KARPEN PARTNERS
Strategic Introductions

ANTI-MONEY LAUNDERING & SANCTIONS POLICY

Last updated: April 6th, 2026

1. PURPOSE AND SCOPE

1.1 This Anti-Money Laundering and Sanctions Policy (the "Policy") sets forth the framework adopted by Karpen Partners Pte. Ltd. ("Karpen Partners" or the "Company") for the identification, assessment, and mitigation of risks associated with money laundering (ML), terrorist financing (TF), proliferation financing (PF), sanctions violations, bribery, and corruption.

1.2 This Policy is tailored to the Company's business model as an independent, non-regulated business introducer facilitating introductions between potential commercial counterparties.

1.3 Karpen Partners does not provide regulated financial services, does not structure or execute transactions, does not hold or transmit client funds or assets, and does not act as a compliance function on behalf of any client.

2. REGULATORY FRAMEWORK AND COMMITMENT

2.1 Although Karpen Partners is not subject to MAS Notice 626 (which applies to regulated financial institutions), the Company adopts measures consistent with Singapore's applicable laws and international best practices, including but not limited to:

- The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA);

- The Terrorism (Suppression of Financing) Act;

- The Financial Action Task Force (FATF) Recommendations;

- Best practices recommended by the AML/CFT Industry Partnership (ACIP) of Singapore.

2.2 The Company is committed to implementing risk-based measures proportionate to its operational risk profile.

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3. ENTERPRISE-WIDE RISK ASSESSMENT (EWRA)

3.1 The Company conducts an internal risk assessment taking into account the following key risk factors:

- The nature of its business model (initial introduction only, success fee structure, and prompt disengagement);

- Geographic risk, including jurisdictions designated as high-risk by the FATF;

- Nature of introductions, including trade finance, banking instruments such as Standby Letters of Credit (SBLC) and Sovereign Bonds (Government Bonds);

- Complexity of counterparty ownership structures;

- Reputational and adverse media risk.

3.2 Risks are categorized as low, medium, or high. At present, the Company's inherent risk is assessed as moderate, primarily due to the cross-border nature of introductions and occasional involvement with sensitive financial instruments.

4. CUSTOMER DUE DILIGENCE AND SCREENING

4.1 Prior to any introduction, the Company performs reasonable and proportionate due diligence, which may include:

- Corporate verification and registration checks (KYB);

- Identification and verification of Ultimate Beneficial Owners (UBOs);

- Screening against applicable sanctions lists (including UN, OFAC, EU, MAS, and others);

- Politically Exposed Persons (PEP) screening;

- Adverse media screening using publicly available sources and recognized commercial databases;

- Review of other publicly available information.

4.2 The level of due diligence shall be adjusted according to the risk level identified.

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5. ENHANCED DUE DILIGENCE (EDD)

5.1 Enhanced Due Diligence shall be applied in the following circumstances (among others):

- Counterparty or UBO located in, or connected to, a high-risk jurisdiction (FATF Black List or Monitored Jurisdictions or equivalent);

- Involvement of a PEP or close associate of a PEP;

- Transactions or introductions involving sensitive financial instruments, including Standby Letters of Credit (SBLC), Sovereign Bonds (Government / Sovereign Bonds), Bank Guarantees (BG), Medium Term Notes (MTN), or the monetization thereof;

- Complex ownership structures (more than two layers or involving trusts or offshore entities);

- Unclear source of funds or economic purpose of the transaction;

- Any red flags identified during initial screening.

5.2 In EDD cases, the Company may request additional information and documentation, such as a copy of the instrument (e.g., SBLC or Sovereign Bond), explanation of the commercial purpose, issuance-related documentation, and, where available, basic confirmation from the issuer or sovereign authority.

6. SANCTIONS COMPLIANCE

The Company shall not engage with any party subject to applicable sanctions. Sanctions screening is conducted prior to any introduction and updated as necessary upon receipt of new information.

7. RECORD KEEPING

All records relating to due diligence, screening, correspondence, risk assessments, and refusal decisions shall be retained for a minimum period of five (5) years from the date of termination of the engagement or refusal.

8. SUSPICIOUS ACTIVITY REPORTING

8.1 Where suspicious activity or information is identified, the Company shall conduct an internal assessment and, if required, file a Suspicious Transaction Report (STR) with the Suspicious Transaction Reporting Office (STRO) through the appropriate channels.

8.2 Tipping-off is strictly prohibited.

9. POLICY REVIEW AND UPDATES

This Policy shall be reviewed annually by the Director or Compliance Responsible, or more frequently in the event of any material change to the Company's business model or applicable legislation.

10. THIRD-PARTY RESPONSIBILITY

Each counterparty remains solely responsible for its own due diligence, legal compliance, and the legitimacy of any transaction. Karpen Partners assumes no responsibility for the conduct or compliance of third parties.

11. CONTACT

For any compliance-related matters:

Compliance - Karpen Partners Pte. Ltd.

Email: **compliance@karpenpartners.com**