

Varalen Capital Markets LLC

KNOW YOUR CUSTOMER POLICY

1. POWERS OF THE COMPANY

Besides the Customer identification procedures specified in this Policy, the Company conducts:

- Customer polling (sending questionnaires);
- Due diligence check of the Customers being companies, including anti-corruption expertise of constitutive documents;
- oral polling with further recording of the necessary information in the Customer profile in the events specified in the following rubric;
- procedures identifying the Customers acting on behalf of other Customers (either physical or legal persons) as a representative (agent, attorney);
- makes use of external available sources of information permitted by the law;
- other measures and procedures that the Company deems fit.

2. CUSTOMERS REFUSING TO BE IDENTIFIED

If a potential or existing Customer either refuses to provide information required under this Policy or intentionally misstates such information, the Company shall refuse to provide any services and to conclude any agreements and contracts with such Customer and repudiate any agreements and contracts already existing and interrupt the provision of any services being rendered. Such Customer shall be given the high risk status.

3. CUSTOMER'S SUSPICIOUS ACTIVITIES

1. The Company may control the Customer's activities and compliance with the AML/CFT requirements.

2. The Company may monitor information about the Customer's transactions to identify any dealings deemed unusual in comparable circumstances.

3. The Company exercises professional control of the Customer's activities and compliance with the AML/CFT requirements, if the Customer or his/her/its representative:

- exhibits unusual concern about the Company's compliance with the government reporting requirements and the AML/CFT Policy, or is reluctant or refuses to reveal any information to the Company about his/her/its business activities or furnishes unusual or suspect identification or business documents, whether in a printed or electronic format;
- submits identification information that is false or misleading;
- has a questionable financial and business background;
- exhibits a lack of concern about investment and other financial risks;
- has difficulty describing the nature of his/her/its expected or existing business and industry;
- asks for any special privileges or advantage over other customers regarding the implementation of this Policy;
- has accounts in the states not complying with the recommendations of FATF (Financial Action task Force) Group;
- engages in excessive journal entries between unrelated accounts without any apparent business purpose.

The above list of events requiring professional control of the Customer's activities and compliance with the AML/CFT requirements is not exhaustive.

If the Company has identified one or more of the above-listed events, it shall proceed to the collection, processing and analysis of additional internal or external information, apply to the relevant authorities of the respective countries for account freeze, as the case may be.