

## MAX MYANMAR GROUP

# Anti-Money Laundering and Counter-Terrorist Financing and Proliferation Policy

### PURPOSE

This Policy is to ensure that Max Myanmar Group comply with all applicable anti-money laundering laws and all laws countering the financing of terrorism. Moreover, this policy is also intended to ensure all company business activities carried out with Third Parties comply with Anti-money laundering laws. It is the policy to prohibit and actively prevent laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable Anti-Money Laundering Laws.

Max Myanmar Group has adopted a zero-tolerance standard with respect to conduct that violated Anti-Money Laundering and Counter-Terrorist Financing. As such, the company seeks to do business only with Third Parties that conduct legitimate activities and that are committed to following these standards.

### ROLES AND RESPONSIBILITIES

Board of Directors are responsible for oversee business activities and their compliance with applicable laws, policies, and company regulations as well as promote the effective implementation of this Policy and Guidelines.

Top Management from each subsidiary of Max Myanmar Group ensure the risk management and internal control measures and processes comply with laws and regulations. They also have to report progress to the responsible committee.

Heads of Department have to manage the prevention of money laundering, terrorist financing and the proliferation of mass destruction risks. They must develop operating manual that aligns with this policy and provide orientation programs to employee to fully understand the regulations.

### DEFINITIONS

Money laundering is the process of concealing the origins of illegally obtained money, typically by passing it through a complex sequence of banking transfers or commercial transactions. The aim is to make the money appear to be legitimate and to integrate it into the financial system without raising suspicion.

Terrorism financing refers to the provision of financial support or resources to terrorist organizations or individuals to facilitate their activities.

## OBLIGATIONS

The main obligations for Max Myanmar Group under this Anti-Money Laundering and Counter-Terrorist Financing and Proliferation Policy are to perform a risk assessment on overall activities, including contemplated activities and to perform an individualized counterparty due diligence on a risk-sensitive basis. Max Myanmar complies with all applicable laws and regulations wherever Max Myanmar conducts business enters or maintains business relationships.

Money laundering legislation applies to all Goldsmiths employees. Any member of staff could be committing an offence under the money laundering laws if they suspect money laundering, or if they become involved in some way and do nothing about it. If any employee suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement, it must be disclosed as soon as possible to the Management. Failure to do so could result in their becoming personally liable to prosecution.

## DISCLOSURE PROCEDURE TO BE FOLLOWED BY EMPLOYEES

The disclosure report should include as much detail as possible including:

- Full details of the people and/or companies involved including yourself and other members of staff if relevant.
- Full details of the transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious.
- The dates of any transactions, where they were undertaken, how they were undertaken, and the likely amount of money or assets involved.

## MECHANICS OF MONEY LAUNDERING

Money laundering involves the process of concealing the origins of illegally obtained money, typically by passing it through a complex sequence of banking transfers or commercial transactions. Generally, money laundering occurs in three stages:

### **Stage 1: Placement**

This is the initial stage where the "dirty" money enters the financial system. It often involves depositing cash into banks, purchasing monetary instruments like money orders or traveler's checks, or using cash to buy high-value items that can be resold.

## **Stage 2: Layering**

In this stage, the launderer tries to distance the money from its illegal source through a series of complex financial transactions. This can involve moving funds between accounts in different jurisdictions, transferring money electronically, or converting cash into other forms of assets like real estate, stocks, or businesses. The goal is to create layers of transactions to obscure the trail of the illicit funds.

## **Stage 3: Integration**

In the final stage, the laundered funds are reintroduced into the economy as legitimate wealth. This can involve selling the assets acquired during the layering stage and depositing the proceeds into bank accounts, investing in legitimate businesses, or using the funds to purchase luxury goods. At this point, the money appears to be legitimate and can be freely used by the launderer without raising suspicion.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and personal employment.

## **DUE DILIGENCE**

Max Myanmar conducts appropriate due diligence checks (“DD Checks”) on Third Parties with which we do business after assessing potential Anti-Money Laundering risks based on red flags. Management should be alert to suspicious behavior or “red flags” when doing business with, conducting DD Checks on, and/or monitoring continued engagement with Third Parties. If a red flag is spotted, Management should be notified and will investigate the red flag and take further action consistent with this Policy and all applicable Anti-Money Laundering Laws.

Such an investigation may entail a thorough review of the business relationship with the Third Party and any previous transactions with the Third Party to ensure that such transactions were consistent with this Policy and the Company’s knowledge of the Third Party, its commercial activity and risk profile, and, when necessary, the source of its funds.

## **MONITORING AND REPORTING**

In case unusual transactions, such as data changes, payments or withdraws, or activities potentially linked to money laundering, are identified, further investigation will take place. Transactions not consistent with the initially declared purpose or nature of the relationship may also be further investigated.

All Employees will endeavor to avoid carrying out a transaction which they know or suspect or have reasonable grounds to suspect to be related to money laundering. Unusual transactions shall be escalated to Risk and Compliance Committee.

All Employees are obliged to cooperate fully with the appropriate governmental authorities responsible for combating Anti-money Laundering Policy, if required. If needed, this could include reporting suspicious transactions and cooperating with the authorities, or inform promptly, on their own initiative, the appropriate authority when they know, suspect or have reasonable grounds to suspect that money laundering, an associated predicate offence, or terrorist financing is being committed or has been committed or attempted, in particular in consideration of the person concerned, its development, the origin of the funds, the purpose, nature and procedure of the operation.

## **WHISTLEBLOWING**

All whistleblowers or complainants shall be protected from retaliation regarding their employment status and receive remediation, with their information to be kept confidential both during and after the investigation processes.

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