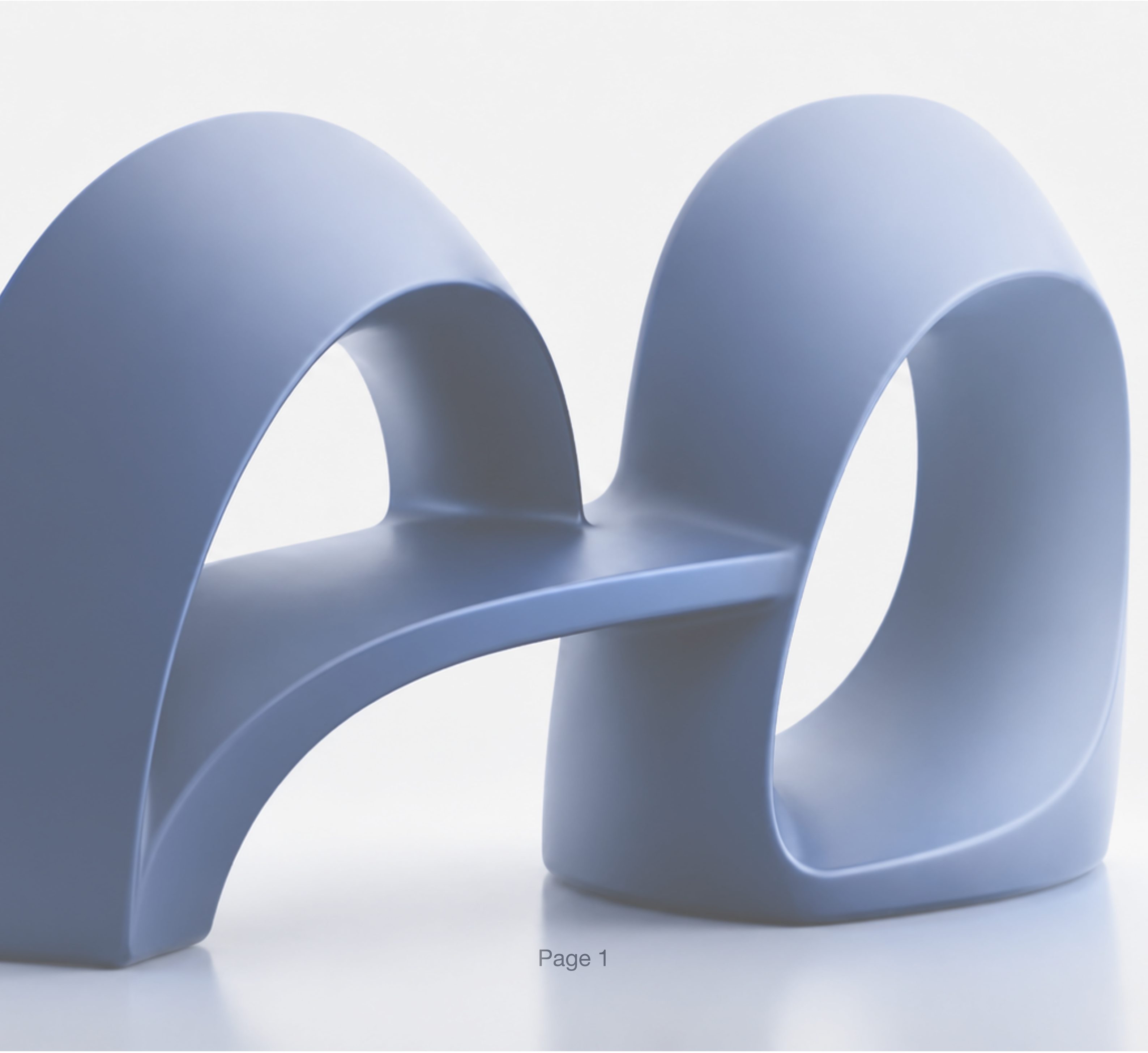
PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM NOTICE



HIDALGO HOLDINGS (PRIVATE) LIMITED - PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM NOTICE

Effective Date: 28 July 2023
Last Revised: 27 July 2026
Policy Version: 1.0

Company Name: Hidalgo Holdings (Private) Limited
Company Registration Number: PV 00279213
Website: www.hidalgoholding.com
Email: support@hidalgoholdings.com

INTRODUCTION AND PURPOSE OF THIS NOTICE

Hidalgo Holdings (Private) Limited, referred to in this Notice as **"Hidalgo Holdings", "Hidalgo", "the Company", "we", "our"** or **"us"**, is committed to conducting its business honestly, responsibly and in a manner intended to prevent its services, systems, personnel and commercial relationships from being used for money laundering, terrorist financing, fraud, sanctions evasion, identity theft or any other form of unlawful financial activity.

Hidalgo Holdings does not request clients to transfer investment capital to the Company and does not ordinarily receive, possess, safeguard or hold client trading funds. Clients participating in an account-management arrangement are expected to maintain their trading funds within accounts opened and held in their own names with independent third-party brokerage or financial-service providers.

Where expressly authorised by the client, contractually agreed and legally permitted, Hidalgo Holdings may monitor, handle or manage trading activity within a client-owned brokerage account. Such authority does not transfer ownership of the account or funds to Hidalgo Holdings and does not make the Company a bank, brokerage, payment institution, deposittaking institution or custodian of client capital. Hidalgo Holdings receives only properly disclosed payments for services provided by the Company. Such payments may include account-management fees, performance-related service charges where lawfully agreed, educational and mentorship fees, administrative charges, technology charges, market-update subscriptions, signal subscriptions and other professional service fees described in the applicable agreement or invoice. Although Hidalgo Holdings does not accept client investment deposits, the Company recognises that its services, subscription systems, payment channels, communications, account-access arrangements or third-party relationships could potentially be targeted or misused by persons seeking to conceal the proceeds of crime, use stolen identities, misrepresent the ownership of funds, disguise unauthorised account access or facilitate other unlawful conduct. This Notice therefore explains the Company's general approach to preventing money laundering and terrorist financing and should be read together with the Company's Privacy Policy, Client Agreement, General Business Terms, Risk Disclosure and Warning Notice, payment terms and any other applicable contractual or compliance documentation.

1. DEFINITION OF MONEY LAUNDERING AND TERRORIST FINANCING

Money laundering generally refers to conduct through which money, assets, property or economic benefits obtained directly or indirectly from criminal activity are concealed, transferred, converted, possessed, used, invested or otherwise dealt with in a manner intended to disguise their unlawful origin or make them appear to have arisen from a legitimate source. Money laundering may involve the use of funds derived from fraud, theft, corruption, bribery, tax offences, illegal trading, cybercrime, identity theft, trafficking, organised crime, unauthorised financial activity, sanctions evasion or another form of criminal conduct. The process may involve physical cash, bank transfers, electronic wallets, cryptocurrencies, securities, commodities, brokerage accounts, companies, trusts, contracts, payment platforms or other forms of property and financial arrangements.

Money laundering does not necessarily require the person handling the funds to have committed the original criminal offence. A person may become involved by receiving, transferring, converting, concealing, arranging, facilitating or assisting with property that the person knows or reasonably suspects may represent the proceeds of crime.

Money laundering is commonly understood as involving one or more of the following stages, although unlawful activity may not always follow a clear or identical pattern:

- **Placement of unlawful funds:** This may involve introducing criminal proceeds into a financial or commercial system through deposits, purchases, payments, account funding, cash transactions, electronic transfers, cryptocurrencies or payments made through another person's account. In the context of Hidalgo Holdings, the Company may pay particular attention to situations where a person attempts to pay service fees using funds from unrelated third parties, unexplained wallets, mismatched bank accounts or payment instruments held in another person's name.
- **Layering or concealment of ownership:** This may involve moving funds through a series of accounts, countries, companies, wallets, payment providers, brokerage accounts or transactions in order to make the original source and beneficial ownership more difficult to identify. Layering may also involve false invoices, fabricated service descriptions, unnecessary refunds, repeated transfers, rapid movement of funds or the use of intermediaries who cannot reasonably explain their involvement.
- **Integration into apparently lawful activity:** This may occur when funds that have been concealed through previous transactions are reintroduced into the economy as apparently legitimate income, business revenue, investment returns, professional fees, property proceeds, loan repayments or other apparently lawful payments.

Terrorist financing generally refers to the collection, provision, movement, possession, use or arrangement of money, assets or financial services with the intention, knowledge or reasonable suspicion that such resources may be used to support a terrorist act, terrorist organisation, prohibited organisation, terrorist individual or related activity.

Unlike traditional money laundering, terrorist financing may involve funds obtained from either unlawful or apparently lawful sources. Legitimately earned income, charitable contributions, business revenue or personal funds may still be used for unlawful terrorist purposes. Accordingly, the apparent legitimacy of the original source of funds does not by itself eliminate the risk of terrorist financing. Criminals and fraudsters may attempt to conceal their identity or activities by using personal information, identification documents, brokerage accounts, bank accounts, electronic wallets, telephone numbers or email addresses belonging to another person. Such information may have been stolen, purchased, fraudulently obtained, manipulated or provided by an intermediary. A person whose identity or account has been misused may be entirely unaware of and uninvolved in the relevant criminal activity. For this reason, Hidalgo Holdings may take reasonable steps to confirm that the person requesting a service is the genuine owner or properly authorised user of the relevant identity, payment method and brokerage account.

Examples of conduct that may create concern include:

- A person providing identification documents that appear altered, incomplete, inconsistent or unrelated to the person communicating with Hidalgo Holdings.
- A client attempting to operate, manage or obtain access to a brokerage account registered in another person's name without producing reasonable evidence of lawful authority.
- Service fees being paid by an unrelated third party who has no clear connection with the client or the service agreement.
- A client requesting that refunds, commissions or service-related payments be sent to an account, wallet or beneficiary different from the original payer without a reasonable explanation.
- A person refusing to explain the source, ownership or purpose of funds where such information is reasonably required for verification or compliance purposes.
- Transactions or payment arrangements that appear unnecessarily complicated, commercially unreasonable, inconsistent with the stated service or designed to obscure the identity of the true payer or beneficiary.

- The use of multiple identities, accounts, devices, email addresses or telephone numbers in circumstances that cannot be reasonably explained.
- Attempts to use Hidalgo Holdings' invoices, agreements, branding, service descriptions or correspondence to falsely portray unlawful funds as legitimate investment returns, trading income or professional-service payments.

The presence of one unusual factor does not automatically establish that money laundering, terrorist financing or criminal activity has occurred. Hidalgo Holdings will consider the overall circumstances and may request further information before making a decision.

2. LAWS AND COMPLIANCE FRAMEWORK AGAINST MONEY LAUNDERING

Sri Lanka's anti-money-laundering and counter-terrorist-financing framework includes the **Prevention of Money Laundering Act No. 5 of 2006**, the **Financial Transactions Reporting Act No. 6 of 2006**, and the **Convention on the Suppression of Terrorist Financing Act No. 25 of 2005**, together with their amendments, regulations, rules, directions and guidance. The Financial Intelligence Unit of Sri Lanka was established under the Financial Transactions Reporting Act and operates within the Central Bank of Sri Lanka. Hidalgo Holdings will seek to conduct its activities consistently with the legal requirements that apply to the Company, its services and the particular business relationship. The extent of any statutory obligation may depend on whether Hidalgo Holdings is legally classified as a reporting institution, regulated business, financial institution, designated non-financial business or another type of entity falling within the scope of the relevant law. This Notice must not be interpreted as a representation that Hidalgo Holdings holds a banking, brokerage, investment-management, payment-services or other regulatory licence. Any licensing, registration or regulatory status must be confirmed separately through official records and formal Company communications.

Where Hidalgo Holdings provides services to, communicates with or maintains relationships involving persons in the United Kingdom, the Company will also consider any UK anti-money-laundering or financial-crime obligations that are legally applicable to the relevant activity. UK-regulated firms falling within the Money Laundering Regulations are generally expected to adopt a risk-based approach, perform customer due diligence, maintain appropriate systems and controls, conduct ongoing monitoring and apply enhanced due diligence in higher-risk situations. The application of UK legislation to Hidalgo Holdings will depend on the precise nature, location and regulatory classification of the services provided. The inclusion of UK-related compliance wording in this Notice does not by itself mean that Hidalgo Holdings is authorised or supervised by the UK Financial Conduct Authority. Hidalgo Holdings may adopt reasonable and proportionate safeguards even where a particular statutory requirement is not directly applicable. These safeguards are intended to protect the Company, its clients, employees, service providers and commercial reputation from fraud, identity misuse and financial crime.
Such measures may include:

- **Risk-based assessment of clients and relationships:** Hidalgo Holdings may assess the nature of a client's requested service, country of residence, payment arrangements, account ownership, business activity, communication behaviour and other relevant circumstances in order to determine the level of financial-crime risk associated with the relationship.
- **Client identification and verification:** The Company may request information and documents sufficient to confirm the client's identity, age, address, account ownership and authority to act.
- **Verification of beneficial ownership and authority:** Where a company, partnership, trust, representative, agent or another legal arrangement is involved, Hidalgo Holdings may request information identifying the natural person who ultimately owns, controls or benefits from the relevant entity, account or service.
- **Source-of-funds and source-of-wealth enquiries:** Where a relationship, payment or account presents increased risk, the Company may request a reasonable explanation and supporting evidence concerning how the relevant funds were obtained and who legally owns them.

- **Sanctions and adverse-information screening:** Hidalgo Holdings may review publicly available information, applicable sanctions lists, politically exposed person information and other reliable sources where such screening is reasonably required.
- **Ongoing monitoring:** Verification is not necessarily limited to the beginning of the relationship. The Company may review information during the relationship where account ownership, payment methods, risk circumstances, client instructions or identifying details change.
- **Internal review and escalation:** Employees or representatives who identify unusual or suspicious circumstances may be required to refer the matter to the person responsible for compliance or senior management for further assessment.
- **Cooperation with lawful authorities:** Hidalgo Holdings may provide information to a competent authority where disclosure is required or permitted by applicable law, court order, regulatory requirement or lawful investigation.

Hidalgo Holdings reserves the right, to the fullest extent permitted by law and the applicable agreement, to refuse, delay, restrict, suspend or terminate a registration, service, subscription, account-management arrangement, payment, refund or communication where:

- The individual refuses or repeatedly fails to provide information reasonably requested for identification, verification or compliance purposes.
- Information or documentation appears inaccurate, forged, altered, misleading, incomplete or inconsistent.
- Hidalgo Holdings cannot reasonably confirm the identity or lawful authority of the person requesting access to a brokerage account.
- The ownership, origin, destination or purpose of a payment cannot be reasonably established.
- The Company has reasonable grounds to suspect fraud, money laundering, terrorist financing, sanctions evasion, identity misuse or another unlawful activity.
- Continuing the relationship may expose Hidalgo Holdings, its clients, staff or service providers to unacceptable legal, financial, operational or reputational risk.

- A bank, broker, payment provider, governmental authority, regulator, court or other competent body requires or reasonably requests the Company to restrict the relationship.

Hidalgo Holdings will not be responsible for delays, restrictions, rejected services or termination arising from a client's failure to provide reasonably requested verification information, provided that the Company has acted lawfully, reasonably and in accordance with the applicable agreement.

In some circumstances, Hidalgo Holdings may be legally restricted from informing a client that a matter has been referred, reviewed, reported or investigated. The Company may therefore be unable to provide detailed reasons for a compliance decision where disclosure could breach law, compromise an investigation, prejudice the rights of another person or expose the Company to liability.

3. CLIENT IDENTITY VERIFICATION PROCEDURE

Hidalgo Holdings may perform identity verification during client registration, account opening within the Hidalgo client portal, commencement of an account-management arrangement, purchase of certain services, receipt of service payments, account-access authorisation, changes to client information, requests involving refunds or withdrawals from third-party brokerage accounts, and at other times where verification is reasonably considered necessary.

The nature and extent of verification may vary according to the risk level, requested service, country involved, type of client, payment method, account structure and other relevant circumstances. Hidalgo Holdings is not required to apply identical procedures to every client where a risk-based approach is legally permitted.

For an individual client, Hidalgo Holdings may request:

- The client's complete legal name, date of birth, country of residence, nationality and current residential address.
- A clear and valid copy of a passport, national identity card, driving licence or another government-issued photographic identification document.

- A utility bill, bank statement, government letter, tenancy record or another document that reasonably confirms the client's residential address.
- A live photograph, video-identification call, facial-verification check or another reasonable method of confirming that the identification document belongs to the person presenting it.
- The client's occupation, employer, business activity, source of income, source of funds or general financial profile where reasonably relevant.
- Details of the brokerage account that the client has asked Hidalgo Holdings to manage, including evidence that the account is held in the client's own name or that the client has lawful authority to act.

For a company, partnership, trust, association or other legal arrangement, Hidalgo Holdings may request:

- The entity's legal name, registration number, registered address, operating address and principal business activity.
- Certificates of incorporation, constitutional documents, partnership agreements, trust documents, registers or other documents establishing the entity's legal existence.
- Information identifying directors, partners, trustees, authorised representatives, shareholders and beneficial owners.
- Evidence showing that the person communicating with Hidalgo Holdings is legally authorised to act for and bind the entity.
- Information concerning the purpose of the relationship, expected use of services, payment arrangements and source of funds.

Hidalgo Holdings may use reasonable verification systems, document-authentication services, video verification, database checks, public-register searches, brokerage confirmations or other lawful methods to assess the accuracy of the information provided. The verification process may require several business days, particularly where documents are incomplete, foreign documents require additional review, a third-party provider is involved, enhanced checks are required or the Company is awaiting information from the client.

The client agrees and acknowledges that:

- All information and documents submitted to Hidalgo Holdings must be genuine, accurate, complete, current and lawfully obtained.
- The client must not submit another person's identity document, account statement, proof of address, payment instrument or brokerage credentials without proper lawful authority.
- The client must inform Hidalgo Holdings promptly if previously supplied information becomes inaccurate, expires or materially changes.
- The client may be required to provide updated identification documents, additional explanations or supporting records during the business relationship.
- Completion of verification does not amount to a guarantee that the client, transaction or account is entirely free from legal or financial-crime risk.
- Hidalgo Holdings may rely upon documents and representations supplied by the client unless the Company knows or reasonably suspects that the information is false or misleading.
- Hidalgo Holdings may refuse or discontinue a service where verification cannot be completed to the Company's reasonable satisfaction.

Where a payment is made for a service, subscription or management charge, Hidalgo Holdings may take reasonable steps to confirm that the payment originates from the client or another person whose involvement has been disclosed and reasonably explained.

The Company may request:

- A payment confirmation, transfer receipt or transaction reference.
- The name of the payer and the relationship between the payer and the client.
- Evidence that the payer authorised the payment.
- An explanation where the payment originates from a country, bank account, card or digital wallet inconsistent with the client's information.
- Additional documents concerning the ownership or source of the payment where the circumstances create an increased risk.

Hidalgo Holdings does not conduct identity verification because it automatically suspects every client of unlawful activity. Verification procedures are intended to protect genuine clients, prevent identity theft, confirm lawful account ownership and reduce the risk that the Company's services will be misused.

Clients are expected to provide reasonable cooperation and understanding throughout the verification process. Failure to cooperate may prevent Hidalgo Holdings from establishing or continuing the relevant service relationship.

4. COMPLIANCE WITH THE PRIVACY POLICY AND HANDLING OF VERIFICATION INFORMATION

Personal data, identification documents, payment information, account records, verification results and other information received for anti-money-laundering, fraud-prevention, identity-verification or security purposes will be handled in accordance with the Hidalgo Holdings Privacy Policy and applicable data-protection requirements.

Hidalgo Holdings will seek to collect only the information reasonably necessary for the relevant purpose and will implement appropriate administrative, organisational and technical measures intended to protect such information against unauthorised access, unlawful disclosure, accidental loss, misuse, alteration or destruction.

Verification information may be used for purposes including:

- Confirming the identity of the client or authorised representative.
- Establishing the ownership of or authority over a client-owned brokerage account.
- Confirming the origin, ownership or purpose of a payment made to Hidalgo Holdings for services, subscriptions or other agreed charges.
- Detecting and preventing identity theft, fraud, money laundering, terrorist financing, sanctions evasion and other unlawful conduct.
- Complying with lawful requests, reporting obligations, court orders, investigations or legal proceedings.

- Establishing, exercising or defending Hidalgo Holdings' contractual or legal rights.
- Protecting clients, staff, systems, service providers and the Company's commercial reputation.

Hidalgo Holdings may share relevant verification information with carefully selected third parties where reasonably necessary and legally permitted. Such parties may include:

- Identity-verification and document-authentication providers.
- The client's selected or authorised brokerage provider.
- Banks, card processors, payment gateways and electronic-payment providers.
- Website, cloud-storage, cybersecurity and information-technology providers.
- Legal advisers, accountants, auditors and other professional advisers.
- Courts, law-enforcement agencies, regulators, tax authorities, financial-intelligence units and other competent authorities where disclosure is required or permitted by law.

Where information is disclosed to a service provider acting for Hidalgo Holdings, the Company will seek to limit disclosure to information reasonably necessary for the relevant service and will seek appropriate confidentiality, security and data-protection commitments.
Hidalgo Holdings may retain verification and compliance records for as long as reasonably necessary to:

- Maintain an active client relationship.
- Provide and administer agreed services.
- Demonstrate the basis upon which a client was accepted, refused, restricted or terminated.
- Meet legal, contractual, accounting, tax, security or regulatory requirements.
- Investigate complaints, suspected fraud or disputed transactions.
- Establish, exercise or defend legal claims.
- Protect the Company against repeated identity misuse or other financial-crime risks.

When the relevant retention purpose no longer applies and no legal reason exists to continue retaining identifiable information, Hidalgo Holdings may securely delete, destroy or anonymise the information. The Company may retain limited information on an internal restriction or suppression record where necessary to prevent a person previously associated with confirmed fraud, identity misuse or unlawful conduct from repeatedly attempting to access the Company's services, provided that such retention is lawful and proportionate. A request for additional verification information does not mean that Hidalgo Holdings has concluded that the client has committed an offence. Such requests may arise from routine procedures, incomplete information, changed circumstances, security concerns, risk-based reviews, third-party requirements or legal obligations. Hidalgo Holdings will endeavour to conduct verification and compliance procedures fairly, respectfully and without unlawful discrimination. However, the Company retains the right to make reasonable commercial and risk-management decisions regarding whether to commence, continue, restrict or terminate a business relationship.

CLIENT ACKNOWLEDGEMENT

By registering for, purchasing, accessing or continuing to use a service provided by Hidalgo Holdings, the client acknowledges and agrees that:

- The client has read and understood this Prevention of Money Laundering and Countering the Financing of Terrorism Notice.
- Hidalgo Holdings does not request or accept client trading capital as an investment deposit and does not ordinarily hold, safeguard or control the client's investment funds.
- Any trading capital connected with an account-management service remains within the client's own account with an independent third-party brokerage or financial-service provider.
- Payments made directly to Hidalgo Holdings are limited to properly disclosed service fees, management charges, educational fees, subscriptions, administrative charges and other agreed professional-service payments.

- Hidalgo Holdings may request identity, account-ownership, payment, source-of-funds and other verification information where reasonably necessary.
- The client is responsible for providing genuine, accurate, complete and current information and for promptly correcting any information that becomes inaccurate.
- Hidalgo Holdings may refuse, restrict, suspend or terminate services where verification cannot be completed or where the Company identifies an unacceptable legal, fraud, money-laundering or terrorist-financing risk.
- Hidalgo Holdings may process, retain and disclose verification information in accordance with its Privacy Policy and applicable law.
- The Company may be unable to provide detailed reasons for certain compliance decisions where disclosure is restricted by law or could prejudice an investigation.

Hidalgo Holdings (Private) Limited
Company Registration Number: **PV00279213**
Policy Version: 1.0
Last Revised: 27 July 2026

Compliance Contact:
Information concerning the person or official position responsible for financial-crime and compliance matters may be obtained upon reasonable written request submitted to support@hidalgoholdings.com