

Appendix No.... of the resolution of the  
Board of Directors of "MOT Forex" LLC  
dated January 2023...

## POLICY TO FIGHT MONEY LAUNDERING AND THE FINANCING OF TERRORISM

### ONE. COMMON GROUNDS

1.1. The purpose of this policy is to identify possible risks in the activities of "MOT Forex" LLC (hereinafter referred to as "the company"), to fight money laundering and the financing of terrorism (hereinafter referred to as "MLTFT"), to organize preventive activities, and to implement them, and to reduce and manage risk, to determine the functions and powers of the responsible unit, and to determine the basic principles.

1.2. This policy consists of the laws of Mongolia on combating money laundering and financing of terrorism, the regulations of regulatory bodies, decisions made in accordance with them, and other legal acts.

1.3. The Compliance Unit is an independent unit that monitors potential compliance risks in the company's operations, reports to the Executive Management, and has the authority to report to the Board of Directors if necessary.

1.4. The following terms used in this policy shall have the following meanings. It includes:

1.4.1 "Compliance risk" means failure to comply with common principles, norms, guidelines, and legal requirements stipulated by relevant laws and regulatory bodies, risk of Money laundering and terrorist financing, and potential risks such as substantial financial losses, and loss of reputation, liability according to law composed by the authorized organization due to a company employee violating internal rules, regulations, and instructions due to a conflict of interest.

1.4.2. "Compliance function" means compliance with the relevant laws and regulations and instructions of the regulatory organization of Mongolia in the company's operations, fulfilling their legal requirements in a timely manner, as well as ensuring the prevention of MLTF, and other obligations under international agreements, to implement special regulations and to be free from conflicts of interest and adhere to the code of ethics;

1.4.3. "Employee of the Compliance Unit" means the employee of the compliance unit responsible for implementing compliance functions and ensuring and monitoring the implementation of the company's internal procedures;

1.4.4. "Serious breach" means a situation with a compliance risk.

1.5. This policy will be followed by all departments, units, representative offices and subsidiaries of the company, and the issues of updating, additions and changes will be discussed and decided at the meeting of the Board of Directors (hereinafter referred to as "the Board of Directors").

### TWO. BASIC PRINCIPLES OF COMPLIANCE OPERATIONS

2.1. Independence and autonomy:



- 2.1.1. The direct management of the compliance unit is the executive director.
- 2.1.2. The compliance unit employee shall perform his duties independently and independently and shall not duplicate the duties of other operational units.
- 2.1.3. Also, do not participate in any relationship with a conflict of interest or a situation that may arise;
- 2.1.4. Within the scope of its functions, the Compliance Unit shall carry out any control and inspection, deal with any employee of the company, collect information, make demands, take measures to eliminate detected errors and violations, and exercise the basic right to assign tasks.

## 2.2. Stable and constant operation:

- 2.2.1. The structure and organization of the unit responsible for compliance should be in a stable form that has been finally approved;
- 2.2.2. Responsibilities and tasks of the compliance specialist should be detailed in his job description;
- 2.2.3. The compliance specialist is provided with the necessary budget, software and other necessary conditions to perform his/her duties.

## 2.3. Access to information:

- 2.3.1. The employee of the compliance unit has the right to communicate with any employee, to review the necessary documents and information, to access the software and information system in order to perform his duties, and in this case, the relevant employee shall provide the required information;
- 2.3.2. He has the right to access confidential documents and information, regardless of the level of confidentiality, and will take all measures to ensure confidentiality.

## 2.4. Cooperation of internal audit unit:

- 2.4.1. In order to ensure the reliability and stability of the company's internal control system, compliance and internal audit shall perform their functions independently in terms of structure and organization;
- 2.4.2. Internal audit's risk assessment methodology should include compliance risk, including an assessment to determine risk profile related to anti-money laundering and customer identification.

## THREE. RIGHTS AND OBLIGATIONS OF UNITS

### 3.1. The Board of Directors

- 3.1.1. Approve compliance policies, internal control programs to combat money laundering and terrorist financing, and oversee implementation;
- 3.1.2. Supervise the activities undertaken by the executive management in the field of qualification and training of employees of the compliance unit;
- 3.1.3. The board of directors or a committee attached to it shall evaluate the effectiveness of the risk management of money laundering and terrorist financing that may occur to the company at least once a year;



3.1.4. If the board of directors deems it necessary, assign some specified compliance issues to its committees, and the said committee executes it alone or with the support of the compliance unit;

3.1.5. The Executive Director shall ensure that any issues related to the control and management of compliance risks are effectively and promptly resolved and, where necessary, amend the policy.

### 3.2. Executive Director

3.2.1. In order to ensure the implementation of this policy, a unit responsible for compliance will be organized in accordance with the basic principles of the policy;

3.2.2. Approve and ensure the implementation of relevant documents such as procedures, instructions, and methods for preventing, controlling, and managing compliance risks at the company level, and report to the board of directors in charge of risk management;

3.2.3. The board of directors shall be notified of the reasons for each appointment or dismissal of the management of the compliance unit;

3.2.4. Appoint a compliance officer and notify all employees about it;

3.2.5. At least once a year, with the participation of the compliance unit or employee, the compliance risks that may occur to the company and have occurred are determined, and proposals to include them in the action plan for managing them or in the internal control program to combat money laundering and terrorist financing are submitted to the board of directors;

3.2.6. Create and improve the internal control system for combating, preventing, controlling and managing money laundering and terrorist financing at the company level, and provide opportunities for effective operation;

3.2.7. Professional skills of compliance unit employees will be regularly improved through progressive training and training programs.

3.3. In the event that a committee or council is established under the executive management, the structure shall assume the following duties. It includes:

3.3.1. As part of the duty to regularly monitor the implementation of the compliance policy, the employee who violates the policy shall be held accountable in accordance with the company's relevant regulations, and a system shall be established for the prompt resolution of serious violations;

3.3.2. Measures will be taken to comply with the relevant laws, orders, decisions, regulations, instructions and this policy and to meet the appropriate requirements.

3.4. This policy applies to all employees starting from the highest authority of the company and any person representing the company or providing work or services on the basis of the relevant contract /all employees/ and the following principles shall be followed. It includes:

3.4.1. Compliance with laws and regulations;

3.4.2. Protection of customer rights and interests;

3.4.3. Maintain professional ethics;

3.4.4. Data protection;



3.4.5. Reporting violations /whistle blowing/.

3.5. All employees of the company

3.5.1. Comply with relevant laws, internal company rules, policies, and regulations in your professional activities.

3.5.2. Each employee shall adhere to the principles set forth in the company's code of conduct.

3.5.3. Immediately notify the unit and employee in charge of compliance issues about any compliance risk related to the work being performed or any situation that may cause a compliance risk.

3.5.4. Comply with the requirements set by the Compliance Unit employee and provide the necessary information.

3.6. Compliance officer

3.6.1. Within the scope of their duties, the Executive Director and the Board of Directors and their subordinate committees have the right to direct access regardless of hierarchy.

3.6.2. He shall enjoy the same rights as the internal auditor of the company and shall have the right to access all types of documents and any information included in the level of secrecy necessary for the performance of his duties, to obtain information, to communicate with employees at any level, and to make demands;

3.6.3. It has the right to submit a proposal to impose responsibility on an employee who has created a situation with a compliance risk or committed a violation to the unit responsible for human resources issues, take measures to eliminate errors and violations, and assign tasks.

3.6.4. The Board of Directors has the right to examine every case of serious violation of relevant laws and regulations, to obtain support from other units of the company in that activity, and, if necessary, to make a proposal to involve a legal entity for external analysis.

3.6.5. Job Description Strictly fulfills obligations under the relevant rules, regulations, and contracts, organizes and implements them at a professional level, and reports the performance, progress, and results of duties within the specified time.

#### FOUR. SCOPE OF COMPLIANCE DUTIES

4.1. The compliance unit shall be responsible for the prevention of potential compliance risks in the company, organization of risk management, and support to other units.

4.2. Provide advice to the company's employees on the implementation of relevant laws, rules, regulations, and instructions, and provide information to the CEO and the board of directors.

4.3. In the context of protecting the interests of the company, the relevant laws, regulations and instructions of regulatory organizations will be analyzed and submitted.

4.4. The activities of the organization shall be reviewed and conformed to the relevant laws, international agreements, conventions, regulations, instructions, and standards of regulatory organizations approved in the field of combating money laundering and terrorist financing.



- 4.5. Within the scope of the function, prepare instructions and recommendations for ensuring the implementation of laws, rules and regulations, and distribute reminders and guidelines on appropriate work practices.
- 4.6. Management will be supported in the proper identification, measurement and evaluation of compliance risks that may occur throughout the company.
- 4.7. Monitoring and inspection of any unit or activity of the company where there may be a compliance risk will be carried out in a partial manner according to the approved plan and guidelines.
- 4.8. The principle of upholding the code of ethics, freedom from any conflict of interest will be implemented, and a system for reporting/whistle-blowing/ will be established.
- 4.9. Protection of customer's rights and handling of customer's complaints, suggestions and requests will be monitored.
- 4.10. Monitor the protection of customer information and the establishment and protection of company confidential information.
- 4.11. Conduct compliance risk assessments and conclusions on business operations, including the introduction of new products and services, establishing relationships with new customers, and business partnerships.
- 4.12. As part of preventive work, a database will be created and monitored by relevant units.
- 4.13. Develop and improve software with a database of "blacklists", create and develop a common database of sanctions against politically influential persons and the United Nations Security Council, and regularly update the information.
- 4.14. Implementation of a thematic training program and training will be organized for all employees.
- 4.15. Ensure compliance with the company's anti-money laundering and terrorist financing operations and other necessary special regulations.
- 4.16. Monitor the implementation of the company-wide monitoring and risk-based "Compliance Program".
- 4.17. Depending on the size of the structure, organization, and personnel, the Compliance Unit may assign some of the functions specified in Article 4 of this policy to other internal organizational units and authorized officials, or jointly implement them, and it shall be decided by the order of the Executive Director. In this case, the implementation of the function will be monitored.

## FIVE. RISK MANAGEMENT

- 5.1. Identifying, evaluating and managing the following risks that may occur to the company will be organized. It includes:
  - 5.1.1. Non-compliance with laws, rules, regulations, guidelines and standards;
  - 5.1.2. The risk of being put on the "Banned List" of international organizations and other countries;
  - 5.1.3. Reputational risk;



5.1.4. Significant financial loss;

5.1.5. Sanctions and approval risks / taking any measures, bans, restriction or cancellation of special licenses for the company's activities by the courts and authorized bodies, etc./;

5.1.6. Risk of litigation;

5.1.7. Ethical and conflict of interest risks;

5.1.8. Customer risk.

5.2. The implementation of compliance risk management has the following stages. It includes:

5.2.1. Detect /identify, identify/;

5.2.2. Evaluate /analyze, measure/;

5.2.3. Control;

5.2.4. Take action to eliminate or reduce.

5.3. The compliance unit shall determine the method of measuring and evaluating the compliance risk and implement risk management.

5.4. An employee of the Compliance Unit shall promptly notify his direct management of issues deemed to be serious violations, report on other news and facts, and provide information on a case-by-case basis.

5.5. In the event that direct management does not take action on the discovered news and facts, it will be freely presented and reported to the Executive Director or the committee responsible for risk functions.

5.6. The implementation of this policy will be monitored quarterly by the committee under the board of directors responsible for risk functions.

5.7. At least once a year, the unit responsible for the internal audit function under the board of directors shall conduct an inspection on the effectiveness of the compliance system and its compliance with the level of acceptable risk and report to the board of directors.

5.8. Any examination of the company's anti-money laundering and anti-terrorist financing system shall be conducted in accordance with applicable laws, international standards, and the procedures and methods of competent authorities.

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