



## **Financial Crime Compliance Policy**

Latitude Group Holdings Limited (the "Company")

ACN: 604 747 391

Approved by the Board on 26 May 2022



## Financial Crime Compliance Policy

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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
- Modern Slavery (MS)

Latitude takes appropriate steps to comply with all applicable FCC laws, regulations and regulatory guidance applicable within the jurisdictions in which it operates. This includes 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 and 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 against individual employees, directors and the entity, and severe damage to the reputation of Latitude.

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## 2. Scope

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

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

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## 3. Policy Statements

Latitude will **not**:

1. “Aid or abet” financial crimes. This includes “wilful blindness”, “conscious avoidance of knowledge” or providing material assistance to any person engaged in any of these activities
2. 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. Engage in insider trading activity by using, conveying or disclosing non-public information, even inadvertently
4. Engage in or aid modern slavery practices by identifying and addressing modern slavery risks, maintaining responsible and transparent operations and supply chains, and escalating any issues of concern.



Latitude **will**:

1. 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
2. Consider the relevance of sanctions put in place against a country or party by another country in which Latitude operates and the extraterritorial impact on Latitude's activities, and ensure appropriate measures are in place to comply
3. Provide appropriate FCC training and tools to enable and protect staff and representatives
4. Escalate, manage and resolve any detected FCC issue, including suspicious activities, in a timely manner and in accordance with applicable law
5. Co-operate with government, regulatory and law enforcement agencies regarding FCC issues
6. Monitor and report on FCC developments and issues to appropriate governance forums, including the Board of Directors
7. Should Latitude have reasonable grounds to suspect 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
8. 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.

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## **4. Roles and Responsibilities**

All staff and representatives have a duty to help Latitude prevent Financial Crime and therefore 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
- maintain and adhere to all FCC-related procedures
- ensure adequate FCC training is completed prior to undertaking FCC-related procedures or as soon as practical thereafter
- ensure there are adequate controls in place to manage FCC obligations and compliance with this Policy
- identify any instance of non-compliance, actual or potential, under this Policy and report to the AML/CTF Compliance Officer as soon as practical.

All staff who have customer facing roles must:

- monitor customers at every engagement to ensure there are no suspicious activities or behaviours that may indicate an intention to commit a financial crime. Where a suspicion is formed, this must be referred to AML Operations for investigation
- ensure 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 AML Operations



- ensure relevant customer identification procedures are followed and appropriately addressed and remediated in the event an error is identified
- conduct controls testing on FCC-related controls on a regular basis to ensure they are operationally effective.

AML Operations must:

- review and investigate suspicious matters identified or referred, and transaction monitoring alerts to determine whether they warrant reporting to the regulator
- ensure customers, employees and third parties are screened against relevant watchlists on an ongoing basis to ensure they are not the subject of any sanctions
- not onboard new applicants who are identified as Politically Exposed Persons (PEPs)
- maintain ongoing monitoring and oversight to determine whether customers are PEPs or Relatives or Close Associates (RCAs) of PEPs
- where customers are identified as higher risk (PEPs, RCAs, etc.), perform enhanced due diligence to determine if additional action is required and maintain a register of these customers, including performing ongoing enhanced due diligence of higher risk customers
- assist with providing risk awareness training on suspicious matters.

The AML/CTF Compliance Officer (or their delegate) must:

- 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 AML/CTF Program annually to ensure currency, considering changes in both the internal and external environment
- manage FCC regulatory, supervisory, and 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
- review and maintain Latitude's Modern Slavery Statement
- regularly report to Senior Management and the Board on the effectiveness of the AML/CTF Program, key FCC risks and issues, industry developments, and regulatory expectations.

Internal Audit must:

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

Senior Management and the Board must:

- be proactive in engaging and managing money laundering and terrorism financing risks across Latitude, and will have ultimate accountability for these risks
- oversee Latitude's AML/CTF program performance.



## 5. Definitions

Aid or Abet	Aiding a financial crime means helping someone else commit a crime. Abetting means to encourage or incite a criminal act.
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.
Modern Slavery	Modern slavery describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or service, forced marriage and the worst forms of child labour.
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.