

# **Chailease Holding Company Limited**

## **Anti-Money Laundering and Combating the Financing of Terrorism Policy**

Confidential Document of Chailease Holding Company  
Approved by the Board of Directors on June 14, 2019

### **Article 1 Legal Basis**

To enhance the scheme of Anti-Money Laundering and Combating the Financing of Terrorism (hereinafter referred to as "AML/CFT"), strengthen the internal control and auditing system of Chailease Holding Company Limited (hereinafter referred to as "the Company") and each subsidiary, and to maintain the reputation of the Company and its subsidiaries, the Company hereby promulgates "the Chailease Holding Company Limited Anti-Money Laundering and Combating the Financing of Terrorism Policy" (hereinafter referred to as "the Policy") in accordance with the laws and regulations of Anti-Money Laundering and Combating the Financing of Terrorism of the Cayman Islands and the Republic of China, in order to establishing consistent internal control and behavioral standards of the Company and its subsidiaries.

### **Article 2 Applicable Object**

The Policy applies to the Company and its subsidiaries, affiliates and branches (hereinafter collectively referred to as "Subsidiaries" or "Subsidiary") and the employees of the aforementioned companies or branches, unless otherwise provided by other applicable laws and regulations.

### **Article 3 Scope of application**

In compliance with local laws and regulations, Subsidiaries shall implement this Policy and other measures consistent with those of the Company to prevent money laundering and financing of terrorism consistent with the Company. If the Policy does not conflict but vary with the laws and

regulations of AML/CFT of the country or jurisdiction where a Subsidiary is registered, the Subsidiary should choose the stricter standards as the basis for compliance. If the Policy conflicts with the local laws, regulations or the requirements of the competent authorities of the place where the Subsidiaries are registered, a Subsidiary shall notify the Company and its responsible officer of such regulatory conflict and seek to resolve such conflicts.

#### **Article 4 Board of Directors**

The board of directors of each Subsidiary is ultimately responsible for ensuring the establishment and maintenance of an appropriate and effective internal control of the AML/CFT schemes. The board of directors and senior management should be aware of the risk of money laundering and terrorism financing on each Subsidiary, as well as the operation of the AML/CFT schemes of each Subsidiary, and take measures to shape a culture of valuing AML/CFT.

#### **Article 5 Internal Control System of AML/CFT**

Each Subsidiary shall identify, evaluate, and manage the risk of money laundering and terrorism financing, formulate related operational guidelines for AML/CFT in accordance with this policy, and conduct risk assessment operations on a regular basis.

Each Subsidiary shall, based on the risk assessment results and the risk-based approach, formulate AML/CFT schemes to manage and reduce the identified risks and take appropriate measures to manage the heightened risks.

The AML/CFT schemes of each Subsidiary shall be included in the self-assessment and internal auditing projects and strengthened when necessary.

#### **Article 6 Organization and Responsibilities**

The Company shall set up an adequate AML/CFT personnel, who are responsible for the management and implementation of the AML/CFT schemes of the Company and its Subsidiaries.

Each Subsidiary shall set up an adequate AML/CFT personnel in

accordance with its size, risks and legal requirements.

The Legal Division of the Company is the dedicated unit for AML/CFT scheme. The dedicated unit shall be given full authority to coordinate and supervise the AML/CFT scheme. The dedicated unit shall report to the board of directors at least every year. If there is any serious violation of the laws and regulations on AML/CFT, the dedicated unit shall report to the board of directors immediately.

#### **Article 7 AML/CFT Risk Appetite**

Each Subsidiary shall have a predetermined accommodation of AML/CFT risk appetite, and shall establish a corresponding structure for the degree and type of risk of money laundering and sanctions which each Subsidiary is willing to undertake.

#### **Article 8 Identity Verification (Know-your-customer, KYC)**

Each Subsidiary shall establish measures for the identification and review of the customer's identity, including an ongoing review of the customer's identity. Each Subsidiary shall determine the level of examination on a risk-based basis. For high-risk situations, additional enhanced measures should be taken; for general risk situations, streamlined measures corresponding to general risk factors may be adopted.

Each Subsidiary shall not accept, establish or maintain business relationships with customers who use anonym or pseudonym. The customer's identity should be confirmed and verified when establishing a business relationship with the customer, discovering the transaction suspicious of money laundering or terrorism financing, and doubting the authenticity or appropriateness of the customer's identity information obtained in the past.

#### **Article 9 Continuous Monitor on Accounts and Transactions**

The internal control procedures of prevention of money laundering and terrorism financing of each subsidiary shall include the scheme for continuous monitor and review of customer business relationships and transactions. Each subsidiary shall keep integrating the personal

information and transaction data of the Company and its Subsidiaries in order to conducting inquiries for AML/ purposes, strengthening transaction monitoring capabilities, and assisting in the discovery of suspicious transactions.

#### **Article 10 Rejection or Temporary Cessation of Transactions**

In order to reducing the risk of AML/CFT, each Subsidiary may specify in the contract that under certain circumstances it may refuse service, cease business relationship, cancel the contract, temporarily suspend the transaction, or temporarily suspend or terminate business relationship.

#### **Article 11 Suspicious Transaction Report**

Each Subsidiary shall establish a suspicious transaction reporting procedure. If it is found that there is a suspicious transaction, in addition to confirming the customer's identity and retaining the transaction record proofs and regardless of the transaction amount, the Subsidiary shall report it to the local financial intelligence agency.

The suspicious transaction in the preceding paragraph shall be reported to the financial intelligence unit even if the transaction is not completed.

Except otherwise stipulated by law, each Subsidiary and its employees are prohibited from disclosing any suspicious transaction or related information to any third party other than the Company and its Subsidiaries.

The reporting of a suspicious transaction by each Subsidiary shall be handled in accordance with the relevant measures promulgated by the local competent authority.

#### **Article 12 New products, Services and New Types of Business**

Before launching new products or services or handling new types of business, each Subsidiary shall conduct a risk assessment of the products and establish corresponding risk management measures to reduce the identified risks.

#### **Article 13 Record Keeping**

Each Subsidiary shall duly establish relevant record or file safekeeping procedures related to the implementation of the AML/CFT procedures (including but not limited to files or information obtained through customer due diligence, relevant transaction records, and transaction monitoring records and filing materials). The safekeeping procedures are designed for future inspection, enquiry, and as evidence of the implementation of the AML/CFTCTF procedures.

Each Subsidiary shall keep transactions with customers on paper or in electronic records, and shall proceed in accordance with the following principles:

All necessary records for domestic and foreign transactions shall be retained for at least five years after the close of the transaction. However, if the laws and regulations of the country or jurisdiction where a Subsidiary is registered require a longer retention period, the Subsidiary shall comply with the local laws and regulations.

The transaction records maintained by each Subsidiary shall be sufficient to re-establish particular transactions for use as evidence of unlawful activities.

Each Subsidiary shall promptly provide the government agencies acting pursuant to legal requirements and under due delegation of authority with the transaction records and customer identity information.

#### **Article 14 Information Sharing**

In order to assisting the Subsidiaries of the Company to implement the procedures for confirming customer identity and the AML/CFT risk management of the Company, the Company shall establish a group information sharing procedure for the AML/CFT scheme. The group information sharing procedure includes the scope and the methods of use of information, serving for the use by Subsidiaries in AML/CFT scheme, regularly review on customer information, and the strengthening of transaction monitor or other necessary measures.

The Company shall collect and organize specific rules and operating procedures of each Subsidiary to enhance the control and effectiveness of AML/CFT.

In order to promoting legal compliance, auditing and the AML/CFT scheme at the Company group level, the Company may require each Subsidiary to provide relevant information on customers, accounts and transactions, which shall include information and analysis of suspicious transactions or activities. If necessary, the Subsidiaries shall be allowed to obtain the above information through the group management function. However, the confidentiality and security protection of the use or exchange of the above information, including the prevention of data leakage, shall be implemented in accordance with the Company's information security policy and the personal information protection policy.

#### **Article 15 Staff Selection and Appointment**

The Company and its Subsidiaries should establish a prudent and appropriate staff selection and appointment process, including reviewing whether employees hold an honest character and the expertise required to perform their duties. If necessary, it should be handled by the name verification system or other appropriate means.

#### **Article 16 Education and Training**

The Company and its Subsidiaries shall, in addition to complying with the laws and regulations of the competent authorities to conduct education and training sessions for the officers and staff responsible for AML/CFT, continue to hold pre-employment and on-the-job training on a regular basis, supplemented by actual cases to enable all employees to understand the characteristics of money laundering and terrorism financing and the types of suspicious transactions, and to detect suspicious transactions and implement the AML/CFT scheme.

Apart from the on-the-job training mentioned in the preceding paragraph, the Company and its subsidiaries may also appoint staff to participate in training courses organized by other training institutions.

#### **Article 17 Internal and Independent Third Party Audit**

The auditing unit of each Subsidiary shall, in accordance with the

regulations, go through the following matters for audit and submit an audit opinion:

1. Whether the risk assessment on money laundering and terrorism financing and the AML/CFT programs meet regulatory requirements and have duly implemented.
2. The effectiveness of the AML/CFT programs.

Unless otherwise required by applicable laws or competent authorities, each Subsidiary may, in accordance with actual needs, engage an independent third party to examine the matters specified in the preceding paragraph and provide an audit opinion.

#### **Article 18 Institutional AML/CFT risk assessment**

Each Subsidiary shall establish periodic institutional AML/CFT risk assessment, provide periodic reports to enable the management to timely and effectively understand the overall risk of money laundering and terrorism financing confronting the Company and its subsidiaries, and determine the mechanisms and develop appropriate risk reduction measures. The results of the AML/CFT risk assessment of each Subsidiary should be used as the basis for the development of the AML/CFT plans. Each Subsidiary should allocate appropriate manpower and resources based on the results of the risk assessment and take effective preventive measures to prevent or reduce risk.

#### **Article 19 Review and Evaluation**

Each Subsidiary shall review and revise the AML/CFT schemes based on the results of the risk assessment analysis.

In order to ensuring the implementation of the AML/CFT schemes set by the Subsidiaries, the implementation of the above-mentioned plans should be periodically reported to the board of directors of each Subsidiary and the Company's responsible officer in charge of AML/CFTCTF.

#### **Article 20 Miscellaneous**

Matters not covered in this Policy shall be handled in accordance with the laws and regulations relating to AML/of the Cayman Islands and the Republic of China

**Article 21   Approved Level**

This Policy, including its amendments, is effective upon approval of the Board of Directors.