EMKAP AFRIKA LTD

ANTI-MONEY LAUNDERING & COUNTER-FINANCING OF TERRORISM (AML/CFT) STATEMENT

EMKAP Afrika Ltd (Nigerian SEC 2074)
Plot 8, Rasheed Alaba William St.,
Lekki Phase 1, Lagos, Nigeria
Tel.: +234 9071 2222 11
info@emkapafrika.com www.emkap.com

EmKap Afrika

1. Purpose

This statement articulates the risk appetite of EMKAP Afrika Ltd regarding money laundering, terrorist financing, and sanctions breaches. As a regulated entity under the Nigerian Securities and Exchange Commission (SEC), is committed to uphold the highest standards of compliance and integrity in its operations.

2. General Risk Appetite

EMKAP Afrika Ltd has zero tolerance for being willfully or negligently used to facilitate money laundering, terrorist financing, the proliferation of weapons of mass destruction, or sanctions evasion. The firm adopts a Risk-Based Approach (RBA) in managing AML and sanctions risks across all its products, services, clients, and geographies. The Company accepts only residual AML/CFT/CPF and sanctions risks that remain within Board-approved risk appetite after the application of appropriate mitigating controls.

3. AML Risk Appetite

EMKAP Afrika Ltd does not accept business relationships that:

- Are anonymous or involve fictitious names or shell banks.
- Involve individuals or entities subject to international or domestic sanctions.
- Emanate from jurisdictions identified by the Financial Action Task Force (FATF), EFCC, or Nigerian FIU as high-risk or non-cooperative without appropriate enhanced due diligence.
- Present high risk of corruption, political exposure without proper mitigation, or are unwilling to comply with KYC requirements.

The Company will:

- Prioritize low- to medium-risk clients with clear and legitimate sources of wealth/funds.
- Apply Enhanced Due Diligence (EDD) measures for high-risk clients, including Politically Exposed Persons (PEPs), cross-border transactions, or high-value issuances.
- Reject or exit any client relationship where AML risk cannot be adequately mitigated.

EmKap Afrika

4. Sanctions Risk Appetite

EMKAP Afrika Ltd has no appetite for knowingly facilitating for breaches of applicable sanctions laws and regulations, including those issued by:

- The Nigerian authorities.
- The United Nations Security Council (UNSC).
- The United Kingdom's sanctions regime.
- The United States' sanctions regime administered by the Office of Foreign Assets Control (OFAC).
- The European Union and other applicable international sanctions authorities, where relevant to the Firm's operations.

The Company will not knowingly facilitate, process, broker, or otherwise participate in any transaction involving sanctioned persons, entities, vessels, aircraft, beneficial owners, or prohibited jurisdictions.

Any positive sanctions screening match must be escalated immediately to the Compliance Officer and MLRO for investigation and resolution before any business activity proceeds.

5. Product and Service Risk

The Firm maintains a Low-Risk Appetite for products and services that expose it to heightened money laundering, terrorist financing, proliferation financing, sanctions evasion, fraud, corruption, or other financial crime risks.

As a Nigerian SEC-licensed Inter-Dealer Broker, the Firm's business model is limited to facilitating transactions between regulated market participants and does not involve the acceptance of retail deposits, custody of client funds, provision of anonymous accounts, correspondent banking activities, virtual asset services, trade finance, money remittance services, or other products traditionally associated with elevated AML/CFT risks.

The Firm will only offer products and services that:

- Are approved by the Board and Senior Management through the New Product Approval Process.
- Are consistent with the Firm's regulatory permissions granted by the Nigerian SEC.
- Can be adequately monitored through existing AML, sanctions screening, transaction monitoring, and compliance controls.
- Are supported by sufficient customer due diligence and beneficial ownership transparency.
- Do not create unacceptable sanctions, money laundering, terrorist financing, proliferation financing, bribery, corruption, or reputational risks.

The Firm has Zero Risk Appetite for products and services that:

- Facilitate anonymity or conceal beneficial ownership.
- Involve sanctioned persons, entities, vessels, jurisdictions, or restricted parties.
- Enable sanctions, evasion or circumvention.
- Involve shell banks or unlicensed financial institutions.
- Relate to virtual asset service providers (VASPs) where regulatory and AML controls cannot be adequately assessed.
- Are designed to obscure the source, destination, ownership, or purpose of funds.
- Present financial crime risks that cannot be effectively mitigated through available controls.

6. Governance and Oversight

AML and risk management is overseen by the Compliance Officer, under the supervision of the Board of Directors. All employees are expected to comply fully with internal AML policies, and the firm will enforce disciplinary measures for any breach. Any employee who identifies suspicious activity, sanctions concerns, unusual transactions, or potential breaches of this Risk Appetite Statement must immediately escalate the matter to the Compliance Officer/MLRO. The Board retains ultimate responsibility for approving and overseeing the implementation of this Risk Appetite Statement and ensuring that the Firm operates within its approved risk parameters.

EmKap Afrika

7. Regulatory References

This statement has been developed in accordance with:

- Nigerian SEC AML/CFT/CPF Regulations;
- Money Laundering (Prevention and Prohibition) Act 2022;
- Terrorism (Prevention and Prohibition) Act 2022;
- FATF Recommendations;
- Relevant sanctions obligations applicable to the Firm.

8. Review

This AML and Sanctions Risk Appetite Statement shall be reviewed at least annually to ensure that it remains appropriate, effective, and aligned with the Firm's business activities, regulatory obligations, and risk profile. The statement shall also be reviewed and, where necessary, updated following any material change in:

- Applicable laws, regulations, or regulatory guidance;
- The Firm's business model, products, services, or operating structure;
- The Firm's customer, geographic, or transaction risk profile;
- The AML/CFT/CPF or sanctions risk environment; or
- Any significant compliance, sanctions, or financial crime incident.

The Compliance Officer/MLRO shall be responsible for coordinating the review of this statement and recommending any proposed amendments to Senior Management and the Board of Directors. Any amendments to this statement must be approved by the Board of Directors before implementation.