

# Anti Money Laundering Policy



At Norex, we are committed to carrying on business in accordance with the highest ethical standards. This includes complying with all applicable laws and regulations aimed at combating money laundering. This Policy has been developed by Norex to reduce the risk of money laundering associated with its business. This Policy explains our individual responsibility in complying with anti-money laundering and counterterrorist financing laws ("AML Laws") around the world and ensuring that any third parties that we engage to act on our behalf, do the same.

The management of Norex is committed to complying with all laws. Any employee who violates the rules in this Policy or who permits anyone to violate those rules may be subject to appropriate disciplinary action, up to and including dismissal, and may be subject to personal civil or criminal fines.

## **POLICY STATEMENT**

It is Norex's policy to comply with all applicable AML Laws in our operations. To this end, Norex will only conduct business with customers who are involved in legitimate business activity and whose funds are derived from legitimate sources.

This Policy is intended to help employees, contractors, and other third parties acting on the company's behalf to understand where breaches of AML Laws might arise and to support them in making the right decisions in line with our corporate position as stated in this Policy.

## **SCOPE**

This Policy applies to all directors, officers, employees, contractors, and other third parties acting on behalf of the foregoing.

## **WHAT'S THE RISK?**

Violations of AML Laws may lead to severe civil and/or criminal penalties against companies and individuals, including significant monetary fines, imprisonment, extradition, blacklisting, revocation of licenses, and disqualification of directors.

In addition, violations of AML Laws can lead to damaging practical consequences, including harm to reputation and commercial relationships, restrictions in the way we can do business, and extensive time

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and cost in conducting internal investigations and/or defending against government investigations and enforcement actions.

## Definition

Money laundering means exchanging money or assets that were obtained criminally for money or other assets that are 'clean'. The clean money or assets don't have an obvious link with any criminal activity. Money laundering also includes money that's used to fund terrorism; however, it's obtained.

The following types of activities are considered to be "money laundering" and are prohibited under this Policy:

- The conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("criminal property"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action.
- Conducting a financial transaction which involves criminal property.
- The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, ownership or control of criminal property.
- The acquisition, possession, or use of criminal property.
- Promoting the carrying on of unlawful activity.

## Whistleblowing

Where any suspicions arise that criminal conduct may have taken place involving a customer, colleague or third party, you should consider whether there is a risk that money laundering or terrorist financing has occurred or may occur.

## Some examples of red flags to be reported include:

- A customer provides insufficient, false, or suspicious information or is reluctant to provide complete information Receipts of multiple negotiable instruments to pay a single invoice

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- Payments to or from third parties that have no apparent or logical connection with the customer or transaction
- Payment to or from countries considered high risk for money laundering or terrorist financing
- Payments from countries unrelated to the transaction or not logical for the customer
- A customer's business formation documents are from a tax haven, or a country that poses a high risk for money laundering, terrorism or terrorist financing, or a country that is not logical for the customer
- Overpayments followed by directions to refund a payment, especially if requested to send the payment to a third party
- Any customer for whom you cannot determine the true beneficial owner
- Unexpected spikes in a customer's activities.
- Unusually complex business structures, payment patterns that reflect no real business purpose

## NON-COMPLIANCE

Any employee or contractor, who violates this Policy may be subject to appropriate disciplinary action, independently from potential other penalties resulting from their behavior.

**Vaibhav Agrawal**

**Managing Director**