



ENGAGEMENT AND REFUSAL CRITERIA

Last updated: April 6th, 2026

1. PURPOSE

1.1 This document sets out the criteria applied by Karpén Partners Pte. Ltd. (“Karpén Partners”) in determining whether to accept, proceed with, decline, suspend, or terminate a proposed engagement.

1.2 These criteria support Karpén Partners’ operating model as an independent, non-regulated introducer of potential commercial counterparties.

1.3 Karpén Partners reserves the right to decline any engagement at any time if, in our sole discretion, the proposed introduction presents unacceptable compliance, reputational or legal risk.

2. BUSINESS MODEL CONTEXT

2.1 Karpén Partners’ role is limited to identifying potential commercial alignment and procuring initial introductions between parties.

2.2 Karpén Partners does not:

- (a)** provide investment or financial advice;
- (b)** arrange, structure, negotiate, or execute transactions;
- (c)** act as broker, placement agent, or intermediary in a regulated capacity; or
- (d)** hold or handle funds or assets.

2.3 Any engagement must remain consistent with this limited role.

3. GENERAL ENGAGEMENT PRINCIPLES

3.1 Karpén Partners may consider an engagement where:

- (a)** there is a legitimate commercial rationale;



- (b) the proposed relationship is consistent with applicable laws and regulations;
- (c) the engagement can be conducted within Karpén Partners' limited introduction role; and
- (d) no material legal, regulatory, compliance, or reputational concerns are identified.

3.2 Karpén Partners is under no obligation to accept any engagement.

4. MANDATORY REFUSAL CRITERIA

4.1 Karpén Partners will decline or terminate an engagement where:

- (a) the engagement would require Karpén Partners to perform a regulated activity or create material regulatory ambiguity;
- (b) the engagement would require Karpén Partners to act beyond a pure introduction role, including participation in:
 - transaction structuring;
 - negotiation of terms;
 - execution of transactions;
 - solicitation of investors;
 - marketing of investment opportunities;
- (c) there are sanctions-related concerns involving any party;
- (d) there is evidence of illegal, fraudulent, or unethical conduct;
- (e) the identity, ownership, or control of a party cannot be reasonably verified;
- (f) information provided is materially incomplete, misleading, or inconsistent;
- (g) the engagement would expose Karpén Partners to unacceptable reputational risk; or
- (h) conflicts of interest cannot be adequately managed.



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5. REGULATORY PERIMETER CONTROL

5.1 Karpén Partners actively seeks to remain outside regulated financial services activities.

5.2 Engagements will be declined or restricted where they involve:

- capital raising or investor solicitation;
- dealing in capital markets products;
- financial advisory or investment recommendations;
- brokerage or placement activity;
- any activity requiring licensing or authorization.

5.3 Where regulatory classification is unclear, Karpén Partners may decline or require restructuring of the engagement.

6. FINANCIAL CRIME AND COMPLIANCE RISK

6.1 Karpén Partners may decline or terminate an engagement where:

- (a)** sanctions, anti-money laundering, bribery, or corruption concerns arise;
- (b)** adverse media indicates potential misconduct;
- (c)** the counterparty is incorporated in, or has beneficial owners resident in, a FATF Black List or Monitored Jurisdiction, without adequate transparency or mitigating factors;
- (d)** the proposed engagement structure raises financial crime concerns.

6.2 Jurisdiction risk assessments are informed by the Financial Action Task Force (FATF) classifications. Karpén Partners treats jurisdictions on the FATF Black List as mandatory refusal grounds. Jurisdictions on the FATF Monitored Jurisdictions list (updated three times per year) trigger enhanced due diligence and require specific justification before any engagement proceeds.

6.3 Pre-engagement screening results are documented internally and retained in accordance with Karpén Partners' record-keeping obligations. The outcome of a screening (proceed, proceed with enhanced due diligence, or decline) is recorded prior to any introduction being made.

7. COMMERCIAL AND CONDUCT RISK

7.1 Karpén Partners may decline or terminate an engagement where:

- (a)** the commercial rationale is unclear or lacks substance;
- (b)** expectations placed on Karpén Partners exceed its defined role;
- (c)** a party seeks to involve Karpén Partners in negotiations or decision-making;
- (d)** fee arrangements are unclear, inappropriate, or inconsistent with the introduction model;
- (e)** behaviour of a party raises concerns regarding integrity, professionalism, or conduct.

8. INFORMATION AND TRANSPARENCY

8.1 Karpén Partners requires sufficient information to assess:

- identity and ownership;
- nature of the business;
- purpose of the engagement; and
- associated risks.

8.2 Failure to provide adequate information may result in refusal or termination.

9. DISCRETION

9.1 Karpén Partners retains sole discretion to:

- (a)** accept or decline any engagement;
- (b)** limit its involvement;
- (c)** impose conditions;
- (d)** suspend or terminate participation at any stage.

9.2 Karpén Partners is not required to provide detailed reasons for its decisions.



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10. ONGOING ASSESSMENT

10.1 Engagements may be reassessed at any time.

10.2 Karpen Partners may withdraw from an engagement if new information or risks arise.

11. NO RELIANCE

11.1 Acceptance of an engagement does not imply:

- endorsement of any party;
- validation of any business model; or
- assessment of legal or commercial merits.

11.2 Each party remains responsible for its own decisions and due diligence.

12. ALIGNMENT WITH OTHER POLICIES

12.1 These criteria should be read together with:

- AML & Sanctions Policy;
- Conflicts of Interest Policy;
- Fees & Compensation Disclosure; and
- Regulatory Status and Perimeter Statement.

13. CONTACT

For compliance-related queries:

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