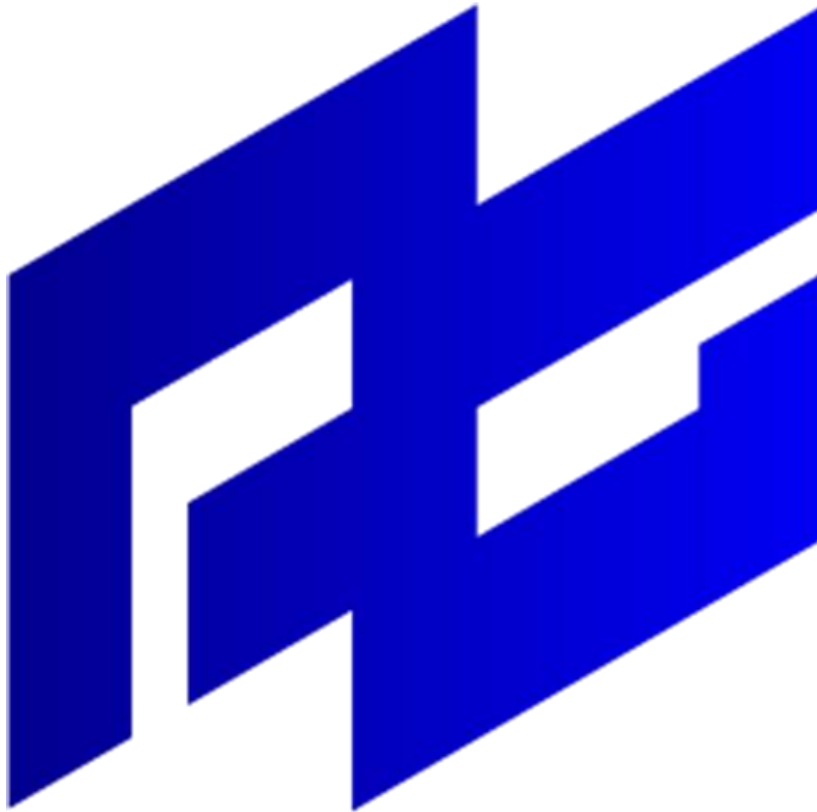




ANTI MONEY LAUNDERING (“AML”) POLICY

1. INTRODUCTION

PRIMETIME GLOBAL MARKETS PTY LTD (hereinafter referred to as 'PGM' or the 'Company') is a brokerage firm that operates globally.

PRIMETIME GLOBAL MARKETS PTY LTD

2. SCOPE OF POLICY

This policy applies to all PGM employees, appointed service providers and products and services offered by PGM. All business units and locations within PGM will cooperate to create a cohesive effort in the fight against money laundering. Each business unit and location has implemented risk-based procedures reasonably expected to prevent, detect and cause the reporting of transactions. All efforts exerted will be documented and retained. The MLRO is responsible for filing Suspicious Transaction Reports ("SARs") to the FIU. Any contacts by law enforcement or regulatory agencies related to the Policy shall be directed to the MLRO.

The MLRO shall:

- (a) Receive internal reports of (suspicions of) money laundering
- (b) Investigate reports of suspicious events
- (c) Make reports of relevant suspicious events to the relevant authorities
- (d) Ensure the adequacy of arrangements made for the awareness and training of staff and advisers
- (e) Report at least annually to the Company's governing body on the operation and effectiveness of the Company's systems and controls.
- (f) Monitor the day-to-day operation of anti-money laundering policies in relation to: the development of new products; the taking on of new clients; and changes in the Company's business profile.

3. POLICY

It is the policy of PGM to actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. PGM is committed to AML compliance in standards accordance with applicable law and requires its employees and appointed service providers to adhere to these in preventing the use of its products and services for money laundering purposes.

For the purposes of the Policy, money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have been derived from legitimate origins or constitute legitimate assets.

4. DEFINITION OF MONEY LAUNDERING

Money laundering is the act of concealing the transformation of profits from illegal activities and corruption into ostensibly "legitimate" assets. The dilemma of illicit activities is accounting for the origin of the proceeds of such activities without raising the suspicion of law enforcement agencies. Accordingly, considerable time and effort is put into devising strategies which enable the safe use of those proceeds without raising unwanted suspicion.

After money has been suitably laundered or "cleaned", it can be used in the mainstream economy for accumulation of wealth, such as acquisitions of properties, or otherwise spent.

Money laundering activity includes:

- . Acquiring, using or possessing criminal property
- . Handling the proceeds of crimes such as theft, fraud and tax evasion
- . Being knowingly involved in any way with criminal or terrorist property
- . Entering into arrangements to facilitate laundering criminal or terrorist property
- . Investing the proceeds of crimes in other financial products
- . Investing the proceeds of crimes through the acquisition of property/assets
- . Transferring criminal property

There is no single stage of money laundering; methods can range from the purchase and resale of luxury items such as a car or jewelry to passing money through a complex web of legitimate operations. Usually the starting point will be cash but it is important to acknowledge that money laundering is defined in terms of criminal property. This can be property in any conceivable legal form, whether money, rights, real estate or any other benefit, if you know or suspect that it was obtained, either directly or indirectly, as a result of criminal activity and you do not speak up then you too are taking a part in the process.

The money laundering process usually follows three stages:

(a) Placement

Disposal of the initial proceeds derived from illegal activity e.g. into a bank account.

(b) Layering

The money is moved through the system in a series of financial transactions in order to disguise the origin of the cash with the purpose of giving it the appearance of legitimacy.

(c) Integration

Criminals are free to use the money as they choose once it has been moved back into the financial system as apparently "clean" funds.

No financial sector business is immune from the activities of criminals and the Company should consider the money laundering risks posed by the products and services they offer.

The three basic stages may occur as separate or distinct phases. They may occur simultaneously or more commonly, they may overlap. The way in which these basic stages are used will depend on the available laundering mechanisms and the requirements of the criminal organisations.

5. WHAT IS TERRORIST FINANCING?

Terrorist financing is the financial support, in any form, of terrorism or those who encourage, plan or engage in terrorism. The Company must therefore ensure that: (i) clients are not terrorist organisations themselves; and (ii) they are not providing the means through which terrorist organisations are being funded.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes.

6. RISK-BASED APPROACH

The level of due diligence required when considering anti-money laundering procedures within the company is to take a risk-based approach. This means the amount of resources spent in conducting due diligence in any one relationship that is subject risk should be in proportion to the magnitude of the risk that is posed by that relationship.

These can be broken down into the following areas:

Client Risk

Different client profiles have different levels of risks attached to them. A basic Know your Client (KYC) check can establish the risk posed by a client. For example, near-retired individuals making small, regular contributions to a savings account in line with their financial details poses less of a risk than middle-aged individuals making ad-hoc payments of ever-changing sizes into a savings account that does not fit into the profile of the clients' standing financial data. The level of the due diligence conducted on the latter would be higher than that carried out on the former as the potential threat of money laundering in the second case would be perceived as being greater. Corporate structures can be used as examples of clients that could carry a higher risk profile than the one just seen, as these can be used by criminals to introduce layers within transactions to hide the source of the funds, and like that, clients can be categorised into different risk bands.

Product Risk

This is the risk posed by the product or service itself. The product risk is driven by its functionality as a money laundering tool.

When identifying the risk associated with its products, services or transactions, the Company will consider the risk related to:

- a) the level of transparency, or opaqueness, the product, service or transaction affords;
- b) the complexity of the product, service or transaction; and
- c) the value or size of the product, service or transaction.

Country Risk

The geographic location of the client or origin of the business activity has a risk associated with it, this stems from the fact that countries around the globe have different levels of risk attached to them.

The Company would determine the extent of their due diligence measure required initially and on an ongoing basis using the above three risk areas, amongst other factors.

7. CLIENT IDENTIFICATION PROCEDURE

has adopted a Client Identification Procedure (CIP). PGM will provide notice that they will seek identification information; collect certain minimum client identification information from each client, record such information and the verification methods and results.

8. NOTICE TO CLIENTS

PGM will provide notice to clients that it is requesting information from them to verify their identities, as required by applicable law.

9. KNOW YOUR CLIENT

When a business relationship is formed, in order to establish what might constitute normal activity later in the relationship, it is necessary for the company to ascertain the nature of the business a client expects to conduct.

Once an on-going business relationship has been established, any regular business undertaken for that client can be assessed against the expected pattern of activity of the client. Any unexplained activity can then be examined to determine whether there is a suspicion of money laundering or terrorist financing.

Information regarding a client's income, occupation, source of wealth, trading habits and the economic purpose of any transaction is typically gathered as part of the provision of advice. At the start of the relationship personal information is also obtained, such as, nationality, date of birth, and residential address. These pieces of information should also be considered in respect to the risk of financial crime (including AML and CTF). For high risk transactions, it might be appropriate to seek further information to those already provided by the client.

10. SOURCE OF FUNDS

When a transaction takes place, the source of funds, i.e. how the payment is to be made, from where and by who, must always be ascertained and recorded in the client file (this would usually be achieved through retaining a copy of the cheque/direct debit mandate or any bank transaction receipt). In some instances, enhanced due diligence measures may be applied by the Company.

11. IDENTIFICATION

The standard identification requirement for clients who are private individuals are generally governed by the circumstances relating to the client and the product type that is being dealt in, i.e. the level of risk attributed to the product whether it is a low risk, medium risk or high risk product. Taking that into account, for low and medium risk products the following pieces of information are required as a standard for identification purposes:

- . Valid official identification document such as a national Identity Card
- . Recent proof of residential address

12. VERIFICATION

Verification of the information obtained must be based on reliable and independent sources – which might either be documents produced by the client, or electronically by the firm, or by a combination of both. Where business is conducted face-to-face, the Company must see, and take copies of, originals of any documents involved in the verification.

If documentary evidence of an individual's identity is to provide a high level of confidence, it will typically have been issued by a government department or agency, or by a court, because there is a greater likelihood that the

authorities will have checked the existence and characteristics of the persons concerned. In cases where such documentary evidence of identity may not be available for an individual, other evidence of identity may give the Company reasonable confidence in the client's identity, although the Company should weigh these against the risks involved.

If the identity is to be verified from documents, this should be based on:

Either a government issued document which incorporates:

- . The client's full name, and
- . Their residential address

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Photographic Government Issued Identity Documents

- . Valid passport
- . National Identity card

Alternatively, this can be done by a non-photographic government issued document which incorporates the client's full name, supported by a second document, which incorporates:

- . The client's full name, and
- . Their residential address

13. EVIDENCE OF ADDRESS

- . Current bank statements, or credit/debit card statements, issued by a regulated financial sector firm (not less than 3 months old)
- . Utility bills (not including mobile phone bills, not less than 3 months old)

For high risk products, in addition to obtaining the standard information detailed above, the following know your client information should be obtained and recorded:

- . Employment and income details
- . Source of wealth (i.e. source of the funds being used in the transaction)

14. MONITORING AND REPORTING

Transaction based monitoring will occur within the appropriate business units of PGM. Monitoring of specific transactions will include but is not limited to transactions aggregating US\$5,000 or more and those with respect to which PGM has a reason to suspect suspicious activity. All reports will be documented.

15. SUSPICIOUS ACTIVITY

There are signs of suspicious activity that suggest money laundering. These are commonly referred to as "red flags". If a red flag is detected, additional due diligence will be performed before proceeding with the transaction. If a reasonable explanation is not determined, the suspicious activity shall be reported to the MLRO.

Examples of red flags are:

- The client exhibits unusual concern regarding the Company's compliance with government reporting requirements and the firm's AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspect identification or business documents.
- The client wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the client's stated business strategy.
- The information provided by the client that identifies a legitimate source of funds is false, misleading, or substantially incorrect.
- Upon request, the client refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
- The client (or a person publicly associated with the client) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
- The client exhibits a lack of concern regarding risks, commissions, or other transaction costs.
 - The client appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
- The client has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
- The client attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents, or asks for exemptions from the Company's policies relating to the deposit of cash and cash equivalents.
- For no apparent reason, the client has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
- The client's account has unexplained or sudden extensive activity, especially in accounts that had little or no previous activity.
- The client's account has a large number of wire transfers to unrelated third parties inconsistent with the client's legitimate business purpose.
- The client's account has wire transfers that have no apparent business purpose to or from a country identified as money laundering risk or a bank secrecy haven.
- The client's account indicates large or frequent wire transfers, immediately withdrawn by check or debit card without any apparent business purpose.
- The client makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another firm, without any apparent business purpose.
- The client makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer of the proceeds out of the account.
- The client requests that a transaction be processed in such a manner to avoid the Company's normal documentation requirements.

16. KNOW YOUR CLIENT – THE BASIS FOR RECOGNISING SUSPICIONS

A suspicious transaction will often be one which is inconsistent with a client's known, legitimate business or personal activities or with the normal business for that type of client. Therefore, the first key to recognition is knowing enough about the client's business to recognise that a transaction, or series of transactions, is suspicious. Questions you must consider when determining whether an established client's transaction might be suspicious are:

- Is the size of the transaction consistent with the normal activities of the client?
- Is the transaction rational in the context of the client's business or personal activities?
- Has the pattern of transactions conducted by the client changed?

17. SUSPICIOUS SCENARIOS

Issues which should lead you to have cause for suspicion would include:

- Clients who are reluctant to provide proof of identity;
- Clients who place undue reliance on an introducer (they may be hiding behind the introducer to avoid giving you a true picture of their identity or business);
- Requests for cash related business, for example questions about whether investments can be made in cash, suggestions that funds might be available in cash for investment;

- . Where the source of funds for investment is unclear;
- . Where the magnitude of the available funds appears inconsistent with the client's other circumstances (i.e. the source of wealth is unclear). Examples might be students or young people with large amounts to invest;
- . Where the transaction doesn't appear rational in the context of the client's business or personal activities. Particular care should be taken in this area if the client changes their method of dealing with you without reasonable explanation;
- . Where the pattern of transactions changes;
- . Where a client who is undertaking transactions that are international in nature does not appear to have any good reason to be conducting business with the countries involved (e.g. why do they hold monies in the particular country that the funds are going to or from? Do their circumstances suggest that it would be reasonable for them to hold funds in such countries?);
- . Clients who are unwilling to provide you with normal personal or financial information, for no apparent or rational reason. (Care should be taken not to include all distance relationships as suspicious, because most will be for genuine reasons. Suspensions will ordinarily be based upon cumulative as opposed to stand alone issues)

A money launderer is likely to provide persuasive arguments about the reasons for their transactions. Those should be questioned to decide whether a transaction is suspicious.

18. REPORTING A SUSPICION

Where, for whatever reason, we suspect that a client, or anybody for whom they are acting, may be undertaking (or attempting to undertake) a transaction involving the proceeds of any crime it must be reported as soon as practicably possible and in writing.

Internal reports must be made regardless of whether any business was, or is intended to be, actually conducted.

19. INVESTIGATION

Upon notification to the MLRO an investigation will be commenced to determine if a report should be made to the appropriate law enforcement or regulatory agencies. The investigation will include, but not necessarily be limited to, review of all available information, such as payment histories, birth dates, and address. If the results of the investigation warrant, the MLRO will file the SAR with the appropriate law enforcement or regulatory agency.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. Under no circumstances shall any employee or appointed agent disclose or discuss any AML concern, investigation, notice or SAR filing with the person or persons subject of such, or any other person, including members of the officer's, employee's or appointed agent's family.

20. FREEZING OF ACCOUNTS

Where we receive a court order to freeze an account, we will do so promptly.