

ANTI-MONEY LAUNDERING COMPLIANCE STATEMENT

GOALS & OBJECTIVES

The objective of this policy is to ensure that the products and services of the Ayub Chaudhry Investments (Pvt.) Limited. are not used to launder the proceeds of crime and that all of the Ayub Chaudhry Investments (Pvt.) Limited's staff are aware of their obligations and the need to remain vigilant in the fight against money laundering / terrorist financing. The document also provides a framework to comply with applicable laws, Regulatory guidelines specially related with detection and reporting of suspicious activities.

Other objectives pursued by this policy are as follows:

- Promote a “Know Your Customer” policy as a cornerstone principle for the Brokerage firm's ethics and practices;
- Introduce a controlled environment where no business with a Customer is transacted until all essential information concerning the Customer has been obtained;
- Conduct self-assessments of compliance with AML policy and procedures;
- Introducing to the employees the stages of money laundering process and their individual duties;
- Establishing a review process which will be used to identify opportunities that might be used to launder money;
- Providing instructions regarding taking appropriate action once a suspicious activity or a money laundering activity is detected or suspected.

Adherence to this policy is absolutely fundamental for ensuring that the Ayub Chaudhry Investments (Pvt.) Limited. is fully complies with applicable anti-money laundering rules and regulations. The Ayub Chaudhry Investments (Pvt.) Limited. is committed to examining its anti-money laundering strategies, goals and objectives on an ongoing basis and maintaining an effective AML Policy for its business.

AYUB CHAUDHARY INVESTMENTS (PVT) LIMITED

TREC HOLDER PAKISTAN STOCK EXCHANGE LAHORE

ROOM NO. 109- STOCK EXCHANGE BUILDING LAHORE. PH: 042-36368114, 042-36369002

E-mail: mayubch@hotmail.com

SCOPE

This policy is applicable to the Ayub Chaudhry Investments (Pvt.) Limited local as well as overseas operations (if any) including business of other Financial Institutions routed through Ayub Chaudhry Investments (Pvt.) Limited.

Our coverage will include:

- Compliance of AML Act 2010.
- Compliance of SECP requirements on KYC, CDD AML/CFT.
- Compliance of local country legislations/ regulations on KYC, CDD AML/CFT & subsequent updates.
- FATF Recommendations
- International Standards and guidelines, including Regulatory sanctions as applicable.

REGULATORY OVERSIGHT & COMPLIANCE RISK

In the case of the brokerage industry, SECP as being an apex regulator and the PSX as being the frontline regulator of the brokerage industry in Pakistan, have formulated detailed set of guidelines for TREC Holders to help them in developing KYC and CDD policies & procedures and implementing the same.

Ayub Chaudhry Investments (Pvt.) Limited is bound to use SECP, PSX guidelines and International Regulatory guidelines / standards as applicable to formulate its own KYC, CDD AML/CFT Policy. The consequence of contravening the Regulations or failing to comply can be significant and include disciplinary measures, imprisonment or fine or both under local laws as well as the loss of reputation for Ayub Chaudhry Investments (Pvt.) Limited.

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ANTI-MONEY LAUNDERING POLICY & PROCEDURES

REPUTATIONAL RISK:

The reputation of a business is usually at the core of its success. The ability to attract good employees, customers and business is dependent on reputation. Even if a business is otherwise doing all the right things, if customers are permitted to undertake illegal transactions through that business, its reputation could be irreparably damaged. A strong KYC, CDD AML/CFT policy helps to prevent a business from being used as a vehicle for illegal activities.

OPERATIONAL RISK:

This is the risk of direct or indirect loss from faulty or failed internal processes, management and systems. In today's competitive environment, operational excellence is critical for competitive advantage. If KYC, CDD AML/CFT policy is faulty or poorly implemented, then operational resources are wasted, there is an increased chance of being used by criminals for illegal purposes, time and money is then spent on legal and investigative actions and the business can be viewed as operationally unsound.

LEGAL RISK:

If a business is used as a source for illegal activity by customers, it faces the risk of fines, penalties, and injunctions and even forced discontinuance of operations.

FINANCIAL RISK:

If a business does not adequately identify and verify customers, it may run the risk of unwittingly allowing a customer to pose as someone they are not. The consequences of this may be far reaching. If a business does not know the true identity of its customers, it will also be difficult to retrieve money that the customer owes

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Policy Statement

The ACIPL is committed to fully comply with all applicable laws and regulations regarding anti money laundering procedures. ACIPL has adopted and will enforce the provisions set forth in AML/CFT Regulations in order to prevent and detect money laundering, terrorist financing and other illegal activities.

If ACIPL, its personnel and/or premises are inadvertently used for money laundering or other illegal activities, ACIPL can be subject to potentially serious civil and/or criminal penalties. Therefore, it is imperative that every member, officer, director, and employee (each, an "Employee") is familiar with and complies with the policy and procedures set forth in this document.

This Compliance Statement is designed to assist all clients in adhering to ACIPL's policy and procedures, which, if followed diligently, are designed to protect themselves, ACIPL, its Employees, its facilities and its activities from money laundering or other illegal activities.

To ensure that the ACIPL's policies and procedures are adhered to, ACIPL shall designate an Anti-Money Laundering Compliance Officer (the "Compliance Officer"). The Compliance Officer is responsible for establishing and conducting Employee training programs to ensure that all appropriate Employees are aware of the applicable AML/CFT Laws and Regulations, ACIPL's AML/CFT Policies & procedures, guidelines /information provided by NRA 2019, regulations about Red Flag indicators for misuse of legal person, Proliferation Financing Warning Signs/Red Alert and their responsibilities with respect to these policies.

Objectives of ACIPL's Anti-Money Laundering / Counter Financing of Terrorism Policy and Procedures

- Comply with all AML/CFT Rules & Regulations of the jurisdictions it operates in;
- Appointment of a Compliance Officer who shall ensure adherence to the ACIPL's AML/CFT Policy and Procedures;
- Require all Employees to prevent, detect and report to the Compliance Officer all potential instances in which ACIPL or its employees, its facilities or its activities have been or are about to be used for money laundering, terrorist financing and other illegal activities;
- Require all Employees to attend anti-money laundering training sessions, so that all such Employees are aware of their responsibilities under RS'ls policies and procedures; and as affected by current developments with respect to anti-money laundering events.

What is Money Laundering?

Money laundering involves the placement of illegally obtained money into legitimate financial systems so that monetary proceeds derived from criminal activities are transformed into funds with an apparently legal source.

Money laundering has many destructive consequences both for society as a whole and for those entities involved in money laundering activities. With respect to society as whole, money laundering may provide resources for drug dealers, terrorists and other criminals to operate and expand their criminal activities.

With respect to entities, any involvement whether it be to instigate, assist, conceal, or ignore the source, nature, location, ownership or control of money laundering activities, can lead to both civil and criminal proceedings against both the individual and the entity involved .

Additionally, the adverse effects, including the adverse publicity to the Firm associated with involvement in money laundering events cannot be emphasized enough.

Money laundering transactions may include:

- Advising a potential or existing client on how to structure a transaction to avoid reporting and/or record keeping requirements;
- Engaging in any activity while willfully or recklessly disregarding the source of the funds or the nature of the Clients transaction;
- Engaging in any activity designed to hide the nature, location, source, ownership or control of proceeds of criminal activity;
- Dealing in funds to facilitate criminal activity; or
Dealing in the proceeds of criminal activity.

Money laundering can involve the proceeds of drug dealings, terrorist activities, arms dealings, mail fraud, bank fraud, wire fraud or securities fraud, among other activities.

What Is Terrorist Financing?

Terrorist financing refers to the processing of funds to sponsors involved in or those who facilitate terrorist activity. Terrorist individuals/ groups/ organization derive income from a variety of sources, often combining both lawful and unlawful funding,

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and where the agents involved do not always know the illegitimate end of that income. The forms of such financing can be grouped into two types:

Financial Support - In the form of donations, community solicitation and other fundraising initiatives. Financial support may come from states and large organizations, or from individuals.

Revenue Generating Activities - Income is often derived from criminal activities such as kidnapping, extortion, smuggling or fraud. Income may also be derived from legitimate economic activities such as diamond trading or real estate investment.

Anti-Money Laundering Compliance Officer

The ACIPL has appointed a dedicated Compliance Officer to oversight the Compliance function who will be reporting to the Board of Directors of the ACIPL. Any Employee shall immediately notify the Compliance Officer if he/she suspects or has any reason to suspect that any potentially suspicious activity has occurred or will occur if a transaction is completed. Employees are encouraged to seek the assistance of the Compliance Officer with any questions or concerns they may have with respect to the ACIPL's AML/CFT Policy & Procedures.

Responsibilities of the Compliance Officer include the following:

- Review of Account Opening Forms and sign off from Compliance perspective
- Coordination and monitoring of ACIPL's day-to-day compliance with applicable Anti-Money Laundering Laws and Regulations and ACIPL's own AML/CFT Policy and Procedures;
- Conducting Employee training programs for appropriate personnel related to the ACIPL's AML/CFT policy and procedures and maintaining records evidencing such training;
- Receiving and reviewing any reports of suspicious activity from Employees;
- Determining whether any suspicious activity as reported by an Employee warrants reporting to senior management of the Firm;
- Coordination of enhanced due diligence procedures regarding Clients; and Responding to both internal and external inquiries regarding ACIPL's AML/CFT policy and procedures.

Anti-Money Laundering Employee Training Program

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As part of the ACIPL's anti-money laundering program, all Employees are expected to be fully aware of the ACIPL's AML/CFT policy and procedures.

Each Employee is required to read and comply with this Compliance policy and procedures, address concerns to the Compliance Officer and sign the acknowledgement form confirming that he/she has read and understands ACIPL's AML/CFT policy and procedures.

To ensure the continued adherence to ACIPL's AML/CFT policy and procedures, all Employees are required to reconfirm their awareness of the contents of this document by signing the acknowledgement form annually, or more frequently, as required by the Compliance Officer.

All Employees are required;

- At a time specified by the Compliance officer, to undertake training programs on AML/CFT policy and procedures.
- To get trained in how to recognize and deal with transactions which may be related to money laundering.
- To timely escalate and report the matter to the Compliance Officer.
- To get themselves acquainted with Anti Money Laundering Rules & Regulations.
- To comply with the requirements of Rules & Regulations.

Client Identification Procedures

General

ACIPL's AML/CFT policy and procedures are intended to ensure that, prior to accepting funds from Clients, all reasonable and practical measures are taken to confirm the Clients' identities.

ACIPL may take assistance from the bank or other financial institutions for completing client identification process. The assistance shall not relieve the ACIPL for identification process to be conducted by the company.

These Client Identification Procedures are based on the premise that the ACIPL will accept funds from a new and existing Client only after:

- ACIPL has confirmed the Client's identity and that the Client is acting as a principal and not for the benefit of any third party unless specific disclosure to that effect is made; or
- If the Client is acting on behalf of others, ACIPL has confirmed the identities of the

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underlying third parties.

The Client Identification Procedures should be reviewed in light of the specific characteristics presented by a Client and in any instance the Compliance Officer may determine to apply enhanced measures for reasons other than those discussed in section below.

As a reference tool, an Individual Client KYC Checklist is used. Employees are encouraged to provide the Compliance Officer with any revisions they consider appropriate. The Compliance Officer shall retain copies of all documents reviewed or checklists completed in connection with its Client Identification Procedures in accordance with ACIPL's Client Records Retention policy.

Every Customer shall be identified for establishing business relationship. For this purpose, investors need to fill out the Account Opening Form available at the customer support counters at ACIPL office or download it from ACIPL website.

Client Identification Procedures for Natural Persons

For Identity and due diligence purposes, at the minimum following information shall be obtained, verified and recorded on KYC/CDD form or account opening form:

- Bio-matric of Natural Person
- Full name as per Identity document of the Applicant
- Date of Birth, Gender, Marital status, Religion, Occupation, and Qualification
- Residential Status, Nationality, Country of Residence
- Details of Employer/Business
- CNIC/NICOP/SNIC/POC/Passport Number
- Existing Mailing and Permanent address
- Residential Telephone Number, Office Telephone Number, Fax Number, Mobile Number and Email address
- NTN and STN number
- Nature and Type of Account
- Details of Bank Account
- Bank statement or utility bill; or other residential identifying information;
- Proof of Employment/ Business
- Details of Investor Account maintaining with CDC and Details of Sub Account maintaining with other Broker(s)
- Source of Income, Gross Annual Income, Sources of Fund for Stock Market, Expected value of Investment
- Knowledge of stock Market and Investment experience
- Normal or expected mode of transaction
- KYC form filling of Natural Person

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Joint Accounts:In case of Joint account, the customer due diligence measures on all of the joint account holders shall be performed as if each of them were individual customers of the ACIPL.

In order to confirm the identity of the Client, copies of the following documents will be obtained and retained for ACIPL's record:

- Bio-matric of Joint Holder / Attorney
- KYC form filling of Joint Holder / Attorney
- Duly filled and signed Account Opening Form (AOF) by Title and Joint Account Holder(s).
- Physical presence of Title and Joint Account Holder(s) at any of the ACIPL Office along with valid original ID document.
- Attested Copies of valid ID document of Title and Joint Account Holder(s).
- Attested Copies of valid ID document of witnesses.
- Local Mobile Number and/or email address.
- Copy of Zakat Declaration (CZ-50) duly attested by notary public as per the prescribed format for Zakat exemption (Optional).
- For Non-Muslims, written request for Zakat non-applicability.
- Power of Attorney duly attested by Notary Public on prescribed format duly signed by all Account Holders (optional).
- Copy of NTN certificate, if NTN is provided in AOF.
- Copy of NICOP for non-resident Pakistanis, Passport for foreigners duly attested by Consulate office of Pakistan or Notary Public of respective country.
- Bank statement or utility bill; or other residential identifying information;
- Bank references.
- Proof of Employment/ Business
- If the account is opened by the officer of government, Special resolution/Authority from the Federal/Provincial/Local Government department duly authorized by the Ministry of Finance or Finance department of the concerned provincial or Local Government.

If a customer has authorized another person, than the additional documentation are required. These include:

- Attested copies of ID document of Authorized person
- Power of Attorney duly attested by Notary Public on prescribed format duly signed by all Account Holders with the following minimum information:

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- KYC Form Filling
- Bio-Metric of Authorized Person
- Name of Authorized person and his/her Relationship
- CNIC/NICOP/Passport number
- Contact Details and email address
- Specimen Signature of the person so authorized

The authorized person is only allow to issue instruction for buy or sale of securities on behalf of client and all payments or receipt of funds must be made to or from the client own accounts and must include CNIC number clearly marked on all payment cheques.

Client Identification Procedures for Corporations, Partnerships, Trusts and Other Legal Entities

ACIPL shall take reasonable steps to ascertain satisfactory evidence of an entity Client's name and address, its authority to make the contemplated investment.

For Identity and due diligence purposes, at the minimum following information shall be obtained, verified and recorded on KYC/CDD form or account opening form:

- Full name as per Identity document
- Company registration /Incorporation number
- Date and country of Incorporation
- Date of Business Commenced
- Residential Status
- Type of Business
- Name of parent Company
- Email, website and contact numbers
- Registered and mailing address
- NTN number and Sales Tax number
- Details of Contact Person and authorized person to operate the account
- Nature and Type of Account
- Details of Bank Account
- Details of Investor Account maintaining with CDC and Details of Sub Account maintaining with other Broker(s)

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- Financial and General information including Investment experience, Expected value of investment, recent change in ownership of the company, customer type,
- Normal or expected mode of transaction

ACIPL will obtain the following documents, as appropriate under the circumstances:

- Certified true copy of Board Resolution. (Specimen provided as per annexure “ ”) / Power of Attorney*
- Certified true copies of Constitutive Documents of the Applicant (Memorandum &
- Articles of Association, Act / Charter / Statute / By laws / Rules & Regulations, Certificate of Incorporation, Certificate of Commencement of Business, Prospectus for Modaraba, Relevant licenses and registration issued by Regulatory Bodies etc.)*
- Certified copy of list of Directors / Trustee (if applicable)*
- List of authorized signatories.
- List of Nominated persons allowed placing orders.
- Attested copies of C.N.I.C. / N.I.C.O.P / Passports of the Authorized Signatories.
- Attested copies of C.N.I.C. / N.I.C.O.P / Passports of the Contact Person.
- Attested copies of C.N.I.C. / N.I.C.O.P / Passports of the Witnesses.
- Certified copy of N.T.N. Certificate. (If exempted please provide Exemption Certificate).
- Latest Audited Accounts of the Company.

Beneficial Ownership of Legal Persons and Legal Arrangements:

The Beneficial Owner is the natural person at the end of the chain who ultimately owns or controls the customer. The definition of BO in the Regulations is as below:

"beneficial owner" in relation to a customer of a regulated person means, the natural person who ultimately owns or control a customer or the natural person on whose behalf a transaction is being conducted and includes the person who exercise ultimate effective control over a person or a legal arrangement

The ACIPL shall identify and verify the identity of the customer, and understand the nature of its business, and its ownership and control structure.

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The purpose of the requirements set out regarding the identification and verification of the applicant and the beneficial owner is two fold first, to prevent the unlawful use of legal persons and arrangements, by gaining a sufficient understanding of the applicant to be able to properly assess the potential ML/TF risks associated with the business relationship and second, to take appropriate steps to mitigate the risks.

If the ACIPL has any reason to believe that an applicant has been refused facilities by another ACIPL due to concerns over illicit activities of the customer, it should consider classifying that applicant as higher-risk and apply enhanced due diligence procedures to the customer and the relationship filing an STR; and/or not accepting the customer in accordance with its own risk assessments and procedures.

The ACIPL shall accept copies of the documents for identifying a Customer verified by seeing originals during establishing business relationship

Customers' Screening:

In terms of AML/CFT Regulations, it is prohibited to provide services to proscribed individual & entities or to those who are known for their association with such individuals & entities, whether under the proscribed name or with a different name. Accordingly, it is imperative for ACIPL to monitor its relationships on a continuous basis and ensure that no such relationship exists. Further, in case, if any such relationship is found, immediately report the same to Financial Monitoring Unit (FMU) and take any other action, as per law.

In pursuance of above, all customers should be properly screened through UN/OFAC sanctioned lists as available in the data base of the company.

Approval

The account will only be processed for account opening after it has been authorized by Compliance officer and in case of High risk customer, by the senior management of ACIPL.

Verification Of Identity

The ACIPL shall verify identities of customers (Natural or Artificial persons) from NCS data base and retain on record copies of all reference documents used for identification and verification.

NADRA Verisys

RP's shall verify the identification of a customer using reliable independent source documents, data or information including verification of CNICs from NADRA Verisys/Biometric. Similarly, RP's shall

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identify and verify the customer's beneficial owner(s) to ensure that the RP understands who the ultimate beneficial owner.

Timing of Verification

Verification of the identity of the customers shall be completed before business relations are established including verification of Universal Identification Number (UIN) from National clearing company of Pakistan limited (NCCPL) database.

Payment Mechanism

The ACIPL shall accept from the account Holder(s) payment through “ /C Payee Only” crossed cheque, bank drafts, pay orders or other crossed banking instruments in case of amounts in excess of Rs. 25,000/= . Electronic transfer of funds to the ACIPL through banks would be regarded as good as cheque. The ACIPL shall be responsible to provide the receipt to the Account Holder(s) in the name of Account Holder(s) duly signed by authorized agents / employee of the Broker and the Account Holder(s) shall be responsible to obtain the receipt thereof. In case of cash dealings, proper receipt will be taken and given to the Account Holder(s), specifically mentioning if payment is for margin or the purchase of securities. The ACIPL shall immediately deposit in its bank accounts all cash received in whole i.e. no payments shall be made from the cash received from clients. However, in exceptional Circumstances, where it becomes necessary for the ACIPL to accept cash in excess of Rs. 25,000/=, the ACIPL shall immediately report within one business day such instances with rationale thereof to the Stock Exchange in accordance with the mechanism prescribed by the Exchange.

The ACIPL shall make all the payments of Rs. 25,000/- and above, through crossed cheques / bank drafts / pay orders or any other crossed banking instruments showing payment of amount from their business bank account. Copies of these payment instruments including cheques, pay orders, demand drafts and online instructions shall be kept in record for a minimum period of five years.

ACIPL may accept initial deposit at the time of submission of necessary documents by their prospective customer's subject to the following:

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- Initial deposit receipt will be issued after completing necessary due diligence including NCCPL verification.
- The account numbers will be generated (NCCPL Client code and CDC Sub account number). ACIPL to obtain signatures of concerned Account Holders / Authorized Signatories as acknowledgement on the Posted Registration Detail Report generated from CDS.
- The initial deposit will be credited to the customer's account only.
- In case, the business relationship needed to be closed due to unsatisfactory due diligence, the ACIPL shall guide the customers to visit the office to get refund of initial deposit through cheque.

Account Shall Not Open

Where CDD Measures are not completed

In case the ACIPL is not been able to satisfactorily completed required CDD measures, account shall not be opened or any service provided and consideration shall be given if the circumstances are suspicious so as to warrant the filing of an STR.

Anonymous or Fictitious Account:

ACIPL shall not open or maintain anonymous account or accounts in the name of factitious persons.

Government Accounts:

Government Account shall not be opened in the personal names of the government officials.

Proscribed Individuals/Entities:

ACIPL shall not provide services to Proscribed Individuals, Groups and Entities declared/ listed by UNSC (United Nations Security Council) and/ or by OFAC (Office of Foreign Asset Control -USA) OR those who are known for their association with such entities and persons, whether under the proscribed name or with a different name

Risk Profiling Of Customers

All relationships shall be categorized with respect to their risk levels i.e. High, Medium and Low based on the risk profiling of customer (through KYC/CDD application and as guided in the operational Manual for making effective decision whether to perform Simplified Due Diligence (SDD) or Enhanced Due Diligence (EDD) both at the time of opening and ongoing

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monitoring of business relationship.

The approval for opening of PEP and Non-Governmental Organizations (NGOs)/Not-for-Profit Organizations (NPOs) and Charities account will be obtained from Senior Management (Business Head) after performing EDD. Further Personal accounts will not be allowed to be used for charity purposes/collection of donations. Customer KYC / CDD profile will be reviewed and/or updated on the basis of predefined frequency, in accordance with the risk profile of the customer, as per procedure defined in operational Manual.

- High Risk At least Once in a Year or One-off*
- Medium Risk At Least Once in 2 Years or One-off*
- Low Risk At least Once in 3 Years or One-off*

*In case of any material change in the relationship or deviation from customer profile, CDD will be conducted and customer profile will be updated immediately without lapse of above defined period.

High-Risk Clients

The Compliance Officer will provide and will continuously update a list of the types of Clients that ACIPL considers to be of 'high risk,' such that enhanced due diligence procedures are warranted compared to the routine Client Identification Procedures.

Following are the examples of Clients who pose a high money laundering risk:

1. Non-resident customers;
2. Legal persons or arrangements including non-governmental organizations; (NGOs)/ not-for-profit organizations (NPOs) and trusts / charities;
3. Customers belonging to countries where CDD/KYC and antimoney laundering regulations are lax or if funds originate or go to those countries;
4. Customers whose business or activities present a higher risk of money laundering such as cash based business;
5. Customers with links to offshore tax havens;
6. High net worth customers with no clearly identifiable source of income;
7. There is reason to believe that the customer has been refused brokerage services by another brokerage house;
8. Non-face-to face / on-line customers;
9. Establishing business relationship or transactions with counterparts from or in countries not sufficiently applying FATF recommendations; and
10. Politically Exposed Persons (PEPs) or customers holding public or high profile positions.
11. Those Customers belonging to the Porous Borders Areas (in light of NRA 2019 Paragraph # 26, 27, 300 and 308)

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12. Those Customers who belonging to the High Risk Areas which define in NRA (Southern Punjab, KPK, Baluchistan)
13. Those Customers who are identified as Afghan Refuges / Diaspora (in light of NRA 2019 Paragraph # 28, 29 and 133)
14. Those Customers who's are Non-Resident or Foreigners transfer their funds across the borders (in light of NRA 2019 Paragraph # 274)

Politically Exposed Persons (PEPs)

These generally include individuals in prominent positions such as senior politicians, senior government, judicial or military officials; senior executives of State Corporations and their family members and close associates. These individuals present reputational risk and potential conflict of interest and extra caution is required when opening their brokerage account and monitoring their account activity. The above definition is not intended to cover middle ranking / junior officials in above noted categories. However, prudence requires brokers to be careful while dealing with such customers

DEFINITION OF PEP:

A Politically Exposed Person (PEP) is defined by the Financial Action Task Force (FATF) as an individual who is, or has been entrusted with a prominent public function. Due to their position and influence, it is recognized that many PEPs are in positions that potentially can be abused for the purpose of committing money laundering (ML) offences and related predicate offences, including corruption, bribery, and conducting activity related to terrorist financing (TF). The potential risks associated with PEPs justify the application of additional anti-money Laundering / Counter Terrorist Financing (AML/CFT) preventative measures with respect to business relationships with PEPs.

POLITICALLY EXPOSED PERSONS CATEGORIES

The difference between foreign and domestic PEPs may be relevant for firms making specific risk assessments. To help clients gain a holistic view of potential risk. In the first instance PEPs are classified at a high level in the following categories:

Foreign PEPs

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Individuals who are, or have been entrusted with prominent public functions by a foreign country, for example heads of state or government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.

Domestic PEPs

Individuals who are, or have been entrusted domestically with prominent public functions, for example heads of state or of government, senior politicians, senior government judicial or military officials, senior executives of state owned corporations, important political party officials.

International organization PEPs

Persons who are, or have been entrusted with a prominent function by an international organization, refers to members of senior management or individuals who have been entrusted with equivalent functions i.e. directors, deputy directors, and members of the board or equivalent functions.

Family members

Individuals who are related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership

Close associates

Individuals who are closely connected to a PEP, either socially or professionally

Enhanced Client Identification Procedures for 'High-Risk' Natural Persons

Enhanced Client Identification Procedures for 'high risk' natural persons as Clients include, but are not limited to, the following:

- Assessing the Client's business reputation through review of financial or professional references, generally available media reports or by other means;
- Considering the source of the Client's wealth: including the economic activities that generated the Client's wealth, and the source of the particular funds intended to be used to make the investment;
- Reviewing generally available public information, such as media reports, to determine whether the Client has been the subject of any criminal or civil enforcement action based on violations of anti-money laundering laws or regulations or any investigation, indictment, conviction or civil enforcement action relating to financing of terrorists; Conducting a face-to-face meeting with the Client to discuss/confirm the account opening documents.
- The enhanced due diligence procedures undertaken with respect to 'high risk' Clients

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TREC HOLDER PAKISTAN STOCK EXCHANGE LAHORE

ROOM NO. 109- STOCK EXCHANGE BUILDING LAHORE. PH: 042-36368114, 042-36369002

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must be thoroughly documented in writing, and any questions or concerns with regard to a 'high risk' Clients should be directed to the Compliance Officer.

Enhanced Client Identification Procedures for 'High-Risk' Corporations, Partnerships, Trusts and Other legal Entities

Enhanced Client Identification Procedures for 'high risk' corporations, partnerships and other legal entities include, but are not limited to, the following:

- Assessing the Client's business reputation through review of financial or professional references, generally available media reports or by other means;
- Reviewing recent changes in the ownership or senior management of the Client;
- Conducting a visit to the Client's place of business and conducting a face-to-face meeting with the Client to discuss/confirm the account application, the purpose of the account and the source of assets;
- Reviewing generally available public information to determine whether the Client has been the subject of any criminal or civil enforcement action based on violations of anti-money laundering laws or regulations or any criminal investigation, indictment, conviction or civil enforcement action relating to financing of terrorists.

On-Going Due Diligence & Monitoring

All business relations with customers shall be monitored on an ongoing basis to ensure that the transactions are consistent with the "ACIPL" knowledge of the Customer, its business and risk profile and where appropriate, the sources of funds.

"ACIPL" shall obtain information and examine, as far as possible the background and purpose of all complex and unusual transactions, which have no apparent economic or visible lawful purpose and the background and purpose of these transactions shall be inquired and findings shall be documented with a view of making this information available to the relevant competent authorities when required.

"ACIPL" shall periodically review the adequacy of customer information obtained in respect of customers and beneficial owners and ensure that the information is kept up to date, particularly for higher risk categories of customers and the review period and procedures thereof should be defined by "ACIPL" in their AML/CFT policies, as per risk based approach.

In relation to sub-regulation, customers' profiles should be revised keeping in view the spirit of Know Your Customer/CDD and basis of revision shall be documented and customers may be consulted, if necessary

Where "ACIPL" files an STR on reasonable grounds for suspicion that existing business relations with a customer are connected with ML/TF and the "ACIPL" considers it appropriate to retain the customer the "ACIPL" shall substantiate and document the reasons for retaining

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the customer; and the customer's business relations with the "ACIPL" shall be subject to proportionate risk mitigation measures, including enhanced ongoing monitoring.

"ACIPL" shall not form business relationship with entities/individuals that are:

- proscribed under the United Nations Security Council Resolutions and adopted by the Government of Pakistan;
- proscribed under the Anti-Terrorism Act, 1997 (XXVII of 1997); and
- associates/facilitators of persons mentioned in (a) and (b).

The "ACIPL" should monitor their relationships on a continuous basis and ensure that no such relationship exists directly or indirectly, through ultimate control of an account and where any such relationship is found, the "ACIPL" shall take immediate action as per law, including freezing the funds and assets of such proscribed entity/individual and reporting to the Commission

Simplified Due Diligence (SDD)

There might be circumstances where the risk of money laundering or financing of terrorism may be low as information on the identity of the customer and the beneficial ownership is publicly available and/or the turnover in the account is meager. In such circumstances, and provided there has been an adequate analysis of the risk, following SDD measures will be applied.

SDD measures shall include:

- Decreasing the frequency of customer identification updates;
- Reducing the degree of on-going monitoring and scrutinizing transactions based on a reasonable monetary threshold; and
- Not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship, but intended purpose and nature of account may be ascertained from the relationship established or from the type of transactions.

SDD measures should not be considered in following situations:

- When there is a suspicion of money laundering or financing of terrorism;
-
- There are no exceptions in reporting suspicion to FMU within the provisions of AML Act.

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General Reporting Procedures

- The Compliance Officer on behalf of the organization is nominated to receive disclosures under this regulation.
- Anyone in the organization, to whom information comes in the course of the relevant business as a result of which he suspects that a person is engaged in money laundering, must disclose it to the Compliance Officer;
- Where a disclosure is made to the Compliance Officer, the officer must consider it in the light of any relevant information which is available to ACIPL and determine whether it gives rise to suspicion: and
- Where the Compliance Officer determines in consultation with the Senior Management, the information must be disclosed to the Regulatory Authority after obtaining an independent legal advice.

Other Offences - Failure to Report Offences

- Failure by an individual in the regulated sector to inform the Regulatory Authority or the ACIPL's Compliance Officer, as soon as practicable, of knowledge or suspicion (or reasonable grounds for knowing or suspecting) that another person is engaged in money laundering;
- Failure by Compliance Officers in the regulated sector to make the required report to Regulatory Authority as soon as practicable, if an internal report leads them to know or suspect that a person is engaged in money laundering.

De Minimis Concessions

Note that the obligation to report does not depend on the amount involved or the seriousness of the offence. There are no De Minimis Concessions.

Client Records Retention

Copies of all documents related to ACIPL's Client Identification Procedures will be retained for an appropriate period of time and, at a minimum, the period of time required by applicable law or regulation.

The documents ACIPL retains are copies of documents reviewed in connection with Client Identification Procedures or enhanced due diligence procedures, Client identification checklists, if any, or similar due diligence documentation, and any other documents required to be retained by applicable anti-money laundering legislation.

ACIPL will retain documents for so long as a Client is a client of ACIPL and for a minimum of five years after this relationship ends.

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ACIPL shall, however, retain those records for longer period where transactions, customers or accounts involved litigation or it is required by court or other competent Authority.

ACIPL shall satisfy, on timely basis, any enquiry or order from the relevant competent authorities including Law enforcement agencies and FMU for supply of information and records as per law.

Review of Existing Client Base and Detection of Suspicious Activity

The ACIPL shall perform such CDD measures as may be appropriate to its existing customers having regard to its own assessment of materiality and risk but without compromise on identity and verification requirements.

The Compliance Officer shall coordinate a periodic review of the ACIPL's existing Client list, and ensure the adequacy of due diligence performed on existing Clients. In addition, ACIPL's policies, procedures and controls may provide for the detection of suspicious activity, and if detected may require further review to determine whether the activity is suspicious,

ACIPL requires any Employee who detects suspicious activity or has reason to believe that suspicious activity is taking place immediately to inform his or her immediate supervisor as well as the Compliance Officer.

Under no circumstances may an Employee discuss the suspicious activity, or the fact that it has been referred to the Compliance Officer, with the Client concerned (Required by Law).

The Compliance Officer shall determine in consultation with the higher management whether to report to appropriate law enforcement officials (i.e. FMU-Financial Monitoring Unit) any suspicious activity of which he becomes aware within 7 working days of knowing the suspicious activity (Required by Law).

Where CDD Measures are not completed

If the CDD of an existing customer is found unsatisfactory, the relationship should be treated as High Risk and reporting of suspicious transaction be considered as per law and circumstances of the case.

For existing customers who opened accounts with old CNICs or old account opening form, the ACIPL shall ensure that same shall be present in ACIPL's records. The ACIPL may INACTIVE the accounts without CNIC and account opening form (after serving one-month prior notice) until the subject regulatory requirement is fulfilled.

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On-going due Diligence

Customer Due Diligence (CDD) is not a one-time exercise at the time of account opening only. In order to guard against misuse of ACIPL channel against criminal transactions, one needs to be vigilant at all the times, and keep monitoring transactions of their customers to ensure that the transactions executed in any particular account are within the customer's profile, risk category, historical pattern of the transactions and their historic funding source.

Compliance report for SECP

ACIPL will report to SECP of any suspicious UIN through NCCPL terminal two times in every month. However, if there is no suspicious UIN, the ACIPL will submit "NIL" Report.

Recognizing & Reporting of STRs (Suspicious Transactions)

STRs include detailed information about transactions that are or appear to be suspicious in terms of AML Act 2010. ACIPL shall comply with the provisions of AML Act, rules and regulations issued there under for reporting of suspicious transactions in the context of money laundering or financing of terrorism.

In pursuance to the above, the compliance officer should review and monitor the transactions of customer's accounts on an ongoing basis in accordance to the policy.

While reviewing transactions, the compliance officer should pay special attention to all complex, unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose.

The transactions, which are out of character or inconsistent with the history, pattern, or normal operation of the account including through heavy deposits, withdrawals and transfers, etc should be viewed with the suspicion, and be properly investigated.

If Compliance officer decides to report any transaction/ account to the FMU as "Suspicious" based on the justifiable grounds, the same should be reported to FMU under intimation to the CEO/ Chairman of the board.

All the employees of ACIPL are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.

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Cash Transactions(CTR)

Where cash transactions are being proposed by Customers, and such requests are not in accordance with the customer's known reasonable practice, the ACIPL will need to approach such situations with caution and make further relevant enquiries.

Where the ACIPL has been unable to satisfy that any cash transaction is reasonable, and therefore should be considered as suspicious. It is also obligated to file Currency Transaction Report (CTR), for a cash-based transaction involving payment, receipt, or transfer of Rs. **2 million** and above.

If the ACIPL decides that a disclosure should be made, the law requires the ACIPL to report STR without delay to the FMU, in standard form as prescribed under AML Regulations 2015. The STR prescribed reporting form can be found on FMU website through the link

<http://www.fmu.gov.pk/docs/AMLRegulations2015.pdf>

Reporting to Commission and FMU:

ACIPL is required to report total number of STRs filed to the Commission on biannual basis within seven days of close of each half year.

- Vigilance systems should require the maintenance of a register of all reports made to the FMU. Such registers should contain details of:
 - the date of the report;
 - the person who made the report;
 - the person(s) to whom the report was forwarded; and
 - reference by which supporting evidence is identifiable.
- Where an applicant or a Customer is hesitant/fails to provide adequate documentation (including the identity of any beneficial owners or controllers), the ACIPL shall consider filing a STR.
- Where an attempted transaction gives rise to knowledge or suspicion of ML/TF, the ACIPL shall report attempted transaction to the FMU.
- Once suspicion has been raised in relation to an account or relationship, in addition to reporting the suspicious activity The MLS shall ensure that appropriate action is taken to adequately mitigate its risk being used for criminal activities.

Registration Details Update

In accordance to the Directives under the PSX Rule book, CDC Regulations an Updation in Registration detail of any client can only be done after obtaining of the below mentioned document.

Contact Details Update

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For change of contact details i.e. contact number, local mobile number, email address etc. duly signed letter or Updation Form or by an email sent through registered email address is required as per the operating instructions. However, Title Account Holder may personally visit along with original CNIC for change of address without any documentary proof.

Zakat Status Update

To update Zakat status as Zakat non-payable, letter or Updation Form along with notarized copy of Zakat Declaration is required.

Dividend Mandate Update

Dividend Mandate i.e. bank details for receiving dividend warrant directly into bank account is added/updated upon letter or Updation Form.

NTN Update

NTN is updated either upon receiving duly signed letter/Updation Form or by an email sent through registered email address.

Signature Update

Physical presence is required along with original CNIC to update the record and for nonresident / foreign account duly signed signature card.

Account Closing

- Duly filled and signed Account Closing Request / Form.
- Approval NOC from NCCPL to close the client Account (UIN)
- Post the Entry for Intimation to CDC about closure of Sub-Account

Employee due Diligence & Screening

In order to ensure that unscrupulous elements do not become employees/agents, appropriate screening procedures should be followed to ensure high standards of staff in terms of honesty, integrity, ethics and professionalism To complete the process the HR department must issue confidential letters to the last employer and employee provided reference.

Red Flags Indicators/Warning Signs for Misuse of Legal Persons

ACIPL are required to take appropriate measures to prevent the misuse of legal persons for Money Laundering/Terrorism Financing. Further, Immediate Outcome also states that an effective system

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should be in place with effective measures to prevent legal persons from being used for criminal purposes. In Pakistan, following are the different types of legal persons that can be formed under various laws:

1. Companies formed under the Companies Act 2017, namely:

- o Single Member Limited Companies
- o Private companies.
- o Public companies (also referred to as listed companies).
- o Public interest companies.
- o Public sector companies.
- o Companies limited by guarantee (s 2 (19)).
- o Foreign companies (registered under Part 12 of the Companies Act).
- o Associations (formed as charities and not for profit companies) under s 42.

2. Limited Liability partnerships (LLPs) formed under the Limited Liability Partnership Act 2017 and defined under than Act as having separate legal personality (Part 2, s 3), namely:

- o Domestic limited liability partnerships.
- o Foreign limited liability partnerships (registered under s 2(m) and Part 10).

3. Cooperatives formed under prevailing Cooperative Societies laws at provincial level. These entities have independent legal status as legal persons upon registration.

4. Proprietorship Concerns formed by an individual, which is required to be dully declared by the individuals in their tax returns and to be registered as a proprietorship concerns in their National Tax Number (NTN) Certificate.

5. Association of Person Section 80 of Income Tax Ordinance, 2001 defines association of persons which includes a firm, a Hindu undivided family, any artificial juridical person and anybody of persons formed under a foreign law but does not include a company.

To identify a suspicion that could be indicative of Money Laundering (ML) or Terrorism Financing (IF), FMU has prepared the red flags indicators that are specially intended as an aid for the reporting entities. These red flags may appear suspicious on their own; however, it may be considered that a single red flag would not be a clear indicator of potential misuse of legal person for ML / TF activity. A combination of these red flags, in addition to analysis of overall financial activity, business profile may indicate that the legal person is being potentially misused for ML/TF activity.

Customer Behavior:

1. When a legal person or its beneficial owner or any of its associate natural person or transaction is from a high risk jurisdiction in relation to which FATE has called for countermeasures or enhanced client due diligence measures or jurisdiction known to have inadequate measures to prevent money laundering and the financing of terrorism.
2. The legal person that is associated with terrorism activities or the legal person that has been declared proscribed.
3. When any associated natural person of the legal person is proscribed for terrorism /terrorism financing related activities.
4. The legal person who is suspected to be using forged, fraudulent, or false identity documents for due diligence and record keeping purposes.

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5. The employee Director/signatory/beneficial owner of the legal person is unusually concerned with the reporting threshold or AML/CFT policies.
6. Legal Person linked to negative/adverse news or crime (named in a news report on a crime committed or under Law Enforcement investigation/inquiry).
7. Legal Person or any of its associated natural person / entity found positive match while screening against UN Security Council Resolutions (UNSCRs).
8. The legal person attempts to establish business relationship but fails to provide adequate documentary proof regarding its beneficial ownership details up to the satisfaction level of Financial Institutions or DNFBPs.
9. The beneficial ownership of the legal person appears to be doubtful while establishing relationship.
10. The complex formation structure that does not commensurate with nature of business activities or where legal person fails to disclose actual beneficial owner.
11. Multiple Legal Persons have been registered at same address or having similar contact details without any plausible reason.
12. Multiple types of legal persons are established with similar name and with same beneficial ownership.
13. The legal person owned by foreign nationals or by group of companies registered at foreign jurisdiction and failed to meet the CDD/KYC requirements regarding disclosure of ultimate beneficial ownership.
14. Unable to establish relationship between the beneficial owner and authorized signatory of the company.
15. Use of influential names (government linked / high profile entities) where the link with the high-profile entity whose name has been used cannot be directly validated.
16. Legal Person is invoiced by organizations located at any offshore jurisdiction that does not have adequate money laundering laws and is known for highly secretive banking and corporate tax haven.
17. Company records consistently reflect sales at less than cost, thus putting the company into a loss position, but the company continues without reasonable explanation of the continued loss.
18. Company has a long period of inactivity following incorporation, followed by a sudden and unexplained increase in financial activities.
19. Company is registered at an address that is also listed against numerous other companies or legal arrangements, indicating the use of mailbox service.
20. Company beneficial owners, shareholders or directors are also listed as beneficial owners, shareholders or directors in multiple other companies.

Transactional Patterns:

1. Transactions that are not consistent with the usual business profile of the legal person:
 - a. Transactions that appear to be beyond means of the legal person based on its nature of business or declared business profile.
 - b. Transactions that appear to be more than the usual amount for a nature of business in which legal person is involved.
2. Frequent / multiple transaction involving entities with the same beneficial owner, which did not make economic sense

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3. The legal entity is engaged in a business that is not normally cash-intensive but appears to have substantial amounts of cash transactions.
4. Legal person deliberately avoids traditional banking service without legitimate reasons.
5. The transactions are structured to avoid reporting threshold requirements.
6. Large or frequent cash-based transactions, which do not commensurate with the stated business profile/ activities of the legal person.
7. Numerous transactions by a legal person, especially over a short period, such that the amount of each transaction is not substantial but the cumulative total of which is substantial, such transactional pattern do not commensurate with the legal person declared business profile.
8. Co-mingling of business and personal funds without any plausible reason.
9. Export / Import proceeds and other receipts and payments from/ to unrelated counterparties, which are not in-line with the legal person's business nature.
10. Round Tripping pattern of transactions that confuse the legitimate trading of business and apparently do not provide any economic benefit to the legal person.
11. High turnover of funds within a relatively short time without any plausible reason.
12. Unclear relationships between connected companies or transactional counterparties.
13. Deposit or attempt to deposit of funds via drafts / cheques issued in favor of different form of legal person but with the similar name.
14. Proceeds received from or payments sent to an unrelated foreign buyer against which no export shipments were sent, or no imports were made.
15. Proceeds received! sent against under or overvalued invoices of goods exported / imported.

Analyses of various types of crimes and their ML ratings

Assessment as to how various types of crimes and their ML threats will change the existing ratings assigned to various customer types such as the following:

- Illicit Trafficking in Narcotic Drugs and Psychotropic Substances;
- Corruption and Bribery;
- Smuggling; (Including in Relation to Customs and Excise Duties and Taxes);
- Tax Crimes (Related to Direct Taxes and Indirect Taxes);
- Illegal MVTS/Hawala/Hundi;
- Cash Smuggling;
- Terrorism, Including Terrorist Financing;
- Participation in an Organized Criminal Group and Racketeering,
- Trafficking in Human Beings and Migrant Smuggling;
- Illicit Arms Trafficking;
- Fraud and forgery; Kidnapping,
- Illegal Restraint and Hostage-Taking;
- Robbery or Theft; Extortion;
- Insider Trading and Market Manipulation Cyber Crime Sexual Exploitation,
- Including Sexual Exploitation of Children;
- Illicit Trafficking in Stolen and Other Goods,
- Counterfeiting Currency;

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- Counterfeiting and Piracy of Products;
- Murder,
- Grievous Bodily Injury;
- Environmental Crime; Piracy;

The Ayub Chaudhry Investments (Pvt.) Limited. is committed to fully comply with all applicable laws and regulations regarding anti money laundering/Counter Financing Terrorism/Proliferation Financing procedures and regulations

To ensure that the Ayub Chaudhry Investments (Pvt.) Limited policies and procedures are adhered to, Ayub Chaudhry Investments (Pvt.) Limited has designated an Anti-Money Laundering Compliance Officer (the "Compliance Officer"). The Compliance Officer is responsible for establishing and conducting Employee training programs to ensure that all Employees are aware of the applicable AML/CFT/Proliferation Financing Laws and Regulations, AML/CFT Policies & procedures, guidelines /information provided by NRA 2019 and their responsibilities with respect to these policies. All Employees are required to attend anti-money laundering training sessions, so that all such Employees are aware of their responsibilities under Sethi policies and procedures and as affected by current developments with respect to anti-money laundering events

The Compliance Officer duties/Responsibilities include the following:

- a. Periodic Review of SAOF from Compliance perspective
- b. Monitoring of day-to-day compliance with applicable AML/CFT/Proliferation Financing Laws and Regulations and Ayub Chaudhry Investments (Pvt.) Limited own AML/CFT Policy and Procedures;
- c. Receiving and reviewing any reports of suspicious activity from Employees;
- d. Determining whether any suspicious activity as reported by an Employee and reporting the same to senior management of the Firm;
- e. Coordination with staff members to apply enhanced due diligence procedures to Clients/Legal person and Responding to both internal and external inquiries regarding Ayub Chaudhry Investments (Pvt.) Limited AML/CFT/Proliferation Financing policy and procedures in order to mitigate the risk.
- f. The Compliance Officer is required to watch and report consistent unusual transaction conducted by a legal person and cash transaction involving payment, receipt, or transfer of Rs. **2 million** and above shall to the management/higher authorities of the company.

If the ACIPL decides that a disclosure should be made, the law requires the ACIPL to report STR without delay to the FMU, in standard form as prescribed under AML Regulations 2015. The STR prescribed reporting form can be found on FMU website through the link.

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- g. Once suspicion has been raised in relation to an account or relationship, in addition to reporting the suspicious activity, the ACIPL shall ensure that appropriate action is taken to adequately mitigate its risk being used for criminal activities
- h. Where an applicant or a Customer is hesitant/fails to provide adequate documentation (including the identity/source of funds/bank account statement of any beneficial owners or controllers), the ACIPL shall consider filing a STR and close the account of such client.

Proliferation Financing Warning Signs/Red Alert

1. RPs should take note of the following circumstances where customers and transactions are more vulnerable to be involved in proliferation financing activities relating to both DPRK and Iran sanctions regimes:
2. customers and transactions associated with countries subject to sanctions;
3. instruments that could particularly be used to finance prohibited transactions, such as certain trade financing products and services
4. customers involved with and/or transactions related to items, materials, equipment, goods and technology prohibited by UNSCRs;
5. reasonableness of invoiced goods against market value, inconsistency or discrepancies in trade-related documentation

In particular, RPs should be alert to the following non-exhaustive list of factors that are relevant to the DPRK sanctions regime:

1. significant withdrawals or deposits of bulk cash that could potentially be used to evade targeted financial sanctions and activity-based financial prohibitions;
2. opening of banking accounts by DPRK diplomatic personnel, who have been limited to one account each under relevant UNSCRs (including number of bank accounts being held, holding of joint accounts with their family members);
3. clearing of funds, granting of export credits or guarantees to persons or entities that are associated with trading transactions relating to the DPRK;
4. providing insurance or re-insurance services to maritime vessels owned, controlled or operated, including through illicit means, by the DPRK or classification services to vessels which there are reasonable grounds to believe were involved in activities, or the transport of items, prohibited by UNSCRs concerning the DPRK, unless the Security Council 1718 Committee determines otherwise on a case-by-case basis;
5. direct or indirect supply, sale or transfer to the DPRK of any new or used vessels or providing insurance or re-insurance services to vessels owned, controlled, or operated, including through illicit means, by the DPRK, except as approved in advance by the Security Council 1718 Committee on a case-by-case basis; or

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6. the leasing, chartering or provision of crew services to the DPRK without exception, unless the Security Council 1718 Committee approves on a case-by-case basis in advance;³⁸ or
7. using real property that DPRK owns or leases in Pakistan for any purpose other than diplomatic or consular.

New Products, Practices and Technologies

The regulated person /Compliance officer is responsible to

- a. Identify and assess the Money Laundering and Terrorism Financing risk that arise in relation to
 - i) the development of new products and new business practices including new delivery mechanism.
 - ii) the use of new or developing technologies for both new and pre-existing clients
- b. Undertake the risk assessment, prior to the launch or use of such products, practices and technologies, and shall take appropriate measures to manage the and mitigate these risks
- c. In complying with the requirements of clause(a) and (b), pay special attention to any new products and new business practices, including new delivery mechanism, and new or developing technologies that favor anonymity

Regular Review/Audit of the Manual

A regular review of the program should be undertaken to ensure that it is functioning as designed. Such a review could be performed by external or internal resources, and should be accompanied by 2 formal assessment or written report.

Future Amendments

The management will review and may amend or otherwise modify this Policy Statement from time to time with the approval of Board of Directors of the Company. Such review will

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preferably be carried out every year and will take into account among others the revisions in applicable regulatory framework specifically