



ANTI-MONEY LAUNDERING (AML) POLICY JAC GLOBAL CO., LTD.

PRIVATE & CONFIDENTIAL

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1. At a Glance AML Policy

JAC GLOBAL CO., LTD. (“the Company”) is a legally registered entity in the Republic of Korea engaged in wholesale trading of gold, including import and export activities. As a participant in a high-value sector that is vulnerable to financial crime, the Company is fully committed to preventing its operations from being misused for money laundering, terrorist financing, or other illicit purposes.

This Anti-Money Laundering (AML) Policy provides a high-level overview of the Company’s compliance culture and commitment. The principles outlined herein are aligned with:

- **Korean AML regulations**, including the *Act on Reporting and Using Specified Financial Transaction Information* and the *Criminal Proceeds Concealment Act*.
- The regulatory requirements of the **Financial Services Commission (FSC)**, the **Financial Supervisory Service (FSS)**, and the **Korea Financial Intelligence Unit (KoFIU)**.
- **International best practices**, including the recommendations of the Financial Action Task Force (FATF), the Basel AML Principles, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, and the LBMA Responsible Gold Guidance.

Key features of the Company’s AML framework include:

- **Robust governance** with Board-level oversight and the appointment of a dedicated Money Laundering Reporting Officer (MLRO).
- **Risk-based approach (RBA)** to customer and transaction monitoring, ensuring proportionate controls for higher-risk relationships.
- **Customer Due Diligence (CDD)** and **Enhanced Due Diligence (EDD)** processes for onboarding, monitoring, and maintaining business relationships.
- **Suspicious Transaction Reporting (STR)** to KoFIU in accordance with Korean AML laws.
- **Comprehensive sanctions compliance** against Korean, UN, EU, and U.S. OFAC lists.
- **Mandatory staff training** at onboarding and annually, with specialized sessions for compliance and trading teams.
- **Record-keeping** of all relevant information for a minimum of five years, in compliance with Korean regulatory requirements.

The Company affirms its **zero-tolerance policy** toward financial crime and commits to maintaining a culture of transparency, compliance, and integrity in all aspects of its gold trading business.

2. Policy Custodian

The **custodian of this AML Policy** is the designated **Money Laundering Reporting Officer (MLRO)** of JAC GLOBAL CO., LTD. The MLRO is appointed by the **Board of Directors** and has the authority, independence, and resources necessary to effectively oversee the Company's AML and Counter-Terrorist Financing (CTF) program.

Responsibilities of the MLRO include:

- Developing, maintaining, and periodically updating the Company's AML/CTF policies and procedures.
- Ensuring compliance with the **Financial Services Commission (FSC)**, the **Financial Supervisory Service (FSS)**, and the **Korea Financial Intelligence Unit (KoFIU)** requirements.
- Acting as the primary liaison with **regulatory authorities** and law enforcement agencies.
- Conducting and documenting **risk assessments** specific to wholesale gold trading and related cross-border activities.
- Receiving and reviewing internal reports of suspicious transactions and determining whether to file a **Suspicious Transaction Report (STR)** with KoFIU.
- Ensuring that **all staff receive AML training**, including onboarding sessions, annual refresher courses, and specialized modules for staff engaged in trading and compliance functions.
- Monitoring compliance with **sanctions obligations** imposed by Korean authorities, the United Nations, the European Union, and the U.S. OFAC.
- Reporting regularly to the Board of Directors on the Company's AML/CTF compliance status, risks, and remedial actions.

The MLRO has direct access to senior management and the Board to ensure independence and the ability to escalate matters without interference.

3. Governance of AML Policies

JAC GLOBAL CO., LTD. recognizes that strong governance is essential for an effective Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) framework. The governance structure ensures that responsibilities for compliance are clearly defined, resources are allocated appropriately, and oversight is exercised at the highest level.

Board of Directors

- The Board has **ultimate responsibility** for ensuring that the Company complies with Korean AML/CTF laws and regulations.

- Approves the AML Policy and any subsequent amendments.
- Ensures that sufficient resources—human, technical, and financial—are dedicated to AML compliance.
- Receives **regular reports** from the MLRO on compliance performance, suspicious transaction reporting, training, and audit findings.

Senior Management

- Implements the strategic direction set by the Board and integrates AML compliance into business operations.
- Supports the MLRO by providing adequate staffing, systems, and training resources.
- Promotes a **compliance culture** across the Company by setting the right tone from the top.
- Ensures corrective actions are implemented promptly following audit findings or regulatory feedback.

Money Laundering Reporting Officer (MLRO)

- Oversees the Company's AML/CTF framework on a day-to-day basis.
- Reviews internal suspicious activity reports (SARs) and determines whether an official **Suspicious Transaction Report (STR)** must be filed with the **Korea Financial Intelligence Unit (KoFIU)**.
- Acts as the primary liaison with the **Financial Services Commission (FSC)**, **Financial Supervisory Service (FSS)**, and other relevant authorities.
- Provides guidance and training to employees on AML/CTF obligations.

Employees

- All employees have an obligation to comply with this Policy and applicable AML/CTF laws.
- Staff must complete mandatory AML training and remain vigilant in identifying unusual or suspicious activity.
- Employees must escalate any suspicions to the MLRO without delay.

This governance framework ensures that accountability flows from the Board of Directors to senior management, the MLRO, and all employees. Collectively, this structure safeguards the Company against financial crime risks and demonstrates compliance with Korean and international standards.

4. MLRO Job Description

The **Money Laundering Reporting Officer (MLRO)** is a senior officer of JAC GLOBAL CO., LTD., formally appointed by the **Board of Directors**, with the authority and independence to oversee all Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) activities within the Company.

Primary Responsibilities

The MLRO is responsible for:

1. **Policy Development & Oversight**
 - Drafting, maintaining, and updating the Company's AML/CTF policies and procedures.
 - Ensuring compliance with the *Act on Reporting and Using Specified Financial Transaction Information*, the *Criminal Proceeds Concealment Act*, and any other applicable Korean regulations.
 - Aligning Company policies with the requirements of the **Financial Services Commission (FSC)**, **Financial Supervisory Service (FSS)**, and **Korea Financial Intelligence Unit (KoFIU)**.
2. **Suspicious Transaction Reporting (STRs)**
 - Receiving and assessing internal suspicious activity reports (SARs).
 - Determining whether there are reasonable grounds to file a **Suspicious Transaction Report (STR)** with KoFIU.
 - Maintaining a log of all STRs submitted and ensuring confidentiality of related information.
3. **Risk Assessment & Monitoring**
 - Conducting regular AML risk assessments, including risks arising from customers, suppliers, products, geographies, and delivery channels.
 - Implementing a **risk-based monitoring program** to identify unusual or suspicious activities in wholesale gold trading, including cross-border import/export transactions.
4. **Training & Awareness**
 - Designing and delivering training programs for all staff, tailored to their roles.
 - Ensuring that compliance and trading staff receive **specialized training** in identifying AML/CTF risks specific to gold trading.
 - Keeping training records and reporting training completion rates to senior management.
5. **Regulatory Liaison**
 - Acting as the primary point of contact for the FSC, FSS, KoFIU, and other regulatory or law enforcement agencies.
 - Coordinating responses to regulatory requests, inspections, and audits.
 - Ensuring timely communication of regulatory changes and guidance to relevant staff.
6. **Reporting & Escalation**

- Providing regular AML compliance reports to the Board of Directors and senior management.
- Escalating significant AML/CTF issues immediately to the Board.
- Recommending corrective actions to strengthen the compliance framework.

Authority & Independence

- The MLRO has direct access to the Board of Directors and may escalate compliance matters without fear of reprisal.
- The MLRO is allocated sufficient resources to fulfill their responsibilities effectively.

Qualifications

The MLRO must:

- Possess strong knowledge of Korean AML/CTF laws, FATF Recommendations, and international gold sector standards (e.g., LBMA Responsible Gold Guidance).
- Have relevant experience in compliance, risk management, or financial regulation.
- Maintain ongoing professional development in AML/CTF practices.

5. AML Policy General Guidelines

JAC GLOBAL CO., LTD. adopts the following general guidelines to ensure that its business operations in wholesale gold trading comply with Korean anti-money laundering (AML) and counter-terrorist financing (CTF) requirements and international best practices. These guidelines apply to all directors, officers, employees, and representatives of the Company.

5.1 Zero Tolerance for Financial Crime

The Company maintains a **zero-tolerance stance** toward money laundering, terrorist financing, and other financial crimes. No employee, officer, or agent may knowingly participate in or facilitate such activities.

5.2 Compliance with Laws and Regulations

The Company complies with:

- *The Act on Reporting and Using Specified Financial Transaction Information*
- *The Criminal Proceeds Concealment Act*

- Directives and circulars issued by the **Financial Services Commission (FSC)** and the **Financial Supervisory Service (FSS)**
- Reporting obligations to the **Korea Financial Intelligence Unit (KoFIU)**
- Applicable sanctions laws of Korea, the United Nations, the European Union, and the United States (OFAC).

5.3 International Standards

The Company's AML framework is aligned with:

- **Financial Action Task Force (FATF) Recommendations**
- **Basel Committee AML Principles**
- **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals**
- **LBMA Responsible Gold Guidance**

5.4 Risk-Based Approach (RBA)

The Company applies a **risk-based approach** to AML/CTF compliance, allocating resources where risks are highest. Factors considered include:

- Customer risk (e.g., individuals, corporate entities, politically exposed persons)
- Geographic risk (high-risk jurisdictions as identified by FATF or Korean authorities)
- Product/service risk (import/export of gold bullion, large cash transactions)
- Delivery channel risk (face-to-face vs. non-face-to-face relationships)

5.5 Customer Due Diligence (CDD)

- Customers must be properly identified and verified before entering into business relationships.
- Enhanced Due Diligence (EDD) is required for **PEPs**, high-risk jurisdictions, and complex ownership structures.
- The ultimate beneficial owner (UBO) must always be identified and verified.

5.6 Monitoring and Reporting

- All business relationships and transactions are subject to **ongoing monitoring**.
- Employees must escalate suspicious activities to the MLRO.
- The MLRO must file Suspicious Transaction Reports (STRs) with **KoFIU** promptly and maintain strict confidentiality.

5.7 Sanctions Compliance

- The Company screens all customers and counterparties against sanctions lists at onboarding and on an ongoing basis.

- Transactions involving sanctioned parties or restricted goods are strictly prohibited.

5.8 Training and Awareness

- All staff receive AML/CTF training during onboarding and annually thereafter.
- Specialized training is provided for compliance staff and employees directly engaged in gold trading.

5.9 Record Keeping

- Records of CDD, transaction data, STRs, and training are retained for a **minimum of five years** in compliance with Korean law.
- Records must be secure, accurate, and accessible for regulatory inspections.

5.10 Accountability

- Each employee has a duty to comply with this Policy and to escalate suspicious activity without delay.
- Breaches of this Policy may result in disciplinary action, including termination of employment and possible civil or criminal liability under Korean law.

6. Client Onboarding & KYC Documentation

JAC GLOBAL CO., LTD. implements strict **Know Your Customer (KYC)** procedures to ensure that all customers and counterparties are properly identified, verified, and assessed before any business relationship is established. This process complies with Korean AML/CTF legislation and international standards.

6.1 General Principles

- No account or business relationship shall be established until the **full KYC process** has been completed.
- Anonymous accounts, fictitious names, or relationships with shell banks or non-transparent entities are strictly prohibited.
- KYC procedures apply equally to **domestic and foreign clients**.

6.2 Required Information for Individuals

For individual clients, the following must be collected and verified:

- Full legal name (in both Korean and English, where applicable)
- Date and place of birth
- Nationality and residential address
- Valid government-issued identification (e.g., Korean Resident Registration Card, passport for foreigners)
- Contact information (phone number, email)
- Source of wealth and source of funds declarations
- Occupation and employer details
- Politically Exposed Person (PEP) status declaration

6.3 Required Information for Legal Entities

For corporate or institutional clients, the following documents and information must be collected:

- Certificate of incorporation or business registration (for Korean companies: Business Registration Certificate)
- Articles of Association or equivalent constitutive documents
- Company address, contact details, and principal place of business
- List of directors, senior management, and authorized signatories
- Ownership structure chart (to identify the Ultimate Beneficial Owner “UBO”)
- UBO identification documents (passport, ID card, etc.)
- Tax Identification Number (TIN), where applicable
- Source of funds and source of wealth declarations
- Confirmation of regulatory licenses (if applicable, e.g., for financial institutions)

6.4 Enhanced Due Diligence (EDD)

EDD must be conducted in the following cases:

- Customers identified as **Politically Exposed Persons (PEPs)**
- Customers located in **high-risk jurisdictions** as identified by FATF or Korean authorities
- Customers with **complex ownership structures** that obscure the UBO
- Customers engaged in **unusual transaction patterns** or large-value cash transactions

EDD measures may include:

- Obtaining additional information about the customer’s source of funds and wealth
- Conducting adverse media searches
- Obtaining senior management approval prior to onboarding
- Increased frequency of transaction monitoring

6.5 Ongoing Monitoring

- Customers are subject to **continuous monitoring** to ensure that transactions are consistent with their profile, risk classification, and declared business activities.
- The MLRO must review high-risk client relationships at least annually.
- Any changes in ownership, business activities, or risk factors must be promptly documented and reassessed.

6.6 Record Keeping for KYC

- All KYC documentation must be retained for a **minimum of five years** after the end of the business relationship.
- Records must be easily retrievable for inspection by the **Financial Supervisory Service (FSS)** or **KoFIU**.
- Digital copies are permitted, provided that security, accuracy, and authenticity are maintained.

6.7 Refusal and Termination of Relationships

- The Company shall refuse to enter into a relationship if KYC requirements cannot be fully satisfied.
- Business relationships must be terminated immediately if false, misleading, or incomplete KYC information is discovered.

7. Politically Exposed Persons (PEP) Declaration

JAC GLOBAL CO., LTD. recognizes that **Politically Exposed Persons (PEPs)** present a higher risk of money laundering and corruption due to their position and influence. Accordingly, the Company applies **Enhanced Due Diligence (EDD)** measures to all PEPs, their family members, and close associates.

7.1 Definition of PEPs

In accordance with FATF standards and Korean AML guidelines, PEPs are categorized as follows:

- **Foreign PEPs:** Individuals who are or have been entrusted with prominent public functions in a foreign country (e.g., heads of state, senior politicians, senior government officials, military officers, and state-owned enterprise executives).
- **Domestic PEPs:** Individuals entrusted with prominent public functions in the Republic of Korea.
- **International Organization PEPs:** Senior officials of international organizations (e.g., UN, IMF, World Bank).

- **Family Members and Associates:** Immediate family members (spouses, children, parents, siblings) and close associates of a PEP.

7.2 PEP Identification & Declaration

- All new customers are required to complete a **PEP Declaration Form** at onboarding.
- The Company verifies PEP status using:
 - Publicly available sources (government websites, official gazettes).
 - Commercial PEP screening databases.
 - Customer self-declarations.
- Employees are trained to recognize indicators of PEP involvement.

7.3 Enhanced Due Diligence (EDD) for PEPs

When a PEP relationship is identified, the following measures must be taken:

1. **Senior Management Approval:** No business relationship with a PEP may be established without written approval from senior management.
2. **Source of Funds & Wealth Verification:** The MLRO must verify the origin of the PEP's funds and wealth to ensure legitimacy.
3. **Ongoing Monitoring:** PEP accounts are subject to heightened scrutiny, including regular reviews of transaction activity against expected behavior.
4. **Periodic Review:** PEP relationships are reviewed at least annually, and more frequently for high-risk PEPs.

7.4 Termination of Relationship

- If a PEP refuses to provide sufficient information or is found to be involved in corruption, money laundering, or terrorist financing, the relationship must be terminated immediately.
- The MLRO must evaluate whether a **Suspicious Transaction Report (STR)** to **KoFIU** is required.

7.5 Record Keeping

- All PEP-related documentation, including declarations, verification results, and monitoring reports, must be retained for at least **five years** after the relationship ends.

8. The Risk-Based Approach (RBA)

JAC GLOBAL CO., LTD. applies a **Risk-Based Approach (RBA)** to Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) compliance, in accordance with the *Act on Reporting and Using Specified Financial Transaction Information*, guidance from the **Financial Services Commission (FSC)**, and international standards such as the FATF Recommendations.

The RBA enables the Company to identify, assess, and mitigate money laundering and terrorist financing risks proportionately, ensuring resources are focused on higher-risk areas of business operations, particularly wholesale gold trading and cross-border transactions.

8.1 Objectives of the RBA

- To identify inherent risks in customers, products, services, geographies, and delivery channels.
- To apply proportionate **Customer Due Diligence (CDD)** and **Enhanced Due Diligence (EDD)** measures.
- To ensure continuous monitoring and updating of risk assessments.
- To allocate compliance resources effectively, focusing on high-risk relationships.

8.2 Risk Factors

The following risk factors are considered in the Company's risk assessment:

1. **Customer Risk**
 - Individuals with complex or non-transparent ownership structures.
 - Politically Exposed Persons (PEPs) and their close associates.
 - Customers involved in cash-intensive businesses.
2. **Product/Service Risk**
 - Wholesale trading of physical gold, especially large-value imports/exports.
 - Transactions involving high-value bullion with limited economic rationale.
3. **Geographic Risk**
 - Customers or counterparties located in **high-risk jurisdictions** identified by FATF or Korean authorities.
 - Transactions routed through countries with weak AML regimes or tax havens.
4. **Delivery Channel Risk**
 - Non-face-to-face relationships (e.g., online onboarding without sufficient verification).
 - Use of intermediaries or third parties in transactions.

8.3 Risk Classification

- **Low Risk:** Regulated financial institutions in Korea or FATF-compliant countries, low transaction volumes, transparent ownership.
- **Medium Risk:** Corporate customers with cross-border activity but transparent structures.
- **High Risk:** PEPs, customers from high-risk jurisdictions, complex ownership, or unusual trading patterns.

8.4 Mitigation Measures

- **Low Risk:** Standard CDD measures apply.
- **Medium Risk:** Additional verification of business activities and source of funds.
- **High Risk:** EDD measures, senior management approval, ongoing enhanced monitoring, and periodic review.

8.5 Ongoing Review of Risk Assessment

- The MLRO ensures that risk assessments are updated **at least annually** or when new risks emerge (e.g., changes in regulatory guidance, FATF lists, or business model).
- Employees are trained to recognize emerging risks and escalate concerns to the MLRO.

8.6 Documentation

- All risk assessments, classifications, and mitigation measures must be documented and retained for at least **five years** in compliance with Korean law.
- Records must be made available for inspection by the **FSS** and **KoFIU**.

9. Customer Due Diligence (CDD) / Enhanced Due Diligence (EDD)

JAC GLOBAL CO., LTD. implements a robust **Customer Due Diligence (CDD)** and **Enhanced Due Diligence (EDD)** framework to comply with Korean AML/CTF regulations, including the *Act on Reporting and Using Specified Financial Transaction*

Information and the *Criminal Proceeds Concealment Act*. These procedures are critical in wholesale gold trading, where high-value transactions present elevated financial crime risks.

9.1 Objectives of CDD

- To accurately identify and verify the identity of all customers and counterparties.
 - To establish the nature and purpose of the business relationship.
 - To identify and verify the **Ultimate Beneficial Owner (UBO)** of corporate entities.
 - To ensure transactions are consistent with the customer's profile and legitimate business activities.
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9.2 Standard CDD Requirements

For all customers, the Company must obtain and verify:

- Full legal name and identification documents.
- Residential or business address.
- Date of birth (for individuals) or incorporation (for entities).
- Contact information (telephone, email).
- Source of funds and, where applicable, source of wealth.
- Purpose and intended nature of the business relationship.

For individuals: Government-issued ID (Korean Resident Registration Card, passport, or equivalent).

For legal entities: Business Registration Certificate, Articles of Incorporation, ownership structure, and identification of UBOs.

9.3 Ongoing CDD

- CDD is not a one-time exercise. Customers must be monitored on an ongoing basis to ensure that transactions are consistent with their risk profile.
 - Any material changes (e.g., change in ownership, control, business activities) must be verified and documented.
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9.4 Enhanced Due Diligence (EDD)

EDD is applied to customers and transactions deemed high-risk, including:

- **Politically Exposed Persons (PEPs)** and their associates.
- Customers located in or transacting with **high-risk jurisdictions** identified by FATF or Korean authorities.
- Transactions involving unusually large amounts of gold or patterns inconsistent with declared business activities.
- Complex ownership structures designed to obscure UBOs.

EDD measures include:

- Obtaining additional information on the customer's background, business activities, and source of wealth/funds.
 - Independent verification of information using third-party databases or open-source intelligence.
 - Approval from **senior management** before establishing or continuing the relationship.
 - Increased monitoring and periodic reviews of the customer relationship.
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9.5 Simplified Due Diligence (SDD)

Where permitted under Korean regulations, SDD may apply to **low-risk customers**, such as regulated Korean financial institutions. However, SDD is not permitted where there is suspicion of money laundering or terrorist financing.

9.6 Refusal of Business

The Company must decline or terminate business relationships where:

- The customer refuses to provide required identification documents.
 - The UBO cannot be reasonably identified.
 - Information provided is false, misleading, or unverifiable.
 - The customer is located in a sanctioned or prohibited jurisdiction.
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9.7 Record Keeping

- All CDD and EDD records must be retained for a **minimum of five years** after the end of the relationship.
- Documentation must be made available to the **FSS** and **KoFIU** upon request.
- Both physical and digital storage methods must ensure security, accuracy, and accessibility.

10. Sanctions Lists & Screening

JAC GLOBAL CO., LTD. recognizes that sanctions compliance is a critical component of its Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) obligations. As a wholesale trader of gold engaged in import and export activities, the Company is exposed to heightened sanctions risks and therefore implements strict sanctions screening procedures.

10.1 Applicable Sanctions Regimes

The Company complies with sanctions laws and regulations issued by:

- The **Government of the Republic of Korea**, including measures administered by the Ministry of Economy and Finance and the Ministry of Foreign Affairs.
 - The **Korea Financial Intelligence Unit (KoFIU)** directives relating to targeted financial sanctions.
 - International bodies including:
 - **United Nations Security Council (UNSC)** Sanctions
 - **European Union (EU)** Sanctions
 - **United States Office of Foreign Assets Control (OFAC)** Sanctions
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10.2 Sanctions Screening Procedures

- **Onboarding Screening:** All new customers and counterparties are screened against relevant sanctions lists before a business relationship is established.
 - **Ongoing Screening:** Customers are continuously screened against updated sanctions lists to ensure compliance with the latest regulatory requirements.
 - **Transaction Screening:** All transactions, including cross-border imports and exports of gold bullion, are subject to sanctions checks. Particular attention is paid to counterparties, routing banks, shipping agents, and countries involved.
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10.3 Red Flags for Sanctions Risks

- Transactions involving jurisdictions subject to comprehensive sanctions.
 - Customers unwilling to provide complete ownership or beneficiary details.
 - Use of complex or opaque structures to conceal beneficial ownership.
 - Transactions with no clear economic rationale, particularly large gold transfers to or from high-risk jurisdictions.
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10.4 Escalation & Reporting

- If a potential sanctions match is identified, the transaction must be **immediately frozen** pending review.
 - Employees must escalate the matter to the **Money Laundering Reporting Officer (MLRO)** without delay.
 - The MLRO will determine whether to:
 - Reject the customer or transaction.
 - File a report with **KoFIU** or notify other relevant authorities.
 - No business relationship shall proceed until clearance has been obtained.
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10.5 Record Keeping

- All sanctions screening results must be documented and retained for a **minimum of five years** in compliance with Korean regulations.
 - Screening logs must be accessible for inspection by the **Financial Supervisory Service (FSS)** and **KoFIU**.
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10.6 Accountability

Failure to comply with sanctions requirements may expose the Company and individuals to significant regulatory fines, reputational damage, or criminal liability under Korean law. All employees are responsible for ensuring strict adherence to this Policy.

11. Suspicious Transactions Reporting (STRs)

The reporting of suspicious transactions is one of the most critical obligations under Korean Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) regulations. JAC GLOBAL CO., LTD. is committed to identifying, escalating, and reporting suspicious activities in accordance with the *Act on Reporting and Using Specified Financial Transaction Information* and guidance from the **Korea Financial Intelligence Unit (KoFIU)**.

11.1 Definition of Suspicious Transactions

A **Suspicious Transaction** is any activity that raises reasonable grounds to suspect that funds are derived from criminal activity or are linked to terrorist financing. Suspicious indicators may include:

- Transactions inconsistent with the customer's declared profile or business activities.
 - Structuring or "smurfing" of large gold transactions to avoid reporting thresholds.
 - Use of intermediaries or complex structures to obscure beneficial ownership.
 - Involvement of jurisdictions with weak AML regimes or subject to sanctions.
 - Over- or under-invoicing in gold import/export transactions without legitimate commercial rationale.
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11.2 Employee Responsibilities

- All employees must remain vigilant and report any unusual or suspicious transactions to the **Money Laundering Reporting Officer (MLRO)** immediately.
 - Employees are prohibited from **tipping off** the customer regarding a suspicion or a potential STR filing.
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11.3 MLRO Responsibilities

The MLRO is responsible for:

- Reviewing all internal Suspicious Activity Reports (SARs) submitted by employees.
 - Conducting further investigation as needed to assess suspicion.
 - Determining whether a **Suspicious Transaction Report (STR)** must be filed with **KoFIU**.
 - Submitting STRs promptly and in the prescribed format required by KoFIU.
 - Maintaining a log of all STRs, including details of decisions and supporting evidence.
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11.4 Confidentiality

- STRs and related internal reports are strictly confidential.
- Employees must not disclose (directly or indirectly) to customers or third parties that an STR has been filed.

- Breaches of confidentiality may result in disciplinary action and liability under Korean law.
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11.5 Timeliness of Reporting

- STRs must be filed with KoFIU **without delay** once suspicion has been formed.
 - The MLRO ensures that reporting is prompt, accurate, and compliant with regulatory deadlines.
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11.6 Record Keeping

- All STRs, internal SARs, and related documentation must be retained securely for a **minimum of five years** in compliance with Korean regulations.
 - These records must be made available for inspection by the **Financial Supervisory Service (FSS)** or other competent authorities upon request.
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11.7 Disciplinary Measures

Failure to identify or report suspicious activity may result in:

- Internal disciplinary measures (up to and including termination of employment).
- Civil or criminal liability for the Company and/or the employee under Korean AML laws.

12. Targeted Financial Sanctions Procedures

JAC GLOBAL CO., LTD. is committed to complying with **targeted financial sanctions (TFS)** as mandated under Korean law and international obligations. The Company ensures that no funds, financial services, or gold-related transactions are made available to designated individuals, entities, or organizations subject to sanctions.

12.1 Legal & Regulatory Basis

The Company adheres to TFS requirements under:

- The *Act on Reporting and Using Specified Financial Transaction Information*
 - Sanctions regulations issued by the **Government of the Republic of Korea**, including the Ministry of Economy and Finance and the Ministry of Foreign Affairs
 - Directives and reporting requirements of the **Korea Financial Intelligence Unit (KoFIU)**
 - International obligations under:
 - **United Nations Security Council (UNSC) Sanctions**
 - **European Union (EU) Sanctions**
 - **United States Office of Foreign Assets Control (OFAC)**
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12.2 Screening Obligations

- All customers, beneficial owners, suppliers, and counterparties are screened against applicable sanctions lists at the time of onboarding.
 - Transactions, including gold imports and exports, are screened prior to execution to detect potential involvement of sanctioned parties.
 - Screening databases must be regularly updated to reflect the most recent designations by Korean and international authorities.
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12.3 Freezing & Blocking Measures

- If a match with a sanctions list is identified, the Company must **immediately freeze** the relevant account, transaction, or asset.
 - No funds or gold bullion may be released without clearance from the **MLRO** and relevant regulatory authority.
 - The MLRO ensures that reports of asset freezes are filed with **KoFIU** in the format prescribed by law.
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12.4 Escalation Procedure

- Employees must escalate any potential sanctions match to the MLRO immediately.
 - The MLRO will review the case, confirm whether the match is true, and decide on appropriate action.
 - Where required, the MLRO will notify **KoFIU** and cooperate with relevant regulators and law enforcement agencies.
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12.5 Record Keeping

- Records of sanctions screening, freezing measures, and regulatory notifications must be retained for at least **five years**.
 - Documentation must be accurate, auditable, and available for inspection by the **Financial Supervisory Service (FSS)** or other competent authorities.
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12.6 Employee Accountability

- Employees are strictly prohibited from processing transactions for designated individuals or entities.
- Failure to comply with sanctions procedures may result in disciplinary action, including termination of employment, and may expose the Company or individuals to regulatory penalties or criminal liability under Korean law.

13. Training & Awareness

JAC GLOBAL CO., LTD. recognizes that effective Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) compliance requires that all employees are fully aware of their responsibilities. Training ensures that staff are equipped to identify suspicious activities, apply proper due diligence measures, and comply with regulatory obligations under Korean law.

13.1 Training Objectives

The objectives of the AML/CTF training program are to:

- Ensure employees understand the Company's AML Policy and procedures.
 - Familiarize staff with relevant Korean laws, including the *Act on Reporting and Using Specified Financial Transaction Information* and the *Criminal Proceeds Concealment Act*.
 - Provide awareness of reporting obligations to the **Korea Financial Intelligence Unit (KoFIU)**.
 - Enable employees to recognize **red flags** and suspicious indicators in gold trading, imports, and exports.
 - Reinforce the importance of sanctions compliance.
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13.2 Training Scope

Training applies to:

- **Board of Directors and Senior Management:** Oversight responsibilities and governance of AML/CTF.
 - **MLRO and Compliance Staff:** Advanced training on laws, regulations, and reporting obligations.
 - **Frontline and Trading Staff:** Practical training on KYC, transaction monitoring, sanctions screening, and escalation procedures.
 - **New Employees:** Mandatory induction training before assuming job responsibilities.
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13.3 Frequency of Training

- **Induction Training:** Provided to all new employees upon hiring.
 - **Annual Refresher Training:** Mandatory for all staff to ensure continued awareness of evolving risks and regulations.
 - **Ad-Hoc Training:** Delivered when significant regulatory changes occur or new risks are identified.
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13.4 Training Content

The AML/CTF training program covers, but is not limited to:

- Overview of Korean AML/CFT laws and international standards (FATF, OECD, LBMA).
 - Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), and identifying Ultimate Beneficial Owners (UBOs).
 - Suspicious Transaction Reporting (STR) process to KoFIU.
 - Sanctions screening and escalation procedures.
 - Sector-specific risks in wholesale gold trading, import/export, and supply chains.
 - Case studies of money laundering typologies in the precious metals sector.
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13.5 Records of Training

- The MLRO maintains records of all training sessions, attendance, and completion rates.
- Records are retained for a minimum of **five years** and are available for inspection by the **Financial Supervisory Service (FSS)** and KoFIU.

13.6 Accountability

- Employees must attend and complete all mandatory training.
- Failure to participate in training may result in disciplinary action.
- Staff are expected to apply their training in daily operations and escalate suspicions promptly.

14. Record Keeping

JAC GLOBAL CO., LTD. maintains comprehensive records of all customer due diligence (CDD), transactions, suspicious transaction reports (STRs), and compliance activities in line with Korean law and international best practices. Effective record keeping ensures transparency, facilitates regulatory inspections, and supports the Company's ability to detect and prevent money laundering and terrorist financing.

14.1 Legal & Regulatory Requirements

In compliance with the *Act on Reporting and Using Specified Financial Transaction Information* and the *Criminal Proceeds Concealment Act*, the Company is required to retain AML/CTF-related records for a **minimum of five years** from the date the relationship ends or the transaction is completed.

14.2 Types of Records Maintained

The Company maintains, at a minimum, the following categories of records:

1. **Customer Identification Data**
 - Copies of identification documents (e.g., Resident Registration Card, passport, Business Registration Certificate).
 - Ultimate Beneficial Owner (UBO) verification records.
 - KYC and PEP declarations.
2. **Transaction Records**
 - Details of gold imports, exports, and wholesale trades.
 - Contracts, invoices, shipping documents, and payment records.
 - Transaction monitoring reports.
3. **Suspicious Transaction Reports (STRs)**
 - Internal reports of suspicious activity.

- STRs filed with **KoFIU**, including supporting evidence and correspondence.
 - 4. **Sanctions Screening Logs**
 - Results of customer and transaction screenings against sanctions lists.
 - Actions taken in response to potential matches.
 - 5. **Training Records**
 - Training content, attendance logs, and completion certificates.
 - Records of ad-hoc or refresher training sessions.
 - 6. **Audit and Review Reports**
 - Internal compliance reviews.
 - Independent audit findings and corrective actions.
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14.3 Storage of Records

- Records may be stored in **physical or digital format**, provided they are secure, accurate, and easily retrievable.
 - Access to records is restricted to authorized personnel only.
 - Records must be protected against alteration, destruction, or unauthorized access.
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14.4 Availability for Regulators

- All records must be made available promptly upon request by the **Financial Supervisory Service (FSS)**, the **Financial Services Commission (FSC)**, or **KoFIU**.
 - The Company fully cooperates with regulatory inspections, investigations, and audits.
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14.5 Accountability

- The **MLRO** is responsible for ensuring compliance with record-keeping requirements.
- Employees must follow internal procedures for documentation and reporting.
- Failure to maintain proper records may result in disciplinary action and expose the Company to regulatory penalties under Korean law.

15. Best Practices for Record Keeping

In addition to meeting the minimum legal requirements, JAC GLOBAL CO., LTD. adopts industry best practices for record keeping to enhance transparency, facilitate audits, and strengthen its defense against financial crime.

15.1 Accuracy & Completeness

- All records must be accurate, complete, and free from errors or omissions.
 - Employees responsible for documentation must ensure that customer details, transaction information, and compliance logs are entered correctly at the time of collection.
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15.2 Timeliness

- Records must be created and updated in real time, or as soon as practicable after an event occurs.
 - Delays in record keeping increase the risk of errors, incomplete files, or regulatory non-compliance.
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15.3 Organization & Accessibility

- Records must be stored in an organized manner that allows for quick retrieval when required by regulators, auditors, or internal reviews.
 - Both physical and digital storage systems must allow for indexing and searching.
 - Retrieval time should not exceed reasonable regulatory expectations set by the **Financial Supervisory Service (FSS)** or **KoFIU**.
-

15.4 Security & Confidentiality

- Access to records is strictly limited to authorized personnel.
- Sensitive documents must be stored securely (e.g., password-protected systems, locked filing cabinets).
- Data protection protocols must comply with the **Personal Information Protection Act (PIPA)** of Korea.
- Records relating to Suspicious Transaction Reports (STRs) must be treated as strictly confidential.

15.5 Redundancy & Backup

- The Company maintains backup copies of all electronic records to ensure continuity in case of system failure or data loss.
- Backups must be encrypted and stored securely, in compliance with Korean data protection laws.

15.6 Periodic Review of Records

- The **MLRO** ensures that records are periodically reviewed to confirm accuracy, completeness, and compliance with retention policies.
- Records older than the minimum retention period (five years) may be destroyed, provided that destruction is authorized, documented, and compliant with Korean law.

15.7 Audit Trail

- Each record must leave a clear audit trail, showing when it was created, modified, or accessed.
- Audit trails assist in internal reviews, regulatory inspections, and investigations.

15.8 Staff Responsibility

- All employees involved in record keeping must follow Company procedures without exception.
- Failure to properly maintain records may lead to disciplinary measures, regulatory penalties, and reputational harm to the Company.

16. Conclusion

JAC GLOBAL CO., LTD. affirms its unwavering commitment to preventing money laundering, terrorist financing, and other financial crimes within the wholesale gold trading sector. By implementing this Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy, the Company ensures compliance with Korean legal requirements, including the *Act on Reporting and Using Specified Financial Transaction*

Information and the *Criminal Proceeds Concealment Act*, as well as guidance from the **Financial Services Commission (FSC)**, the **Financial Supervisory Service (FSS)**, and the **Korea Financial Intelligence Unit (KoFIU)**.

This Policy reflects not only compliance with Korean law but also alignment with **international best practices**, including the **FATF Recommendations**, **Basel AML Principles**, **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals**, and the **LBMA Responsible Gold Guidance**.

The Company recognizes that the precious metals sector is particularly vulnerable to money laundering and trade-based financial crime. Therefore, the Company has established a comprehensive compliance framework that includes:

- Rigorous customer due diligence (CDD) and enhanced due diligence (EDD).
- Continuous monitoring of transactions and counterparties.
- Strict sanctions compliance and reporting obligations.
- Prompt escalation and filing of Suspicious Transaction Reports (STRs) with KoFIU.
- Mandatory training and awareness programs for all employees.
- Robust governance, with accountability at every level, including Board oversight and MLRO leadership.

Through the consistent application of this Policy, JAC GLOBAL CO., LTD. seeks to:

- Protect the integrity of the Korean financial system.
- Safeguard the Company against reputational, regulatory, and legal risks.
- Contribute positively to the international fight against money laundering and terrorist financing.

The Company will review and update this Policy **at least annually** to reflect changes in Korean legislation, regulatory requirements, FATF standards, and emerging risks in the gold trading sector.

By adhering to these principles, JAC GLOBAL CO., LTD. demonstrates its role as a responsible and compliant participant in the Korean and global precious metals market.

17. Policy Review & Approval (Signatures)

This Anti-Money Laundering (AML) Policy has been reviewed and approved by the authorized representatives of **JAC GLOBAL CO., LTD.**

It is effective as of the date signed below and shall remain in force until superseded by an updated version approved by the Company's Board of Directors.

The Policy shall be reviewed **at least annually** or earlier if required by changes in laws, regulations, or business operations.

Approved by:

Chief Executive Officer (CEO)

Date: _____
