

**POLICY ON PREVENTION OF MONEY LAUNDERING AND
TERRORISM FINANCING**12 vlajkovičeva
11000 belgrade
serbia**LEGAL STATUS**

Zajednička advokatska kancelarija Bojanović i partneri is a Serbian legal practice organised and registered before the Belgrade Bar Association [in Serbian: “Advokatska komora Beograda”] in the form of a joint law office with the registered seat [in Serbian: “registrovano sedište kancelarije”] at Vlajkovičeva street no. 12, 11000 Belgrade, Republic of Serbia. The full registered name of the joint law office is “Zajednička advokatska kancelarija Bojanović i partneri” (hereinafter: “Bojanovic & Partners” or “we” or “BOPA”).

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BOPA is inscribed before the relevant registry of the Belgrade Bar Association by the respective decision of the Belgrade Bar Association number 4316/2016, in line with the Law on Advocacy, Statute of the Serbian Bar Association [in Serbian: “Statut Advokatske komore Srbije”] (Official Gazette of RS 85/2011, 78/2012 and 86/2013), Statute of the Belgrade Bar Association [in Serbian: “Statut Advokatske komore Beograda”] (Official Gazette of City of Belgrade 93/2016) and Code of Professional Ethics of Attorneys [in Serbian: “Kodeks profesionalne etike advokata”] (Official Gazette of RS 27/2012) (hereinafter: “Applicable Legislation”).

Pursuant to the Applicable Legislation, Vladimir Bojanovic, Attorney at Law [in Serbian: “Advokat”], is a managing partner [in Serbian: “Rukovalac”] of the joint law office (hereinafter: “Managing Partner”), having PIB No: 106347071 and Statistical No: 57304278.

Pursuant to the Applicable Legislation, the joint law office does not have legal subjectivity. Consequently, the legal assistance is provided by the founders of the office and (on a case to case basis) by other Attorneys at Law engaged in line with the Applicable Legislation by the founders of the joint law office, with the assistance of legal trainees [in Serbian: “advokatski pripravnici”] (hereinafter jointly: “Lawyers”).

SCOPE OF THE POLICY

This Anti-Money Laundering Policy (hereinafter: “Policy”) applies to all BOPA Lawyers and other personnel, including but not limited to Partners, Attorneys at Law, and Associates. This Policy also applies to all sub-contractors engaged by BOPA on an ad-hoc basis. Furthermore, all persons engaged in any way by BOPA,

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including those conducting tasks, shall observe this Policy (hereinafter: “BOPA Personnel”).

GENERAL OVERVIEW

BOPA is committed to prevention of money laundering and financing of terrorism. Our mission is to provide legal assistance at the level of excellence in a lawful manner. Our vision is to be a leading law firm that will be a role model to legal practitioners in Serbia, in regards to professional standards. Accordingly, BOPA provides legal assistance to its clients with full observance of the law, in particular the Law on the Prevention of Money Laundering and the Terrorism Financing of the Republic of Serbia- “Official Gazette of RS” no. 20/2009, 72/2009, 91/2010 and 139/2014 - hereinafter: the “Law”) and its by-laws, which make legal framework for prevention of money laundering and financing of terrorism in Serbia.

NOTIONS OF MONEY LAUNDERING AND TERRORISM FINANCING

Money Laundering

Pursuant to the Law, money laundering is to be understood as:

1. conversion or transfer of property acquired via criminal offence;
2. concealment or misrepresentation of the true nature, source, location, movement, disposition, ownership of or rights in regard to the property acquired via criminal offence;
3. acquisition, possession, or use of property acquired via commission of a criminal offence.

Pursuant to Article 231 of the Criminal Code of the Republic of Serbia (“Official Gazette of RS”, no. 85/2005, 88/2005, 107/2005, 72/2009, 111/2009, 121/2012, 104/2013 and 108/2014 (hereinafter: “Criminal Code”) money laundering is a criminal offence. The sanction for this offence can reach 12 years of imprisonment.

Terrorism Financing

Pursuant to the Law, terrorism financing means provision or collection of funds or property, or an attempt to do so, with the intention of using them, or in the knowledge that they may be used, in full or in part:

1. to carry out a terrorist act;
2. by terrorists;

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3. by terrorist organizations.

Terrorism financing means inciting and assisting in the provision or collection of property, regardless of whether a terrorist act was committed or whether property was used for the commission of a terrorist act. Pursuant to the Law, a terrorism act is to be understood as a criminal offence specified in the treaties listed in the annex to the International Convention for the Suppression of the financing of terrorism, as well as any other act intended to cause death or a serious bodily injury to a civilian or any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to refrain from doing any act. Pursuant to the Law, a terrorist is to be understood as a person who individually or together with other persons willfully:

1. attempts or perpetrates an act of terrorism in any way, directly or indirectly;
2. aids and abets in the commission of a terrorist act;
3. has knowledge of an intention of a group of terrorists to commit an act of terrorism, contribute to the commission, or assist in the continuation of the commission of a terrorist act to a group acting with a common purpose.

Pursuant to the Law, a terrorist organization is to be understood as a group of terrorists which:

1. attempts or perpetrates an act of terrorism in any way, directly or indirectly;
2. incites and aids and abets in the commission of a terrorist act;
3. has knowledge of an intention of a group of terrorists to commit an act of terrorism, contribute to the commission, or assist in the continuation of the commission of a terrorist act to a group acting with a common purpose.

Pursuant to Article 393 of the Criminal Code, terrorism financing is considered to be a criminal offence. The sanction for this offence can reach 10 years of imprisonment.

OBLIGATIONS OF ATTORNEYS

Collection of Information

Pursuant to the Law, attorneys are obliged to apply certain actions and measures for prevention of money laundering and terrorism financing when providing the following forms of legal assistance:

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- 1) Assisting in planning or execution of transactions for a client concerning:
 - buying or selling of real estate or a company;
 - management of client's assets;
 - opening or disposing of an account with a bank (bank, savings or securities accounts);
 - collection of contributions necessary for the creation, operation or management of companies;
 - creation, operation or management of an entity existing under foreign law.

- 2) Carrying out, on behalf of or for a client, any financial or real estate transaction. The measures and actions at issue are applied on the following occasions in the course of provision of above forms of legal assistance of an attorney:
 - when establishing a business relationship with a client;
 - when carrying out a transaction amounting to the RSD equivalent of EUR 15,000 or more, calculated by the National Bank of Serbia median rate on the date of execution of the transaction, irrespective of whether the transaction is carried out in one or more than one connected operations;
 - when there are reasons for suspicion of money laundering or terrorism financing with respect to a client or transaction;
 - when there are doubts about the veracity or credibility of previously obtained information about a client or a beneficial owner.

Those measures and actions are as follows:

- 1) verification of identity of a client and his representatives (if applicable);
- 2) identification of a beneficial owner of a client, which is a legal person (definition of a beneficial owner is given below);
- 3) obtaining information on the purpose and intended nature of a business relationship or transaction, as well as on a business activity of a client;
- 4) collection of information on value of a transaction and the manner of performance;
- 5) collection of information on origin of property which is or shall be a subject matter of business relation or transaction;

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- 6) regular monitoring of business transactions of a client and checking the consistency of the client's activities with the nature of the business relationship and the usual scope and type of the client's business transactions.

Beneficial owner of a company or any other legal person is to be understood as:

- 1) an individual who owns, directly or indirectly, 25% or more of the business share, shares, voting right or other rights, based on which he participates in the management of the legal person, or who participates in the capital of the legal person with 25% or more of the share, or has a dominant position in managing the assets of the legal person;
- 2) individual who has provided or provides funds to a company in an indirect manner, which entitles him to influence significantly the decisions rendered by the managing bodies of the company concerning its financing and business operations.

Beneficial owner of an entity existing under a foreign law, which receives, manages, or allocates assets for a specific purpose, is to be understood as:

- 1) an individual using, indirectly or directly, 25% or more of the assets that are the subject matter of management, provided that the future users have been designated;
- 2) an individual or group of persons for whose interest an entity existing under a foreign law is established or operates, provided that such individual or group of persons are identifiable;
- 3) an individual who, indirectly or directly, without limitations manages 25% or more of the property of an entity existing under a foreign law.

An attorney will determine the identity of a client or its representative by way of an insight into a personal identity document of such persons in their presence, or into the original or certified copy of the documentation from an official public register, which shall be issued no earlier than 3 months before its submission to an attorney, or by direct insight into an official public register.

An attorney will determine the identity of a beneficial owner of a client that is a legal person by way of an insight into the original or certified copy of the documentation from an official public register which shall be issued no earlier than 3 months before its submission to the attorney. If it is not possible to obtain the required information from such sources, the information shall be obtained by way of an insight into the

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original or certified copy of a document or other business documentation submitted by a representative of the legal person.

An attorney shall obtain other relevant information by way of an insight into the original or certified copy of an identity document or other business documentation. An attorney shall obtain a written statement from a client concerning any missing information. BOPA observes all mentioned obligations which relate to collection of information in the course of provision of legal assistance to its clients.

Reporting and Monitoring

If a BOPA Personnel member determines that there are reasons for suspicion of money laundering or terrorism financing regarding a person or a transaction, he/she shall immediately inform the Managing Partner of such suspicion. BOPA shall immediately inform the Administration for prevention of Money Laundering of the Republic of Serbia (hereinafter: "Competent Authority") on the existing suspicion, before carrying out the transaction, and indicate in a report the time when the transaction should be performed. In a case of urgency, such report may be made by telephone, in which case it shall subsequently be sent to the Competent Authority in writing, but no later than the next working day. This reporting obligation shall also apply to a planned transaction, irrespective of whether or not the transaction was later carried out.

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Should BOPA be unable to comply with these obligations, either due to the nature of a transaction, or because a transaction has not been carried out, or for any other justified reason, it shall send the report to the Competent Authority, as soon as possible. BOPA shall make a written statement explaining the reasons why it did not act as prescribed.

When a client requests legal assistance from BOPA concerning money laundering or terrorism financing, BOPA shall report it to the Competent Authority promptly but no later than 3 days after the day when the client requested such legal assistance.

Notwithstanding the mentioned reporting obligations, an attorney will not be under the obligation to deliver to the Competent Authority any information or documentation which he obtains from a client or about a client when determining his legal position or when representing him in a court proceeding, or in relation to a court proceeding, including any advice provided in relation to the initiation or avoidance of such proceedings, irrespective of whether such information has been obtained before, during, or after the court proceedings. In the given situation, an attorney shall not be obliged to send information or documentation to the Competent Authority upon its request for information or documentation. However, an attorney

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shall send a written statement, stating the reasons why he did not act according to such request, immediately, but no later than within 15 days as from the date of receipt of such a request.

Pursuant to the Rulebook on Methodology of Performance of Business Activities in Accordance with the Law on Prevention of Money Laundering and the Terrorism Financing (“Official Gazette of RS” no. 7/2010, 41/2011 - hereinafter: “Official Prevention Methodology”), an attorney is obliged to keep evidence on the collected information and documentation, which relates to such information, electronically, chronologically and in a manner that provides an adequate approach to such information.

Information from the evidence must be searchable under the following criteria:

- 1) name and last name of an individual;
- 2) name of a legal person;
- 3) date of a transaction;
- 4) currency of a transaction;
- 5) a country with which a transaction is performed. BOPA observes all mentioned obligations that relate to reporting and monitoring stipulated by the Law and its by-laws.

ENSURING COMPLIANCE

Training and Education

Pursuant to the Official Prevention Methodology, BOPA will duly and timely render an annual program of annual professional training and improvement of BOPA Personnel for prevention and discovering of money laundering and terrorism financing. In particular, the annual program will contain:

- 1) planned number of trainings on an annual level;
- 2) planned number of BOPA Personnel which will attend trainings, as well as profiles of members of BOPA Personnel who will attend such trainings;
- 3) matters from the area of prevention of money laundering and terrorism financing that will be included in the training;
- 4) manner of realization of the training (seminars, workshops, etc.).

In addition, Managing Partner will take all other necessary steps to ensure that BOPA Personnel are well acquainted with all forms of money laundering and terrorism financing and situations in which there is a high possibility of existence of

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money laundering and terrorism financing. In addition, BOPA will assure that BOPA Personnel are properly introduced to their obligations that relate to prevention of money laundering and terrorism financing, in particular reporting obligations and collection of relevant information from clients.

Breach of the Policy

In case of breach of any of the above obligations for prevention of money laundering and terrorism financing by any member of BOPA Personnel, the Managing Partner will apply appropriate measures in order to ensure general and special prevention of such misconduct among BOPA Personnel.

Adjustment of Policy

BOPA will duly and timely amend this Policy to adjust it in accordance with changes in legal and social context of money laundering and terrorism financing. Therefore, this Policy shall always be fully applicable and effective so that the full implementation of the relevant provisions of the law is achieved.

This Policy is applicable as of 1st October 2016.