has no physical presence of ‘mind or management’ in the jurisdiction in which the Bank is licensed (‘shell banks’). Also, not knowingly establish relationships with financial institutions that have relationships with shell banks.

As a policy UEXO will not commence business relationship with a customer until completion of customer KYC and due diligence (‘KYC’) and in case UEXO is unable to comply with KYC procedures it will terminate the relationship or not proceed with the transaction.

The responsibility for screening the customer will be with the Compliance manager and client services team of UEXO, and in cases of doubt he may consult the MLRO as an appropriate authority in UEXO, before taking a decision which will be the responsibility of MLRO and the General Manager.

5. Identification and Mitigation of Risks

UEXO is identifying, assess, and understand their crime risks in concert with their business nature and size, and comply with the following:

- Considering all the relevant risk factors such as: customers, countries or geographic areas, products, services, transactions, delivery channels, before determining the level of overall risk and the appropriate level of mitigation to be applied.
- Documenting risk assessment operations, keeping them up to date on on-going bases and making them available upon request.

UEXO is committed to taking steps to mitigate the identified risks mentioned, as per above, herein taking into consideration the results of the National Risk Assessment by the following:

- Developing internal policies, controls and procedures that are commensurate with the nature and size of their business and are approved by senior management, to enable them to manage the risks that have been identified, and if necessary, to monitor the implementation of such policies, controls and procedures and enhance them as per Article (20) of the Cabinet Decision No (10) of 2019 concerning the implementing regulation of decree law no. (20) Of 2018 on Anti-Money Laundering And Combating The Financing of Terrorism And Illegal Organizations.
- Applying Customer Due Diligence (CDD) measures to enhance high risks management once identified. Examples include:

- Obtaining more information and investigating this information such as information relating to the Customer and Beneficial Owner identity, or information relating to the purpose of the business relationship or reasons of the transaction.
- Updating the CDD information of the Customer and Beneficial Owner more systematically.
- Taking reasonable measures to identify the source of the funds of the Customer and Beneficial Owner
- Increasing the degree and level of ongoing business relationship monitoring and examination of transactions in order to identify whether they appear unusual or suspicious.
- Obtaining the approval of senior management to commence the business relationship with the Customer.

5.1.Risk based Approach for Customer Risk Assessment

5.1. Risk Classification Criteria

- Client Types as individual or corporate
- Activity Types as client looking for which Introduction services or Financial Consulting.
- Client Jurisdiction
- Occupation (for individuals)
- Method of funding the account
- Total funds deposit volume
- Country of Residence
- Country of Incorporation
- The product offering of the firm and the product taken up by a customer.
- Geographic risk
- The customer type (e.g., salaried, sole proprietor, specific professions)
- Any adverse information gleaned from name screening – World Check

5.1.1. Risk Classification: Based on the risk classification criteria as stated above

- High Risk
- Medium Risk
- Low Risk

High risk Customers

UEXO considers that the following factors and situations observed as part of customer on boarding that may indicate that a customer may pose a higher risk of money laundering and that it should be subject to AML checks accordingly:

- The business relationship is conducted in unusual circumstances (e.g., significant unexplained geographic distance between the Firm and the Customer);
- legal Persons or arrangements that are personal investment tools, Equipment, Building, Lands & vehicles.
- Companies that have nominee shareholders or directors, or shares in bearer form;
- Businesses that are cash intensive.
- The ownership structure of the legal person appears unusual or excessively complex.
- Given the nature of the legal person's business or activities.
- Countries identified by credible sources, such as mutual evaluation or detailed assessment reports or published follow-up reports, as not having adequate AML system.
- countries subject to sanctions, embargoes or similar measures issued by, for example, the UN Security

Council or identified by credible sources as having significant levels of corruption or other criminal activity.

- countries or geographic areas identified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organizations operating within their country.
- PEPs and people not meeting the definition of a PEP but who's high-profile or influence poses an elevated risk of money laundering.
- Non-face-to-face business relationships or Transactions.
- Payment received from unknown or unassociated third parties.
- Discretionary trusts; and
- Charitable trusts and suspended funds.

In case of any high-risk customers the client information is provided to the MLRO for review. Further, the MLRO maintains a record of all customers identified as high risk and reviews the account information of all such customers on an annual basis. Any significant items highlighted during the review are presented to the Board of Directors for appropriate action. The review is based upon the parameters as stated above under points.

The Firm will take account of the guidance provided above but will also take into consideration such other risks factors (including mitigating risk factors) as may be appropriate.

Prescribed Low Risk Customers

UEXO will not apply any of the measures mentioned above if the Customer or Beneficial Owner is a PEP associated with a Prescribed Low Risk Customer (PLRC).

The following Customer types can be classed as Prescribed Low Risk Customers.

- An authorized Firm or an authorized market institution, e.g. a Financial Institution whose entire operations are subject to regulation, including AML, by a Financial Services Regulator or other competent authority in a jurisdiction with AML regulations, which are equivalent to the standards set out in the FATF Recommendations and it is supervised for compliance with such regulations or a Subsidiary of such a Financial Institution provided that the law that applies to the parent Firm ensures that the Subsidiary also observes the same AML standards as its Parent,
- A Firm whose Securities are listed on a Regulated Exchange and which is subject to disclosure obligations broadly equivalent to those set out in the Markets Rules, a government body or a non-commercial government entity in the United Arab Emirates or a FATF member country.

Medium Risk customers will be assigned as such on a case-by-case basis depending on the stipulated criteria above.

6. Know Your Customer (KYC)

6.1. Introduction:

The key objectives of KYC are to be:

- To establish procedures to verify the bona-fide identification of individual / corporate. /Institutional accounts.
- To establish process and procedures to monitor high value transactions and suspicious transactions; and Establish systems for conducting due diligence and reporting of such activities.

The focus of KYC is 'back to basics' where standards for obtaining detailed information regarding new customers at the initial stage and that of existing customers over a period would be achieved. This would help in establishing the genuineness and bona-fides of customers and keeping a watch over transactions, particularly those of a suspicious nature, and reporting these to the regulators/law enforcers.

6.2. Customer Identification and Profile:

The Company will follow the requirements as prescribed by the SCA and applicable to the Company as a licensed Broker Dealer in the UAE.

6.2.1. Natural Persons

In the case of natural persons, the Company will obtain and record the following information in hard copy or electronic form before providing financial services or engaging in on-off transactions in cash above **AED 40,000** (or equivalent foreign currency).

- Full legal name and other names used based on the original valid passport or identity card, in addition to keeping a true copy thereof.
- Permanent and current address (full details).
- Date and place of birth.
- Nationality.
- Passport number (if the customer is a passport holder) with UAE residence permit (as applicable) and UAE residence card.
- Bank statement (last 3 months)
- Telephone / fax number and email address (where applicable)
- Occupation or public position held (where applicable)
- Type of account and nature and volume of anticipated business dealings with the Company
- Source of funds for investment in the securities listed on the stock exchanges and customers.
- Investment policy as a sign of another source of income.
- Signature of the customer over any agreements that can guarantee to generate new source of fund.
- Proof of identity of the representative (agent) authorized to open the account (obtain Passport and ID copy).
- Review of the original power of attorney submitted by the agent and maintain a copy for records.

The information submitted by the individual shall be verified in the following manner; at least one of the copies of the identification document mentioned in above as proof of address & proof of Identity as below shall include a clear photograph of the customer:

Confirmation of the date of birth and legal name, by taking a copy of the current valid official original identification document (e.g. birth certificate, passport or Emirates ID); and Where appropriate, direct contact with the customer by phone, letter or email to confirm relevant information, such as residential address information.

The document copied as above for the purpose of identity verification should be an original. The Company's relationship managers and / or client services representatives shall certify the copy, by writing on it the words 'original sighted' together with the date and his signature.

6.2.2. Nominal Persons and or Legal Arrangements (such as trusts)

If the customer is a legal entity or a legal arrangement such as a trust, the Company shall obtain and record the following information from original identification documents, databases or websites, in hard copy or electronic form to verify the customer's legal existence and structure:

- The entities full name and other trading names used b. Registration number (or equivalent)
- Legal form
- Registered address and trading address (where applicable)
- Type of business activity
- Date and place of incorporation or establishment e.g. Telephone, fax number and email address.
- Name of the external auditor (where applicable)
- Type of account, and nature and volume of anticipated business dealings with the Company
- Source of funds
- Proof of identity of the individual authorized to open the account and
- If the nominal person has been incorporated outside UAE, the required documents, certified by the competent authorities, must be provided.

The information provided as above shall be verified by obtaining certified copies of the following documents, as applicable (depending on the legal form of the entity):

- Certificate of incorporation and / or certificate of commercial registration or trust deed
- Memorandum of Association
- Articles of Association
- Partnership Agreement
- Certificate of Good Standing.
- Register Of Director
- Register of Shareholders & get all KYC docs for any shareholder with percentage more than 25%.
- Board resolution seeking the financial services (only necessary in case of private or unlisted Companies)
- Identification documentation of the authorized signatories of the account
- Copy of the latest financial report and accounts, audited where possible or Board-Certified copies of the un-audited financial report and accounts signed by UBO or All directors as per Register of Directors.
- List of persons authorized to do business on behalf of the Company and in the case of opening of an account, a Board resolution (or other applicable document) authorizing the named persons to operate the account (resolution only necessary for private or unlisted Companies)

The document mentioned above must satisfy the requirements of certification by UEXO staff as per section 6.2.1 above.

6.2.3. Additional KYC measures – All Customers

The Company shall also obtain and document the following due diligence information.

- Enquire as to the structure of the legal entity or trust sufficient to determine and verify the identity of the ultimate beneficial owner of the funds, the ultimate provider of funds (if different), and the ultimate controller of the funds (if different);
- Obtain the names, country of residence and nationality of the directors or partners (only necessary for private and unlisted Companies);
- Require, through new customer documentation or other transparent means, updates on significant changes to corporate ownership and / or legal structure.
- Obtain and verify the identity of shareholders. The requirement to verify the identity of these shareholders does not apply in case of GCC listed Companies.
- In the case of trusts or similar arrangements, establish the identity of the settlor(s), trustee(s), and beneficiaries (including making such reasonable enquiries as to ascertain the identity of any other potential beneficiary, in addition to the named beneficiaries of the trust); and
- Where the Company has reasonable grounds for questioning the authenticity of the information supplied by a customer, conduct additional due diligence to confirm the above information.

6.2.4. Customer Due Diligence (CDD):

What is Customer Due Diligence (CDD):

Process of identifying or verifying the information of a client or Beneficial Owner, whether a natural or legal person or a legal arrangement, and the nature of its activity and the purpose of the business relationship and the ownership structure and control over it for the purposes of the Decretal-Law and this Decision.

UEXO is required to undertake CDD measures to verify the identity of the Customer and the Beneficial Owner before or during the establishment of the business relationship or opening an account, or before executing a transaction for a client with whom there is no business relationship. And in the cases where there is a low crime risk, it is permitted to complete verification of Customer identity after establishment of the business relationship, under the following conditions:

- The verification will be conducted in a timely manner as of the commencement of business relationship or the implementation of the transaction.
- The delay is necessary in order not to obstruct the natural course of business.
- The implementation of appropriate and effective measures to control the risks of the Crime.

UEXO is also required to take measures to manage the risks in regard to the circumstances where Customers are able to benefit from the business relationship prior to completion of the verification process.

UEXO should, as the case may be, undertake CDD measures in the following cases:

- Establishing business relationships.
- Carrying out occasional transactions in favor of a Customer for amounts equal to or exceeding AED 55,000, whether the transaction is carried out in a single transaction or in several transactions that appear to be linked.

- Carrying out occasional transactions in the form of Wire Transfers for amounts equal to or exceeding AED 3,500.
- Where there is a suspicion of the Crime.
- Where there are doubts about the veracity or adequacy of previously obtained Customer's identification data.

CDD measures and ongoing supervision of business relationships:

- Audit transactions that are carried out throughout the period of the business relationship, to ensure that the transactions conducted are consistent with the information they have about Customer, their type of activity and the risks they pose, including - where necessary - the source of funds.
- Ensure that the documents, data, or information obtained under CDD Measures are up-to-date and appropriate by reviewing the records, particularly those of high-risk customer categories.

6.2.5. Politically Exposed Persons

Who/ What is a Politically Exposed Persons (PEPs):

Natural persons who are or have been entrusted with prominent public functions in the State or any other foreign country such as Heads of States or Governments, senior politicians, senior government officials, judicial or military officials, senior executive managers of state-owned corporations, and senior officials of political parties and persons who are, or have previously been, entrusted with the management of an international organization or any prominent function within such an organization; and the definition also includes the following:

- Direct family members (Of the PEP, who are spouses, children, spouses of children, parents).
- Associates known to be close to the PEP, which include:
- Individuals having joint ownership rights in a legal person or arrangement or any other close business relationship with the PEP.
- Individuals having individual ownership rights in a legal person or arrangement established in favor of the PEP.

In addition to undertaking CDD measures, UEXO shall be required to carry out the following:

First: For Foreign PEPs:

1. Put in place suitable risk management systems to determine whether a customer or the Beneficial Owner is considered a PEP.
2. Obtain senior management approval before establishing a business relationship, or continuing an existing one, with a PEP.
3. Take reasonable measures to establish the source of funds of Customers and Beneficial Owners identified as PEPs.
4. Conduct enhanced ongoing monitoring over such relationship.

Second: For Domestic PEPs and individuals previously entrusted with prominent functions at international organizations:

- Take sufficient measures to identify whether the Customer or the Beneficial Owner is considered one of those persons.
- Take the measures identified in paragraph (First: For Foreign PEPs:) (point 2 to 4, when there is a high-risk business relationship accompanying such persons).

UEXO shall in its operating procedures establish checks and verifications including review of client details using World Check system to determine whether a customer is a politically exposed person ('PEP'), both at the time of establishing business relations and thereafter on a periodic basis. Further, all PEP customers will be approved by the General Manager before on-boarding. Ideally there will be no onboarding at PEP, PEP relatives, family member or any related to PEP.

In case of acceptance of PEP as a customer, the Company will carry out the following enhanced monitoring and customer due diligence measures:

- A written record in the customer file to establish that reasonable measures have been taken to establish both the source of wealth and source of funds
- Development of a profile of anticipated customer activity, to be used for ongoing monitoring
- On-going account monitoring of the PEP account by the Money Laundering Reporting Officer ('MLRO')

Due Diligence & Enhanced Due Diligence - Politically Exposed Persons:

The amount of due diligence carried out on a PEP client (either Direct PEP or client with an Indirect PEP) will be decided on a risk-based approach dependent on factors such as:

- Jurisdiction of the PEP;
- Adverse news.
- The (perceived) influence of a PEP (e.g. in his country of domicile or within certain industries);
- Source of wealth/source of funds, &
- Whether the PEP exerts significant influence over the day-to-day decision making of the (prospective) UEXO client/relationship

Where a PEP connection is identified the following is the minimum level of due diligence that must be conducted:

- PEP name.
- Connection to/influence on (proposed) client/relationship.
- Vendor solution adverse news check (e.g. LexisNexis);
- Open-source search (e.g. Google).

Enhanced due diligence on PEPs should always be carried out in the following circumstances:

- The Indirect PEP exerts significant influence over the day-to-day decision making of the (prospective) UEXO client/relationship (e.g. part of a small board of directors (3 people or less) of a non-robustly regulated or listed entity, sole director or director and trader); or
- There is a conflict of interest concerning the Indirect PEPs involvement with/influence over the relationship (e.g. the trade minister from a country is a director of an infrastructure fund);
- The Indirect PEP is domiciled in a high-risk jurisdiction (as per the UEXO country risk list); or
- Open source or vendor supplied information highlights allegations of bribery and/or corruption.

Enhanced due diligence could include (but is not limited to) obtaining information on the following:

- Passport details (if there is insufficient information available in the public domain);
- Source of Wealth & Source of Fund.
- Obtaining certified attestations regarding the PEPs wealth, holdings, perceived conflicts of interest, and/or other business arrangements,

Approving PEP Relationships:

Once all the appropriate due diligence has been completed by the Customer Services team (“CS”), Direct PEP clients and Indirect PEP clients should be passed to the Compliance Team for review and final approval for onboarding will be provided by the CEO.

When a PEP is onboarded to UEXO the PEP client will be added to the PEP List spreadsheet and the compliance team should advise of any additional monitoring to be conducted. The PEP list will be circulated to the concerned departments and the same to be reported to SCA & needed regulation of any.

Monitoring of PEP Relationships

- Name Screening:

All PEP relationships data and those of any identified interested or affiliated parties (e.g. directors and shareholders), will be run through LexisNexis on a quarterly basis. This scan includes both sanctions and adverse news scanning.

- Quarterly review of PEP accounts:

All direct PEPs and clients with PEP associations that have been designated high risk following the CDD process also undergo a quarterly review which looks at the following factors:

- PEP status of client (i.e., are they still PEP?);
- Has there been any material change in information about the client?
- Has the client made changes to their bank settlement details in the past 6 months?
- Has the Compliance team identified any abnormal patterns in respect of the client’s trading?
- Adverse news checks using both open-source information and vendor solutions,
- Has the client requested 3rd party payments?
- Have 3rd party receipts for the benefit of the client been identified?

Record Keeping and Record Retention

Records should be kept and archived in accordance with UEXO Compliance & AML Manual for a minimum of **10 years**.

7. . Sanctions:

7.1. Sanctions Risk to UEXO

Sanctions Risk is the risk of legal or regulatory actions, operational, financial loss and/or reputational damage UEXO may suffer because of its failure to comply with applicable sanctions laws and regulations.

Increased regulatory scrutiny, combined with changing focus and expectations results in an ever-changing regulatory environment which may result in unforeseen and unintended breaches of regulatory requirements. The intention is to manage sanctions risk effectively as possible.

This policy is designed to comply with the applicable statutory and regulatory obligations by preventing, mitigating, and managing by:

- Setting out the roles and responsibilities of all stakeholders.
- Creating a framework to manage sanctions related risks.

7.2. Roles & Responsibilities

The Board is ultimately responsible for establishing UEXO sanctions risk appetite and its tolerance to sanctions risks. The Board is also ultimately responsible for ensuring that UEXO has systems and controls in place to manage any sanction risks.

The Compliance Department is responsible for providing advice and guidance on all sanctions related matters. Compliance Department is responsible for establishing and maintaining appropriate procedures, systems and controls to ensure compliance with this policy and refer all relationships, transactions or activities with clients (existing or potential) involving a sanctioned person or country to the COMPLIANCE MANAGER.

The Senior Management is responsible for overseeing all risks including sanctions risk in UEXO and taking appropriate action, in line with the UEXO operational risk policy.

All staff, particularly Relationship Managers, are responsible for referring all relationships, transactions, or activities with clients (existing or potential) involving a sanctioned person or country to the COMPLIANCE MANAGER.

7.3. Sanctions Risk Appetite

UEXO has no tolerance for:

- Breaches of legally enforceable sanctions in the jurisdictions in which it operates.
- Any activities which put employees or parties acting on behalf of UEXO in a position where they breach any sanctions programmed because of their nationality.
- Any business relationship or transaction with persons (individual or entities) which are prohibited by sanctions issued by the sanctioning bodies.

7.4. Defining Sanctions

Sanctions are enforceable measures used by governments, international organizations (e.g. UNSC) and supranational bodies (e.g. European Union) to maintain or restore international peace and security (e.g. by preventing access to military goods, technologies and funding that enable to pursuit of the proliferation of weapons of mass destruction) and/or to punish an offending party economically, socially or politically (e.g. by denying access to the international financial system).

Sanctions can be comprehensive (i.e. these blocks all trade with sanctioned countries) or targeted (i.e. sanctions focus on certain groups or individuals in the target country and aim to directly impact these groups). Examples of sanctions include:

- Arms embargoes
- Travel & Flight bans
- Reduced diplomatic ties.
- Withdrawal of aid
- Trade embargoes
- Prohibiting the transfer of fund to/from a sanctioned country
- Assets freeze and other financial restrictions.

Sanctions are often subject to frequent or sudden change and can be imposed at any time (often immediately) by a government, international organization, or supranational body.

7.5. Sanctions Screening

UEXO has the following systems and controls in place to satisfy its sanctions obligations. Client On-boarding UEXO must ensure that it knows its clients. As a result, all new clients and any identified interested parties (e.g. directors and shareholders) are reviewed by the Customer Service (“CS”) against LexisNexis World Compliance software which is provided by a third party vendor.

The software enables conducting manual screening of each potential customer or client and will be cross checked against various lists and data bases which include:

- Global Sanction List (GSL)
- Global PEP List (GPL)
- Global Enforcement List (GEL)
- Global Adverse Media List (GAL)
- Passport Verification

The results of any potential matches are reviewed by the CS who will either close the alert or escalate to the COMPLIANCE MANAGER.

7.6. Recording Sanctions Decisions

Matches against the list of sanctioned countries or sanctions lists must be escalated to the COMPLIANCE MANAGER for advice before proceeding with the existing or proposed relationship. The COMPLIANCE MANAGER will review and escalate to the Senior Management by which a decision is required.

7.7. Breaches

Any breach of this Policy must be reported promptly to the COMPLIANCE MANAGER by which an investigation will be initiated and when necessary, assistance from the Senior Management will be requested.

7.8. Record Keeping and Record Retention

Records shall be archived as UEXO must maintain records as evidence of client screening and in the case an investigation arises.

8. Obligations of Financial Institutions and DNFBPs:

** Designated Non-Financial Business or Professions.

For implementing the Cabinet Decision No (74) for the year 2020, UEXO abide by the following:

1. Registration on the website of the office with the aim of receiving notifications related to a new listing, re-listing, updating or submit it issued by the Security Council, the Sanctions Committee, or the Council of Ministers.
2. Regular check on the database and transactions against the names included in the lists issued by the Security Council, the Sanctions Committee, or the local lists, as well as upon being informed of any changes in any of these lists, if it includes the following:
 - Search the customer database.
 - Search for the names of the parties related to any transaction.
 - Search for the names of potential clients.
 - Search for the names of the Ultimate beneficiaries
 - Search for names of persons and organizations with whom there is a direct or indirect relationship.
 - Continuous search in the customer database before conducting any operation or entering a serious business relationship with any person to ensure that his name is not included in the sanctions list or the local lists.

3. Taking the freezing procedure without delay and without prior notice to the listings as soon as any match appears, by conducting the search process as referred to in Clause (2) of this Article.
4. Implement the decision to cancel the freezer without delay, in compliance with the relevant Security Council resolutions or Cabinet decisions regarding the issuance of local lists.
5. Immediate notification of the regulatory authority in the following cases:
 - Determining the funds and procedures that have been taken in compliance with the requirements of relevant Security Council resolutions or Cabinet decisions regarding the issuance of local lists, including the transactions attempted to undertake.
 - Determine any match with the list of listed persons or organizations, details of their data, and actions taken in compliance with the requirements of relevant Security Council resolutions and local lists, including the transactions that are attempted to undertake.
 - If there is evidence that one of its former clients or any occasional client with whom it has dealt is listed in the sanctions list or the local lists.
 - Suspicion that one of its current or former clients or a person in a business relationship with it is listed, or there is a direct or indirect relationship with the listed.
 - Not to take any action due to the similarity of the names, and it was not possible to raise this similarity through the information available or accessible.
 - Information related to the money that have been unfrozen, including their status, nature, value, measures taken in respect of them, and any other information related to decisions.
6. Cooperate with the office and the supervisory authority to verify the accuracy of the information.

9. Ultimate Beneficial Owner (UBO)

UBO (Ultimate Beneficial Owner) is an individual who benefits the most and has the ultimate effective control over an arrangement, a legal or a natural person on whose behalf the transactions are being made. To put it simply, it is the ultimate beneficiary regardless of the chain of control.

UEXO is required to take reasonable measures to verify the identity of the Beneficial Owners of legal persons and Legal Arrangements, by using information, data, or statistics acquired from a reliable source, by the following:

A- For Customers that are legal persons:

Obtaining and verifying the identity of the natural person, who by himself or jointly with another person, has a controlling ownership interest in the legal person of 25% or more, and in case of failing or having doubt about the information acquired, the identity shall be verified by any other means.

In the event of failing to verify the identity of the natural person exercising control as per paragraph (a) of this Clause, or the person(s) with the controlling ownership interest is not the Beneficial Owner, the identity shall be verified for the relevant natural person(s) holding the position of senior management officer, whether one or more persons.

B- For Customers that are Legal Arrangements:

Verifying the identity of the Settlor, the Trustee(s), or anyone holding a similar position, the identity of the beneficiaries or class of beneficiaries, the identity of any other natural person exercising ultimate effective control over the legal arrangement, and obtaining sufficient information regarding the Beneficial Owner to enable the verification of his/her identity at the time of payment, or at the time he/she intends to exercise his/her legally acquired rights.

UEXO shall be exempted from identifying and verifying the identity of any shareholder, partner, or the Beneficial Owner, if such information is obtainable from reliable sources where the Customer or the owner holding the controlling interest are as follow:

- A company listed on a regulated stock exchange subject to disclosure requirements through any means that require adequate transparency requirements for the Beneficial Owner.
- A subsidiary whose majority shares or stocks are held by the shareholders of a holding company.

In addition to the CDD measures required for the Customer and the Beneficial Owner, Financial Institutions shall be required to conduct CDD measures and ongoing monitoring of the beneficiary of life insurance policies and funds generating transactions, including life insurance products relating to investments and family Takaful insurance, as soon as the beneficiary is identified or designated as follows:

For the beneficiary identified by name, the name of the person, whether a natural person a legal person or a legal arrangement, shall be obtained.

For a beneficiary designated by characteristics or by class– such as a family relation like parent or child, or by other means such as will or estate – it shall be required to obtain sufficient information concerning the beneficiary to ensure that the Financial Institution will be able to establish the identity of the beneficiary at the time of the pay-out.

Prohibited procedures:

UEXO shall be prohibited from establishing or maintaining a business relationship or executing any transaction should they be unable to undertake CDD measures towards the Customer and should consider reporting a suspicious transaction to the Supervisory Control Unit- SCU.

Even if they suspect the commission of a Crime, UEXO should not apply CDD measures if they have reasonable grounds to believe that undertaking such measures would tip-off the Customer and they should report a Suspicious Transaction to the SCU along with the reasons having prevented them from undertaking such measures.

10.AML / CFT Systems and Controls

UEXO shall establish procedures for Compliance with the requirements of this policy.

Without prejudice to the provisions of Federal Law No. (3) of 1987 referred to herein, and Federal Law No. (7) of 2014 referred to herein:

1. The crime of Financing Terrorism shall be committed by whoever intentionally commits any of the following:
 - Any of the acts specified in Clause (1) of Article (2) of the present Decree Law, if he is aware that the Proceeds are wholly or partly owned by a terrorist organization or terrorist person or intended to finance a terrorist organization, a terrorist person, or a terrorism crime, even if it without the intention to conceal or disguise their illegal source.
 - Providing, collecting, preparing or obtaining Proceeds or facilitating their obtainment by others with intent to use them, or while knowing that such Proceeds will be used in whole or in part for the commitment of a terrorist offence, or if he has committed such acts on behalf of a terrorist organization or a terrorist person while aware of their true background or purpose.
2. A person shall be guilty of financing illegal Organizations crime if he intentionally commits any of the following:
 - Any of the acts specified in Clause (1) of Article (2) of this Decree Law, if he is aware that the Proceeds are wholly or partly owned by an Illegal Organization or by any person belonging to an Illegal Organization or intended to finance such Illegal Organization or any person belonging to it, even if it without the intention to conceal or disguise their illicit origin.
 - Providing, collecting, preparing, obtaining Proceeds or facilitating their obtainment by others with intent to use such Proceeds, or while knowing that such Proceeds will be used in whole or in part for the benefit of an Illegal Organization or of any of its members, with knowledge of their true identity or purpose.

UEXO has developed a monitoring system to identify significant and abnormal transactions so that these can be reported to The Anti-Money Laundering and Suspicious Cases Unit of the Central Bank of the UAE. The risk-based monitoring system is configured to help identify.

In case of Cash Deposits:

Cases of cash deposits made by customers who usually use cheques or any other means of payment and settlement in their dealings.

- Significant increase in the cash deposits of a customer or financial institution without a clear reason especially if such deposits were transferred within a short period of time from an account to a party or recipient that is not usually dealt with by the customer or associated therewith.
- Cases of cash deposits made in instalments of less than the limit represent an indicator of suspicion where the sum of the instalments exceeds such limit.

- Remittances of substantial amounts of money outside the UAE to be paid in cash in another country, as well as those substantial amounts of cash remitted from outside the UAE to be paid in cash to customers who are not permanent residents of the UAE.
- A customer opens multiple accounts with more than one brokerage firm and feeds his/its accounts by frequent cash deposits.
- If a client deposited money & didn't use it for trading, then ask to withdraw the full/part amount.

10.1. Duties of the Company in respect of Money Laundering

The main duties of the Company for the combating of money laundering are to carry out the following under the supervision of the appointed MLRO:

- The Company is required to establish and maintain effective anti-money laundering policies, procedures, systems, and controls to prevent opportunities for money laundering and terrorist.
- Financing in relation to the Company's activities and to take reasonable steps to ensure that Staff complies with them.

Identification procedures. This involves proper identification of clients following the "Know Your Client" procedures in place. The general themes are set forth below:

- Verification of clients using reliable, independent source documents, data or information.
- Identify beneficial ownership and control – determine which natural person or person ultimately control or own the client.
- Verification of the identity of the beneficial owner or client and/or the person on whose behalf a transaction is being conducted.
- Undertake to understand the nature of the client's business.
- Conduct ongoing due diligence and scrutiny of the client and the transaction.
- Verify that there is no secrecy or data protection legislation in place in any jurisdiction that restrict access to data by the Company or the law enforcement agencies of the UAE. Where such legislation exists, and affects the Company, the Company will obtain certified copies of the relevant identification evidence and keep those copies in a jurisdiction that has no restriction on access.
- Establish proper record-keeping procedures.
- Establish internal reporting procedures.

In case of Trading in Securities & Commodities

Regularly, frequently, and randomly trading without due diligence in securities or commodity contracts that involves clear risks and is inconsistent with the nature of the customer's investment activity.

Trading in securities or commodity contracts with no clear purpose or under abnormal conditions and circumstances.

In case where UEXO is not receiving funds from clients as fees if of introducing the clients or fees from the broker for the clients that UEXO did introduce to Broker or the fees of consultancy that UEXO supplied to client its obligations directly carried out by the UEXO's customer with the executing broker or the custodian, then UEXO will agree with its client or the broker that the client / its custodian will be responsible for the daily monitoring of such transactions with the UEXO to make sure that these fees to be collected.

10.2. Ongoing Customer Transaction Monitoring

In case the UEXO risk-based monitoring system identifies significant or abnormal transactions in customer accounts for purchase and / or sale of security or deposit of funds in UEXO Bank accounts, UEXO will verify the source of funds for those transactions.

The investigations above shall be carried out by the Company's MLRO (or other relevant delegated official) and the findings notified to the concerned regulatory authority.

In instances where the Companies risk-based monitoring system or procedures identify significant or abnormal transactions, the Company's MLRO or designated officials shall verify the source of funds. Furthermore, the concerned officials shall examine the background and purpose of the transaction(s) and document the findings. In case of a one-off transaction where there is no on-going account relationship the Company shall file a Suspicious Transactions Report ('STR') if it is unable to verify the source of funds to its satisfaction.

UEXO will give special attention to any dealings that may have with entities or persons domiciled in countries of territories which are:

- Identified by the FATF as being 'non-cooperative.'
- Notified to UEXO from time to time by SCA.
- In case transactions with such parties have no apparent economic or visible lawful purpose, their background and purpose shall be examined, and the findings documented. If suspicion remains about the transaction the MLRO shall prepare a report on the same for the relevant authorities.

10.3. Reporting

UEXO shall conduct investigations to explore the background and information of the transactions that appear "unusual".

All findings of such investigations will be recorded in written form. If the investigation concludes that a certain transaction is a suspicious one, the Anti-Money Laundering and Suspicious Cases Unit

of the Central Bank of UAE ('AML SCU') shall be notified using the form as specified by the authorities.

If the suspicious case is related to financing terrorist activities or organizations, UEXO shall upon instructions of the AML SCU freeze the transaction and notify the Anti-Money Laundering and Suspicious Cases Unit.

11. Client Money/Assets

The Company will ensure that Client Money (that client released to broker side to online trading) are paid into one or more client accounts within one day of receipt, except with respect to such Client Money:

- Received in the form of a cheque, or other payable order, by the Company or an account controlled by the Company, is in receipt of the proceeds of that cheque.
- Temporarily held by the Company before forwarding to a Person nominated by the Client; or
- In connection with a "Delivery Versus Payment Transaction" where:

In respect of a Client purchase, Client money from the Client will be due to the Company within one day upon the fulfilment of a delivery obligation: or

In respect of a client sale, Client Money will be due to the Client within one day following the Client's fulfilment of a delivery obligation.

The Company will pay Client Money back (once client asked to withdraw part of his initial deposit or part of the profit) of the type described as per above and per compliance manager approval which is to use the same way of deposit to be used as same way of withdrawal into a Client Account where it has not fulfilled its delivery or payment obligation within three days of receipt of the Money or Investments unless in the case of the type of the Client Money referred to as per above it instead safeguards Client Investments at least equal to the value of such Client Money.

UEXO main role is to make sure that client was onboarded to well reputed & regulated financial brokerage firm to make sure that clients' money is safe. What mentioned has nothing to impact the company at all since the main role is just to introduce only.

The Company will maintain adequate records of all cheques and payment orders received including, in respect of each payment, the:

- Date of receipt.
- Name of the Client for whom payment is to be credited; and
- Date when the cheque or payment order was presented to the Company's third-party agent.
- The records will be kept by the Company for a minimum of 10 years.
- The Company will not deposit its own Money into a client account except where:
- It is the minimum sum required to open the account, or to keep it open.
- The money is received by way of mixed remittance provided the Company transfers out that part of the payment which is not client money within one day on which the Company would normally expect the remittance to be cleared.
- It is to meet a shortfall in client money.

The Company will ensure that the systems and controls for identifying money are maintained. The Company will promptly record the receipt of the money either in the books of account or a register for later posting to the Client cash book and ledger accounts.

In handling Client Money, the Company will take reasonable steps to ensure that payment of Client Money is directed to the Client account and that the Company is notified of such payment as soon as reasonably practicable.

- The Company will maintain a master list of all Client accounts which list will detail:

- Name of the account.
- Account number as trading account Number.
- location of the account.
- Whether the account is currently open or closed; and
- Date of opening or closure.
- The details of the master list will be documented and maintained for at least 10 years following the closure of an account.

The Company will hold or control Client Money belonging to a Segregated Client in a client account solely for that Client or, alternatively, it may choose to pool that Client Money in a client account containing client money of more than one segregated client. The Company will ensure that money belonging to segregated clients is readily identifiable from money belonging to the Company such that, following distribution, segregated clients will rank highest in line in terms of any subsequent distribution of Client Money in proportion to each Client's valid claim over that money.

Following distribution, a segregated Client will not have a valid claim over Client Money held or controlled in a Client Account if that Client Account was not established to hold or control Client Money for that Client.

***To Confirm again, that UEXO will not hold any client money at all and will not act as custodian & all clients' deposit will be with full regulated broker only.**

The Company will ensure that all withdrawals from a client account are authorized.

A segregated client's client money will remain in a client account until it is:

Due and payable to the Company.

Paid to the client on whose behalf the client money is held.

Paid in accordance with a client instruction on whose behalf the client money is held.

Required to meet the payment obligations of the client on whose behalf the client money is held; or

Money paid out by way of cheque or other payable order will remain in a client account until the cheque or other payable order is presented to the client's bank and cleared by the paying agent.

The Company will not use client money belonging to one client to satisfy an obligation of another client.

The Company will ensure that no off-setting or debit balances occur on Client Accounts.

Before or as soon as reasonably practicable, after the Company receives Client Money belonging to a Segregated Client, it will disclose to the Client on whose behalf the Client Money is held:

- the basis and any terms governing the way in which the client money will be held;
- The Company will send a statement to the client at least quarterly or at other intervals as agreed in writing with the client which statement will include:
 - the Client's total Client Money balances held by the Company reported in the currency in which the Client Money is held, or the relevant exchange rate if not reported in the currency in which the Money is held;
 - the amount, date and value of each credit and debit paid into and out of the account since the previous statement.

The Company will ensure that accurate reconciliations of the Client accounts are carried out at least every 25 days. Each reconciliation will include:

- a full list of individual Segregated Client credit ledger balances as recorded by the Company.
- a full list of individual Segregated Client debit ledger balances as recorded by the Company.
- a full list of unpresented cheques and outstanding lodgments.
- a full list of Client Account cash book balance.

12.Chinese Walls

The main rule sustaining the Chinese Walls is that privileged information obtained by any individual during his or her normal business will not be passed on in any way without the prior consent of the Compliance department (which will be decided case by case). These Chinese walls are policy arrangements as well as physical arrangements to maintain confidentiality and security of information to protect material client/transaction information from being used by the competing business units and to prevent insider dealing.

In particular, such information will not be divulged to colleagues in competing business areas. Personnel that receive privileged information unintentionally and outside the course of their normal business will immediately notify the Compliance department and ensure that the information was communicated to them on a need- to-know basis.

Chinese Walls will be maintained to manage the conflict between the Financial Consultation and Advisory department and any other Department in the Company.

These Chinese walls are The Chinese Walls will be implemented and overseen by the Compliance department and will include the following:

- Separation of areas between the two competing business units within the organization, for example, these sections will be separated by a physical door that can be locked when employees leave the workplace.
- Employees working within the Financial Consultation and Advisory Department are prohibited from communicating material information to employees in the Brokerage department without the prior written approval of the Compliance department.
- All employees are fully educated and made aware that:
- They should treat material information with due care and that they have a duty to safeguard any material client information.
- They have a responsibility to ensure the Chinese Walls are not breached deliberately or inadvertently.
- All material client information will only be used for its intended purpose and will not be used for any personal employee benefit or the Authorized Firm's general benefit.
- The employees will also adopt measures such as a clean desk policy and safe storage systems.

13. Accepting gifts, meals, and entertainment from stakeholders.

A gift may take many forms; the term "gift" includes anything of value for which you are not required to pay the retail price or usual and customary cost. A gift may include goods, services, tickets to entertainment or sporting events, or the use of a residence, vacation home or other accommodations.

Acceptance of gifts of any kind (including entertainment and hospitality) from people that do business with UEXO is generally discouraged.

Gifts that have retail value that falls within the relevant market gift limit may be accepted on infrequent agreements from a party that does business with UEXO, if the party is not trying to influence or reward you in connection with any business decision or transaction and the gift is unsolicited.

Any staff receives a gift is required to notify the compliance department, all gifts value under 100 USD will be accepted by compliance Should a valuable gift be presented to an employee of the Company, it will be the responsibility of the Compliance Officer to ensure that such a gift is returned to its sender with an official "thank you" note.

14. Material & Conflicts of Interest

OUTSIDE EMPLOYMENT

A conflict of interest exists if the employee's outside business or other interests can affect their motivation or performance as a Company employee. An affiliation with a Company competitor is not allowed. Any type of affiliation may be allowed with proper management approval.

EXTERNAL ACTIVITIES

You must make sure that your participation in such activities does not cause a conflict of interest, and that it does not restrict the performance of your duties with the Company.

You are not to take part in external affairs while on duty. The Company's IT systems, including internet access and email, must not be used in the execution of external activities or circulating defamatory or disparaging remarks against individuals or groups.

If you comment publicly in connection with such activities, you must make a clear distinction between your opinion as a member of those organizations, and your opinion as a Company employee.

You must not use your role in the Company, the Company information or information gained in the course of your duties, to advance your position or standing within an external organization, nor for the benefit or promotion of an external organization. You must not provide the Company information to members of other groups or related people, except where this information is publicly available.

OUTSIDE DIRECTORSHIPS AND OTHER OUTSIDE ACTIVITIES

Although an employee's activities outside the Company are not necessarily a conflict of interest, a conflict could arise depending upon the Company's relationship with the other party with whom the employee is involved. Outside activities may also be a conflict of interest if they cause, or are perceived to cause, an employee to choose between that interest and the interests of the Company or otherwise distract the employee from focusing on his or her responsibilities to the Company.

Any business relationship that an employee enters outside his or her work at the Company or any of its direct or indirect subsidiaries requires such individuals' good faith and common sense. Furthermore, employees are prohibited from accepting simultaneous employment with, serving on the board of directors of, serving in an advisory capacity – formal or otherwise to, or otherwise working for (outside their responsibilities as an employee of the Company or any of its direct or indirect subsidiaries) without the prior written approval from the Company's Chief Executive Officer or the General Counsel.

In no circumstances will an employee be permitted to work in any capacity for, including but not limited to serving as a director for or advisor to, a competitor of the Company.

The Company will manage any conflict of interest or material interest to ensure that all its clients are fairly treated and not prejudiced by any such interests.

Managing Conflict of Interest:

The Company will manage its conflict of interests or material interests by:

- establishing and maintaining effective Chinese Walls to restrict the communication of that knowledge.
- disclosing the material interest or conflict of interest to the client in writing either generally or in relation to a specific transaction; or
- Relying on a written policy of independence, which requires an Employee to disregard any conflict of interest or material interest when advising a client or exercising discretion.

If the Company is unable to ensure fair treatment for a client, it will decline to act for that client. Chinese walls are policy arrangements, and physical arrangements to maintain confidentiality and security of information.

Employees must never permit their personal interests to conflict with or to appear to conflict with the interests of the company.

Employees may not borrow money from or lend money to other employees, customers or suppliers, or act as a guarantor or in any other similar capacity for customers, suppliers or other employees. he/she should borrow only from reputable organizations that regularly lend money.

All staff members should sign the Outside Business Interest Declaration, and whenever there is a change in its details, the form must be updated and reported by the staff member.

Employees of the Company will ensure that they are aware of these procedures and comply fully with them. Breaching confidentiality may result in civil or criminal liability or the taking of disciplinary action against the individual by the Company.

Exclusion of liability: The Company will not, in any written or oral communication, seek to exclude or restrict any duty or liability it may have to a client.

15.Compliance / Money Laundering Reporting Officer (MLRO)

The Board of Directors of UEXO have resolved to appoint a Compliance Officer (CO) and a Money Laundering Officer who meets the criteria of integrity, efficiency, experience, good name, and independence.

In order to provide independence and objectivity to the function of the CO and MLRO, UEXO shall ensure.

- CO and MLRO are members of senior management.
- Has a sufficient level of authority to act without interference from business line management and has direct access to the Board of Directors and Senior Management (where necessary);
- Has unrestricted access to all transactional information relating to any financial services provided by the Company or any transaction conducted by the Company on behalf of its customers.
- Is provided with timely information to identify, analyses and effectively monitor customer accounts.
- Has access to all customer due diligence information obtained by the Company.

All employees of the Company are advised that all matters concerning money-laundering, customer due diligence or suspicious transactions should be immediately notified to the MLRO and CO for further investigation and resolution.

The MLRO and CO appointed by the Company shall have the following responsibilities;

- Establish and maintain the Companies AML policies and related procedures;
- Ensure that UEXO complies with the AML law, any other applicable AML legislation and the SCA rules;
- Ensure all resolutions and instructions issued by the National Committee for Combating Terrorism Financing, the National Anti-Money Laundering Committee or the Anti-Money Laundering and Suspicious Cases unit are compiled;
- Ensure day-to-day compliance with the AML policies and procedures;
- Act as the Companies main point of contact for the SCA and other concerned bodies such as the Anti-Money Laundering and Suspicious Cases Unit;
- Make suspicious transactions reports to the Anti-Money Laundering and Suspicious Cases Unit of the UAE Central Bank;
- Take reasonable steps to establish and maintain adequate arrangements for staff training, and awareness on AML/CFT matters (whether internal or external);
- On-going monitoring of what may, in his opinion, constitute high-risk customer accounts;
- Maintain all necessary CDD, transactions, STR and staff training records for the required periods as defined in this document; and
- Maintain strict confidentiality with regards to individuals whom he provides information about suspicious cases as well as confidentiality of information on such cases.

The Company should at least annually conduct regular review of the assessment of its anti-Money Laundering policies, procedures, systems and controls. The review may be undertaken internally by the Company's internal audit or compliance function, or by a competent firm of independent auditors or compliance professionals.

The review process under should cover at least the following:

- a sample testing of 'Know Your Customer' arrangements.
- an analysis of all suspicious transaction reports to highlight any area where procedures or training may need to be enhanced.
- a review of the nature and frequency of the dialogue between the governing body or senior management with the MLRO to ensure that their responsibility for implementing and maintaining adequate controls is satisfactory.

Flow of Transaction & Applying Conduct Transaction Monitoring

All the information of the suspected transaction that we mentioned earlier in section SAR reports and other to be flowed and forwarded to Compliance Manager as per the below hierarchy of tracing & taking action regarding that:

- Compliance Officer performs check on the Company's customer data and transaction data to identify the suspected transaction or suspected person as per the list provided by SIC and lists established by the Office of Foreign Assets Control (OFAC) and such other applicable sanctions lists.
- Once the transaction is identified as suspicious, the Compliance Officer should report it to the CEO to proceed for investigation.
- The Compliance Officer should have access to any information, including 'Know Your Customer' information.
- Upon receipt of the approval from the CEO, the Compliance Officer will review the documents and records pertaining to the identified transactions and will assess if minimum AML requirements were followed by the Company's personnel while entering the transaction.
- The findings will be reported to the CEO along with the comments by the Compliance Officer for the course of action.
- Upon approval from the CEO, the Compliance Officer shall proceed with execution of the approved course of action.
- All such findings shall be reported to the regulator as per applicable laws and regulations.
- The Compliance Officer will update the list of suspected persons with the names received from the regulator.
- The Compliance Officer will review the existing AML procedures and forms for updates required to protect the Company against the notified suspected transactions; and
- The Compliance Officer will communicate the updates to the procedures and the forms to the entire concerned department.
- All clients new one or onboarded earlier are subject to every 4 months of screening as an ongoing process & we are also using open-source data & media as well.
- We are using World check by Refinitiv for the checking & inspection over clients' profile worldwide.

16. Best Execution

In such a section, UEXO just wants to make sure that what every client we introduced to any other regulated broker will be in safe hand with that broker along to make sure that execution policy is well checked by the company.

The purpose of the requirements in this section are to set standards for the Company when executing current client's orders in designated investments, particularly in the securities and derivatives markets, and to obtain for the client the best price available to the Company, given the kind and size of such transactions.

The Company will take reasonable care to ascertain the price which is the best available for the customer order in the relevant market at the time for transactions of the kind and size concerned; and Execute the customer order at a price which is no less advantageous to the customer unless the Company has taken reasonable steps to ensure that it would be in the customer's best interests not to do so.

The Company will try to obtain the best price for clients but cannot guarantee best execution.

Two rules of priority apply to the execution of orders: firstly, price; and secondly, order of receipt. As far as the first rule is concerned, the buy order with the highest price limit is executed first; in the same way, the sell order with the lowest price limit receives priority over all other sell orders. The second rule is that two orders on the same side of the market and with the same price limits are executed in order of their receipt.

Personnel will treat customer and Group orders in an equitable manner and in the order of their arrival. If a customer order is received before a proprietary order from a Group subsidiary, the customer order is executed first.

Dishonest Trading Practices

All personnel will ensure that they respect market transparency and contribute to its dependability. Any practice that undermines these two principles is therefore prohibited.

All customer relationships should be correct and sincere. All dishonest practices are proscribed and may be subject to civil or criminal proceedings by regulators. The following are considered dishonest:

- All acts intended to hamper the establishment of a market price or to mislead another market participant.
- Manipulation of the market with fictitious trades or transactions unsuited to customer requests.
- Deliberate encouragement to the circulation of rumors.
- All conduct that could expose the Company to accusations of illegality.

17. Compliance Monitoring

UEXO on an annual basis will monitor compliance with the Anti-Money Laundering policies and procedures and the MLRO and CO will provide a report to the Board on the quality of the anti-money

laundering policy and procedures, systems and controls, and compliance with the AML policy and regulatory requirements.

18. Staff Training and Recruitment

UEXO shall provide periodic training and information to its staff who handle customer transactions or are managerially responsible for such transactions, including new employees. The awareness training and information dissemination will generally include:

- Responsibilities of the staff under the AML regulations and compliance with this policy and other relevant AML/counter financing of terrorism ('CFT') requirements.
- The identity and responsibilities of the MLRO/CO and or his deputy.
- The potential consequences of any breach of the AML law, this policy and other relevant AML/CFT requirements.
- Information on the AML policy and related procedures.
- Money Laundering and Terrorist Financing typologies and trends.
- The type of customer activity or transaction that may justify in the staff making an internal report to the CO/MLRO.
- The procedures for making an internal report to the CO/MLRO; and
- Customer due diligence measures with respect to establishing business relationships with customers.

The relevant UEXO staff members will be provided with training on AML/CFT at least once a year. In the event of new employees this training will be included as part of HR induction.

In addition to that all AML/CFT training sessions will be recorded as attendance sheet, subject given to staff & on the job training approach.

In terms of staff recruitment, UEXO will provide for adequate employee screening procedures to ensure that staff is in no way involved in ML or Terrorist financing.

19. Transaction Records

UEXO shall maintain the AML related records, for the following minimum periods.

For customers, in relation to evidence of identity and business relationship records (such as application forms and business correspondence), for at least ten years after the customer relationship has ceased; and For transactions, in relation to documents enabling a reconstitution of the transaction concerned, for at least ten years after the transaction was completed.

UEXO shall also retain copies of the reports produced as part of its annual AML/CFT compliance reviews and internal and external reports made on AML/CFT for at least ten years from the date of this report.

UEXO shall also maintain a record of the training provided to its staff showing the dates when the AML/CFT training was given, the nature of the training and names of the staff that received the training.

All the above records shall be maintained at the Companies office in the UAE and made available for prompt and swift access to the relevant authorities and / or authorized persons.

20. Prohibited & Restricted Jurisdictions.

UEXO as regulated entity by SCA will make sure that the business activity that the company is licensed & regulated to practice will never be delivered to or interacted with in any of the below countries.

20.1. Prohibited Justifications

- 1- Afghanistan
- 2- Belarus
- 3- Russia
- 4- Cuba
- 5- Guinea Bissau
- 6- Haiti
- 7- Iran
- 8- Iraq
- 9- Libya
- 10- Mali
- 11- Myanmar
- 12- Nicaragua
- 13- North Korea
- 14- Pakistan
- 15- Russian Federation
- 16- Somalia
- 17- South Sudan
- 18- Syria
- 19- Venezuela
- 20- Yemen
- 21- Israel
- 22- USA
- 23- Canada

As part of compliance manager in the company that the responsibility as well to keep reviewing the below lists to make sure that that our services will never be delivered to the countries that are classified as high-risk & Sanction list:

- 1- Sanction Countries
- 2- OFAC List
- 3- EU/UN Sanction
- 4- FATF

20.2. Restricted Jurisdiction

UEXO cannot accept clients coming from mid risk & low risk countries if their proof of address is located as per list mentioned in 20.1.

Also, the company will clients coming from high risk, but not sanction if they are staying for the past 3 years in low risk or med risk countries based on their proof of address, Proof of identity, & these clients will be under watchlist all time & subject to CDD & compliance manager approval.

So, the main factor here is that the company will not accept clients based on their operation base if they are in high risk or sanction & client background is coming from Low or mid-risk.

The company as well will not accept corporate clients their main business in Gambling, Casino, or drugs or these very high-risk business, also, when its comes that individual or corporate client is from low or mid-risk area & looking to work with other clients are form sanction or very high-risk, the service of the company will be declined & consider null void client.