

GUIDELINES OF KYC/AML POLICY

This document constitutes indicative guidelines to KYC/AML policy of HighSky Brokers, a. s., owner of the brand “GI Broker”, with registered office at Vodičkova 710/31, Prague 1, Czech Republic, ID No. 247 10 164, listed in the Commercial Register of the Municipal Court in Prague, file No. B 16338. HighSky Brokers, a. s. holds license of the Czech National Bank to provide investment services.

The objective of activities in KNOW YOUR CUSTOMER (KYC) area is to prevent financial institutions from being used, intentionally or unintentionally, for the purpose of money laundering activities. KYC procedures also allow the financial institutions to know/understand their customers and their financial dealings better, which in turn help them, manage their risks prudently.

KYC POLICY STRUCTURE

KYC policy includes the following key elements:

- 1) Customer Identification Procedures
- 2) Monitoring of Transactions
- 3) Risk Management
- 4) Training Program
- 5) Internal Control System
- 6) Record Keeping
- 7) Evaluations of KYC guidelines by internal audit and inspection system
- 8) Duties / responsibilities and accountability

DEFINITION OF A CUSTOMER

For the purpose of KYC policy, a customer (later on also “individual”) may be defined as:

- any person or entity that maintains an account and/or has a business relationship with HighSky Brokers, a. s. on whose behalf the account is maintained (i.e. the beneficial owner);
- beneficiaries of transactions conducted by professional intermediaries, such as stock brokers, chartered accountants, solicitors etc. as permitted under the Law.
- any person or entity connected with a financial transaction, which can pose significant reputation or any other risks to HighSky Brokers, a. s. , say, a wire transfer or issue of high value demand draft as a single transaction.

CUSTOMER IDENTIFICATION PROCEDURE

The procedure shall be carried out at least on the following stages:

- while establishing the relationship;
- while carrying out a transaction;

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- in case of a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data and/or information.

During the process sufficient information necessary to establish the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of the relationship, in the manner that it may be demonstrated to relevant Authorities that due diligence was observed based on the risk profile of the customer in compliance with the extant guidelines in place.

RISK ASSESSMENT

An effective KYC system should be put in place by establishing appropriate procedure and ensuring their affective implementation. It should cover proper management oversight, systems and controls, segregation of duties, training and other related matters.

Responsibility should be explicitly allocated within the company for ensuring that the company's policies and procedures are implemented effectively.

The nature and extent of due diligence will depend on the risk perceived in respect to particular individuals. Such profiles shall constitute confidential document and details contained therein shall not be divulged for cross selling or any other purpose.

Internal audit and compliance department have an important role in evaluating and ensuring adherence to the KYC policies and procedures.

The compliance function should provide an independent evaluation of the Company's own policies and procedures, including legal and regulatory requirements. It should be ensured that the audit unit is staffed adequately with individuals who are well versed in such policies and procedures.

Assigned employees shall specifically check and verify the application of KYC procedures and comment on the lapses observed in this regard.

SPECIALLY DESIGNATED NATIONALS AND SANCTIONED PARTIES SCREENING

All individuals are to be screened through various independent/professional risk intelligence databases.

CUSTOMER IDENTIFICATION

Natural persons

For customers that are natural persons, HighSky Brokers, a. s. should obtain sufficient identification (passport, ID, government identification, etc.) data to verify the identity of the customer, in accordance with the applicable regulations.

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Legal persons

For customers that are legal persons or entities, HighSky Brokers, a. s. shall verify the legal status of the such person/entity through proper and relevant documents, verify that any person purporting to act on behalf of the legal person/entity is authorized to do so and identify, verify the identity of such person, as well as investigate on the ownership and control structure of the customer in order to determine who are the natural persons who ultimately control the legal person.

RECORDKEEPING

All identification documentation and services records shall be kept for a minimum period of no less than 10 years.

TRAINING

All new employees shall receive training in respect to AML area as part of the mandatory new-hire training program, and to complete such training annually. Other activities in that respects shall be undertaken when relevant.

ADMINISTRATION

For the purposes of AML activities, AML Officer shall be appointed. AML Officer shall be responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed on regular basis and amended as needed.

The duties of the AML Officer shall include, among others, the design, implementation and maintenance of relevant internal regulations in AML area, training of employees; monitoring the compliance of relevant 3rd parties such as affiliates, maintenance necessary and appropriate records; as well as independent testing of the efficiency of the regulations in AML area.