



ANTI-MONEY LAUNDERING & COUNTER- TERRORIST FINANCING POLICY



WERCOTRADE

A. INTRODUCTION

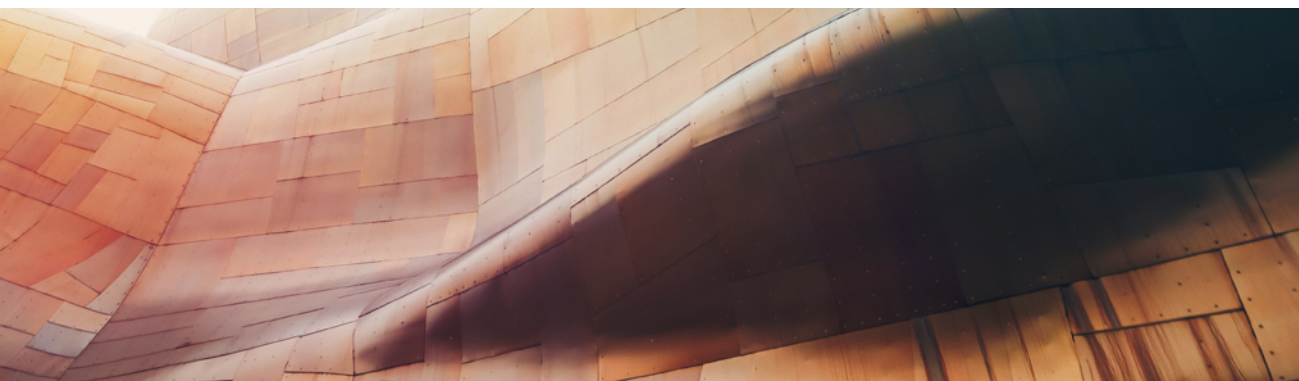
Werco Trade AG (**Werco Trade**) is committed to assisting in the fight against money laundering and terrorist financing and to complying with local and global anti-money-laundering (**AML**) and counter-terrorist-financing (CTF) laws and regulations. This Anti-Money-Laundering and Counter-Terrorist-Financing Policy (this **AML CTF Policy**) defines the framework and core principles through which Werco Trade ensures compliance with AML and CTF laws and regulations through a risk-based approach.

This AML CTF Policy builds on the Code of Business Conduct that sets out the standards of responsible and ethical behavior required for all persons within the company, which is made publicly available on Werco Trade's website.

1. SCOPE OF APPLICATION

This AML CTF Policy applies to all Members of the Board of Directors, Members of the Executive Management, Employees, and third parties performing services for or on behalf of Werco Trade (such as service providers), wherever located, with respect to their activities for or on behalf of Werco Trade or otherwise in connection with Werco Trade activities (the **Relevant Persons**). All Relevant Persons are responsible for following the guidelines contained herein.

Werco Trade is committed to operating in an ethical manner and in compliance with applicable AML and CTF laws and regulations in Switzerland and other jurisdictions in which it operates. This AML CTF Policy applies globally, subject to mandatory local laws, regulations, regulatory guidance, etc. in Switzerland and other jurisdictions in which Werco Trade is active. This AML CTF Policy applies even if the respective local laws and regulations are more lenient. Therefore, Werco Trade reserves the right, in certain circumstances, to determine that specific AML and CTF rules will be applied beyond the immediate local jurisdiction, i.e., that they will be applied on a global basis.



2. WERCO TRADE

Werco Trade trades in physical commodities, predominantly in copper, involving the purchase, sale, storage, and transportation of physical commodities. The company maintains an operation in South Korea where copper is accumulated, blended, and stockpiled for subsequent delivery to China. Werco Trade does not own any further overseas facilities or any direct or indirect stakes in any sourcing or processing facilities.

3. DEFINITIONS

Connected Party: The Entities or individuals connected to a Counterparty, including the shareholders, Ultimate Beneficial Owners, subsidiaries and parent companies, members of the board of directors, members of the executive management.

Counterparty: An individual or an Entity subject to an actual or potential legal agreement or business transaction with Werco Trade.

Entity: A legal entity, an unincorporated entity, a collection of entities, government, group, or terrorist organization.

Politically Exposed Person (PEP): An individual who is or has been entrusted with prominent public functions, for example heads of state or heads of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials, etc. This definition includes anyone who is identified as being a close family member of, or closely associated with, such an individual.

Red Flag: Indications, conducts or facts that signify that a transaction violates or has the potential to violate AML or CTF laws or regulations.

Ultimate Beneficial Owner (UBO): Any individual who ultimately owns or controls the relationship and/or any individual on whose behalf a transaction or activity is being conducted, generally indicated by a threshold of direct or indirect ownership (shareholding) above 25 percent.

4. MONEY-LAUNDERING

Money-laundering is broadly defined as the feeding of the proceeds of crime or corruption into the financial system to give them the appearance of having been derived from legitimate activity. Money-laundering occurs every time any transaction takes place, or any relationship is formed that involves any form of property that is the proceeds of crime. Money laundering is any act that attempts to conceal the origin, or prevent the discovery or the confiscation of assets, whereby the offending person knows or has to assume that they derive from a criminal offence.

There is no single way of laundering money or other property. The process consists of three common stages:

(i) Placement: Placement is the first stage in the laundering cycle and the one where the launderer is most likely to be detected. Money from criminal activity can be placed into the financial system by paying cash into the bank, purchasing high-value goods, property, or other assets, and/or smuggling assets out of the country.

(ii) Layering: Layering involves concealing or disguising the source and the ownership of the funds by setting up complex multiple financial transactions, which confuse the audit trail and separate the money from its criminal origin. Examples of complex financial transactions include wire transfers abroad, cash deposited in overseas banking systems, transfer of assets into offshore financial structures, for example, trusts, resale of high-value goods and assets (such as selling the property to other members of the family to disguise the ownership of the property).

(iii) Integration: Integration is the final stage, where illicit funds are integrated into the legitimate economy, and then mixed with all other assets in the system so that they appear as legitimate funds.

5. TERRORIST-FINANCING

Terrorist financing is the financing of terrorist acts, and terrorists and terrorist organizations for the purpose of committing terror acts or sustaining a terrorist network or organization. Terrorist financing consists of the collection and provision of funds or assets with a view to financing a violent crime that is intended to intimidate the public or to coerce a state or international organization into carrying out or abstaining from carrying out an act. The funds can come from many sources, both legitimate and illicit.

Terrorist financing typically involves three stages:

- (i) Raising of funds through donations, self-funding, microloans, or criminal activity,
- (ii) transferring funds to a terrorist, terror network, organization, or cell,
- (iii) using the funds, for instance, to purchase weapons or bombs, to make payment to terrorists or insurgents, or funding expenses of terror networks.

B. COMPLIANCE WITH AML CTF LAWS AND REGULATIONS

Wercotrade is committed to complying with the applicable AML CTF laws and regulations by operating a risk-based approach.

Wercotrade aims to:

- Provide reasonable assurance of compliance with applicable AML and CTF laws and regulations,
- provide reasonable assurance that it does not accept assets which it knows or should reasonably be expected to know are the proceeds of a crime,
- provide reasonable assurance that it does not process funds which it knows or should reasonably be expected to know are to be used to finance illegal activities,
- cooperate with the competent authorities in criminal investigations in accordance with laws and regulations, and
- actively manage legal, compliance, regulatory and reputation risks.

Wercotrade reserves the right to terminate immediately any business relationship that violates or presents a risk of violating this AML CTF Policy or any AML or CTF laws or regulations.

To comply with this AML CTF Policy, all Relevant Persons must:

- Contact Compliance to initiate the AML CTF Screening process (as described below) before entering into any legal agreement or undertaking any commercial transaction with a Counterparty,
- consult with Compliance and/or Legal to include or review AML CTF wording in legal agreements and contracts, including letters of credit,
- seek to identify relevant AML or CTF laws and regulations, and potential Red Flags, before entering into and during any legal agreements and business transactions,
- immediately report any actual, suspected, or potential AML or CTF breaches or violations to this AML CTF Policy to Compliance,
- immediately suspend all activities and negotiations in progress in relation to any Counterparty whenever there are Red Flags as to the possibility of a violation of AML or CTF rules and regulations, and immediately forward the matter to Compliance.

Violations of this AML CTF Policy can have serious legal and reputational consequences for Wercotrade and Relevant Persons. Any actual, potential, or suspected violations or breaches of this AML CTF Policy must be immediately reported to Compliance. Where evidence of a breach of this AML CTF Policy is discovered, Wercotrade may take disciplinary action, including termination of employment, and there may be further consequences under labor law and criminal law.

C. AML CTF COMPLIANCE MANAGEMENT SYSTEM

1. AML CTF SCREENING

As part of its Know-your-customer (KYC) due diligence process, Werco Trade conducts AML CTF Screening on existing and potential Counterparties and Connected Parties for the purpose of verifying their identity and finding Red Flags and breaches against AML or CTF laws and regulations.

AML CTF Screening must be conducted:

- whenever a new potential Counterparty is added,
- whenever a Relevant Person identifies any Red Flags in relation to a Counterparty or Connected Party, and
- annually for all existing Counterparties and Connected Parties.

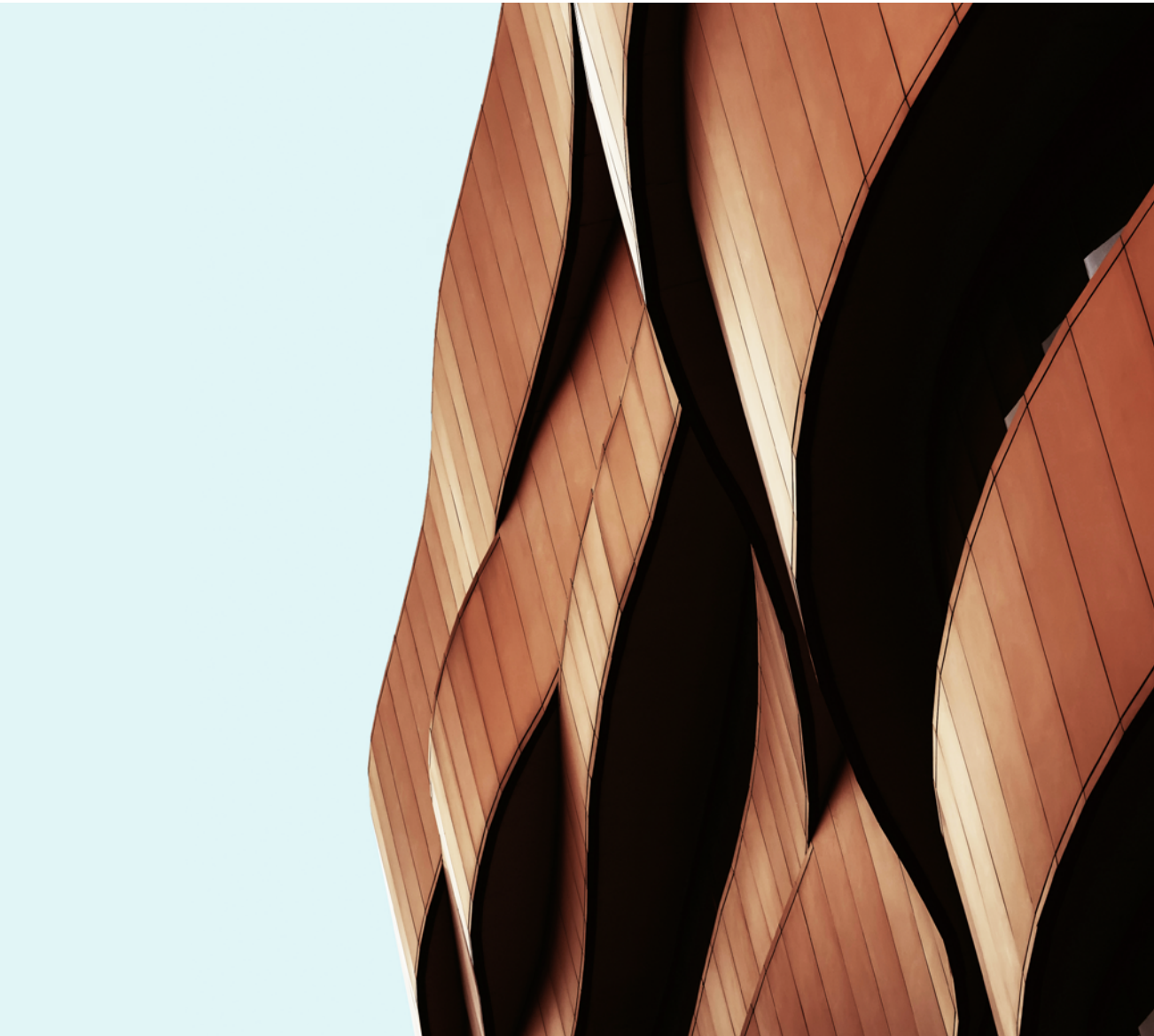
Compliance conducts the AML CTF Screening, which consists of the following steps:

1. Obtaining the completed Werco Trade Know-Your-Customer (KYC) Questionnaire for Customers/Suppliers/other Counterparties, other than Entities listed on a public stock exchange or government-controlled Entities or government-owned Entities,
2. screening of Counterparty and Connected Parties with the Refinitiv World-Check database,
3. screening of Counterparty and Connected Parties with internet searches (e.g., Google),
4. conducting an enhanced due diligence through deeper investigation, additional research and analysis, and validation of information in the case of higher risks, such as connections to sensitive countries or involvement of Politically Exposed Persons (PEP),
5. investigating any positive match or potential match or Red Flag identified through the AML CTF Screening, and
6. informing the Executive Management of any positive match or potential match or Red Flag identified through the AML CTF Screening.

The Executive Management is responsible for determining whether to establish, terminate, or continue any high-risk business relationship, and whether to terminate negotiations, legal agreements, and business transactions in the case of any Red Flags or positive matches, and for communicating this decision.

2. RISK ASSESSMENT

Werco Trade's AML CTF Compliance program takes a risk-based approach to identify potential risks that may cause AML CTF violations to occur and to prevent or extremely limit any potential violations from occurring. The measures taken are proportionate to the risks Werco Trade faces.



D. ORGANIZATION AND IMPLEMENTATION

Wercotrade has established the following organizational measures to implement this AML CTF Policy:

Records Management: Relevant Persons must ensure that corporate books and records accurately and fairly reflect all transactions agreements. Where approvals are required under this AML CTF Policy, appropriate records of those approvals must also be retained. Compliance will maintain records of AML CTF Screenings.

Training: The Relevant Persons attend regular AML CTF Compliance training sessions based on this AML CTF Policy. Compliance is responsible for developing and implementing the training sessions, which cover key risks as well applicable AML CTF laws and regulations.

Monitoring: The Executive Management and Compliance monitor, evaluate and develop the AML CTF Management System on an ongoing basis. Monitoring aims to identify the effectiveness, regularity, and frequency of controls and reduces the risk of breaches of laws, regulations, or policies and procedures. If monitoring or audits detect a weakness, the appropriate corrective measures are taken immediately.

Breaches: Violations of this AML CTF Policy can have serious legal and reputational consequences for Wercotrade and Relevant Persons. Any actual, potential, or suspected violations or breaches of this AML CTF Policy must be immediately reported to Compliance. Where evidence of a breach of this AML CTF Policy is discovered, Wercotrade may take disciplinary action, including termination of employment, and there may be further consequences under labor law and criminal law.

Questions and Concerns: Any questions and concerns in relation to this AML CTF Policy should be directed to Compliance.

Lucerne, Switzerland
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WE TRADE WITH PASSION

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