

## Financial Crime Compliance Policy

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**Approved by**  
GM Compliance &  
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**Document Owner:** GM Compliance and Conduct Risk  
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## 1. Overview

This Policy defines the key principles and expectations for ensuring Latitude complies with and meets Financial Crime Compliance (“FCC”) related requirements and expectations and helps in the fight against financial crime.

For the purpose of this policy, FCC includes:

- Anti-Money Laundering and Counter-Terrorism Financing (“AML/CTF”)
- Sanctions
- Anti-Bribery and Corruption (“ABC”)
- Insider Trading.

Latitude has regard for all applicable FCC laws, regulations, and regulatory guidance applicable within the jurisdictions within which each Latitude business operates. Latitude also has regard for FCC principles or recommendations issued by international and supranational authorities, such as the Financial Action Task Force (FATF) or the United Nations (UN), in determining what requirements are applicable to Latitude.

Latitude takes its responsibilities seriously in relation to FCC. Latitude aims to prevent the use of its products or services to perpetrate, or support, any Financial Crime related activity. Additionally, Latitude will not tolerate staff that use their position as an employee of Latitude to commit, or support others to commit, Financial Crime related activity.

Failure to adhere to this Policy and any supporting Standards, business processes and procedures may result in staff disciplinary actions, including termination of employment, regulatory penalties, criminal proceedings for individuals, directors and the entity, and severe damage to the reputation of Latitude.

### Effective Date

This Policy is effective from 07/03/2016.

## 2. Scope

This Policy applies to the entire Latitude Group (**Latitude**), including:

- Our Board of Directors and
- all Latitude employees, contractors and consultants

## 3. Policy Statements

Latitude accepts its responsibility to comply with all applicable FCC obligations and manage FCC risks. Latitude therefore will:

1. Not “aid or abet” money laundering, terrorism, tax evasion, fraud, bribery, economic sanctions, bribery, corruption or insider trading. This includes “wilful blindness”, “conscious avoidance of knowledge” or providing material assistance to any person engaged in any of these activities
2. Not offer or accept bribes of any nature and will not engage in or facilitate corrupt behaviours or activities under any circumstances. This includes direct involvement or the use of intermediaries or “middle persons” whose purpose is to facilitate bribes. Gifts, meals, refreshments or entertainment will only be offered or accepted if they are proper and could not reasonably be construed in any way as an attempt to secure favourable treatment

3. Not engage in insider trading activity by using, conveying or disclosing non-public information, even inadvertently
4. Develop and implement appropriate procedures, systems and controls to comply with applicable AML/CTF obligations, including but not limited to proper verification of customers, employees, and representatives
5. Identify and manage anti-bribery and corruption risks associated with intermediary relationships
6. Where sanctions are put in place against a country or party by another country in which Latitude operates, consider the relevance of the sanctions and the extraterritorial impact on Latitude's activities, and ensure appropriate measures are undertaken to ensure compliance
7. Do all that can be reasonably expected in order to enable and protect staff and representatives by providing the appropriate training and tools to enable them to comply with FCC requirements
8. Escalate, manage and resolve any detected FCC issue, including but not limited to suspicious activities, in a timely manner and in accordance with applicable law
9. Co-operate with governmental, regulatory and law enforcement agencies regarding FCC issues in accordance with applicable law
10. Monitor its business to ensure adherence to FCC requirements and co-ordinate the handling of FCC issues through an appropriate Latitude Executive / Risk Committee with escalating and reporting to the Board of Directors
11. Should Latitude suspect on reasonable grounds a staff member or business partner is involved in committing FCC related activities, contact the relevant law enforcement agencies, protect any related documents or potential evidence, and co-operate fully with any subsequent investigation
12. Appoint an AML/CTF Compliance Officer at a senior level from within the Risk function. This role may be delegated to a suitable person where local law allows.

## 4. Roles and Responsibilities

All staff and representatives:

- have a duty to help Latitude prevent Financial Crime
- must not, under any circumstances, seek to advise customers how to structure transactions to avoid AML/CTF reporting or monitoring thresholds, or how to otherwise circumvent Latitude FCC related controls, including seeking to restructure, change or amend transaction or entity information in order to avoid detection and bypass sanctions laws or regulations. For avoidance of doubt, this includes, but is not limited to, advising customers to amend their instructions or details to include information that may be false or misleading, or to remove information that may trigger further investigation
- must comply with all applicable obligations as set out in this Policy.

The AML/CTF Compliance Officer will:

- develop and maintain an AML/CTF Program that sets out Latitude's AML/CTF obligations and how it will comply with those obligations
- review the Program annually to ensure currency, considering changes in both the internal and external environment
- manage FCC Regulatory/Supervisory/Financial Intelligence Unit (FIU) relationships, including enrolment details, engagement, and reporting
- provide FCC advice on any project-related requirements and BAU queries, and prescribe particular FCC processes or controls to be implemented or to be complied with, as needed
- review FCC -related training, including an enterprise-wide mandatory FCC training module, at least annually or where a change occurs to ensure currency and update where required
- review business activity and processes to ensure there are no gaps or areas that may indicate FCC processes and controls are ineffective
- report to Senior Management and the Board on the effectiveness of the Program, key FCC risks and issues, industry developments, and regulatory expectations.

AML Operations will:

- review and investigate and suspicious matters referred and transaction monitoring alerts to determine whether they warrant reporting to the regulator
- ensure customers, employees and third parties are screened on an ongoing basis to ensure they are not the subject of any sanctions lists
- where customers are identified as higher risk (politically exposed, etc.), perform enhanced due diligence to determine if additional action is required and maintain a register of these customers
- regularly engage with the AML/CTF Compliance Officer and provide updates/reporting on work completed
- assist with providing risk awareness training on suspicious matters.

The Frontline Business will:

- monitor customers at every engagement to ensure there are no suspicious activities or behaviours that may indicate the intention of committing a financial crime. Where a suspicion is formed, this must be referred to the AML Operations team for investigation
- ensure that customers are not inadvertently or deliberately tipped off regarding any suspicion formed, which includes making no notes about suspicions formed on customer files and not discussing suspicious activity or behaviour with anyone other than the AML Operations team.

Line Managers will:

- ensure adequate FCC training is provided and completed prior to authorising relevant staff or third parties to complete FCC related procedures or as soon as practical thereafter
- identify any instance of non-compliance, actual or potential, under this Policy through (at least) annual self-assessments. All identified areas of non-compliance must be reported to the AML/CTF Compliance Officer as soon as practical.

The Line 1 Risk & Compliance Centre of Excellence will:

- conduct controls testing on financial crime compliance-related controls on a regular basis to ensure that controls are working effectively
- support the line 2 compliance function in ensuring there are adequate controls in place to manage compliance obligations.

Internal Audit will:

- provide independent AML/CTF reviews periodically and as required by regulators.

Senior Management and Board will:

- oversight Latitude's AML/CTF program performance.

## 5. Policy Governance

This Policy is a Tier 2 policy and does not require LGHL Board approval.

The AML/CTF Compliance Officer will review this policy at least annually and recommend all changes to the GM, Compliance and Conduct Risk for approval.

The GM Compliance and Conduct Risk is required to review and approve this policy at least every three years, regardless of whether or not changes are required.

### 5.1. Monitoring and Control

Management will be responsible for identifying any instances of non-compliance, actual or potential, under this Policy through (at least) annual self-assessments. All identified areas of non-compliance must be reported to the Policy Owner as soon as practical.

## 6. Definitions

Inside Information	Non-public information a reasonable investor would consider important in deciding to buy, hold or sell securities, or if publication would likely affect a company's share price.
Intermediaries	An intermediary is any third party that is a representative or agent of Latitude, in relation to the sale or distribution, marketing/remarketing activities, telemarketing, collections or any other activity that interacts with customers or others (such as government officials) resulting in exposure to legal, financial or reputational risk. Examples of intermediaries include Channel Partners or Brokers.
Relevant staff	As determined by the AML/CTF Compliance Officer, those staff (whether directly or indirectly engaged by Latitude) that perform, manage or are responsible for certain FCC obligations. Once determined, relevant staff require Risk Awareness Training in the relevant FCC obligation.
Suitable person	For the purpose of this Policy, a person who has FCC expertise and experience, and is in a position to exert influence over senior management.
Wilful blindness or conscious avoidance of knowledge	"Wilful blindness" or "conscious avoidance of knowledge" is where a person has or should have suspicions of money laundering or terrorism financing and deliberately fails to make reasonable inquiries about the suspicious activity or report the suspicion or wrongdoing.

## 7. Revision History

Version	Approval Date	Changed By:	Summary of changes
1.0	07/03/2016	Victoria Eccleston	Original – consolidated multiple FCC GE documents into one policy.
1.1	13/12/2016	Nafiah Ansari	Updated cover page. Formatting has been updated to align to the new Policy template. No changes have been made to policy content.

2.0	31/03/2017	Victoria Eccleston	Small technical updates and updates to the approach to ABC to reflect changes in tools and approach
3.0	28/03/2018	Victoria Eccleston	Small technical updates, slight changes to ABC to reflect proposed regulatory changes in Australia and to allow for circumstances concerning staff safety.
4.0	21/04/2020	Rebecca Scurrah	Review and update to the policy to remove non-policy related (procedural) information and to refine topics and information to make the policy more streamlined and easily understood.
5.0	04/05/2021	Rebecca Schmidt (formerly Scurrah)	Review and update the policy to make small technical updates regarding roles and the addition of requirements for the frontline business regarding tipping off.