

## **Know Your Customer (KYC) Policy**

### **1. Preamble:**

4Holders spa and all the subsidiaries are required to put in place a comprehensive policy framework, duly approved by Board of Directors or competent authority authorized by Board of Directors, in this regard. This policy document has been prepared in line with the laws in force.

### **2. Objectives, Scope and Application of the Policy:**

The primary objective is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities.

- To lay down explicit criteria for acceptance of customers
- To establish procedures to verify the bona-fide identification of individuals/non individuals for opening of account.
- To establish processes and procedures to monitor high value transactions and/or transactions of suspicious nature in accounts.

### **3. Definition of Customer or Legal Entity (LE)**

For the purpose of KYC policy a 'Customer' means a person defined under KYC policy and any amendment from time to time by 4GIFT Group which are at present as under:-

- A person or entity that maintains an account and/or has a business relationship with 4GIFT Group;
- One on whose behalf the account is maintained
- Any other person or entity connected with a financial transaction which can pose significant reputation or other risks.

### **4. Customer Acceptance Policy ("CAP")**

Customer Acceptance Policy requires all customers that purchases a gift higher 2000 USD to fill in KYC Form as attached to capture the relevant data for all categories of customers and provide supporting documents as given in the forms as a part of customer identification process / KYC.

### **5. Customer Identification Procedures ("CIP")**

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information. 4GIFT shall obtain sufficient information necessary to verify the identity of each new customer.

## 6. Compliance of KYC - Documents Required

Before execution of payment of the gift higher 2000 usd, 4GIFT shall ensure the compliance of KYC of customers. 4GIFT has prescribed a KYC form.

As required under the Act and rules, information so collected shall be properly retained and preserved for each customer. Profile of customer may be prepared for quick reference as and when required. The information/documents so collected shall be treated as confidential and shall not be divulged for cross selling or for any other purpose.

a) In case of Individual

Proof of Identity	Any one of the following: 1. Passport* 2. SSN (last 4 digit) 3. ID card 4. Phone number
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## 7. Periodic Updation of KYC documents

4GIFT shall periodically update customer identification data after the transaction (higher 2000 usd) is completed and review every 12 month. If there's a change in KYC information, 4GIFT shall undertake the KYC process equivalent to onboarding as new Customer within 30 days of such changes intimated by the Customer.

The periodicity of updation of KYC shall be once in ten (10) years in case of low risk category customers and once in eight (8) years in case of medium risk categories and two (2) years in case of high risk categories.

While the KYC guidelines will apply to all new customers, the same would be applied to the existing customers on the basis of materiality and risk. However, transactions in existing customers would be continuously monitored for any unusual pattern in the operation of the gift.

## 8. Monitoring and reporting of Transactions:

Monitoring of transactions will be conducting taking into consideration the risk profile of the customer/gift higher 2000 usd.

4GIFT shall make endeavors to understand the normal and reasonable activity of the customer so that the transactions that fall outside the regular/pattern of activity (gift higher 2000 usd) can be identified.

Higher risk accounts shall be subject to intensify monitoring. 4GIFT shall carry out the periodic review of risk categorization of transactions/customers and the need for applying enhanced due diligence measures at a periodicity of not less than once in twelve months.

After due diligence, any transactions or suspicious nature will be duly reported by principal officer to Director, Financial Intelligence USA.

To ensure monitoring and reporting of all transactions and sharing of information as required under the law for KYC, Board may nominate any Director or authorized MD or any other officer(s) duly authorized by MD to be designated as 4GIFT's Principal Officer with respect to KYC/ AML.

#### **9. Principal Officers for KYC/ AML:**

Principal Officer(s) for KYC will act independently and report directly to the concerned Director/MD or to the Board of Directors. The role and responsibilities of the Principal Officer(s) should include overseeing and ensuring overall compliance with regulatory guidelines on KYC/AML issued from time to time and obligations under the Prevention of Money Laundering Act. The required data of the customer shall be collected as per formats (Forms KYC A/B) prescribed in this policy. To ensure monitoring of 4GIFT's KYC Guidelines, the customers may be requested to resubmit their KYC periodically as defined elsewhere based on Risk Category or in case there is any change in the structure of entity which does not have any relationship with 4GIFT within 30 days of information of such change.

Information collected from the Customer shall be treated as confidential and details thereof are not to be divulged for cross selling or any other like purposes. 4GIFT shall therefore, ensure that information sought from the Customer is relevant to the perceived risk, is not intrusive and is in conformity with the guidelines issued by law in this regard.

#### **10. Closure of Accounts/Cancellation of gift:**

Where 4GIFT is unable to apply appropriate KYC measures due to non furnishing of information and/or non- operation by the customer, 4GIFT shall terminate Business Relationship and cancel of the gift after issuing due notice to the customer explaining the reasons for taking such a decision. Such decision shall be taken with the approval of Chairman & Managing Director or Principal Officer.

#### **11. Risk Management:**

4GIFT customers will be categorized based on perceived risk, into three categories - A, B & C. None of the customer will be exempted from 4GIFT's KYC procedure if the customer has done the gift with the value higher 2000 usd. The risk category of the customers shall be categorized into three levels:

- Level A – High Risk

- Level B – Medium Risk
- Level C – Low Risk

The following customers shall be categorized as **Level C** risk customer

- ✓ Relationships with Significant and well established entities.
- ✓ The customer purchases gift strictly with value less 2000 usd.

The following customers shall be categorized as **Level B** risk customer

- ✓ All relationships not categorized as Level C and Level A

The following customers shall be categorized as **Level A** risk customer based on the limited due diligence carried out at the time of purchase of gift higher 2000 usd.

## 12. PEP Policy of PFS

As per Anti Money Laundering Standards, it has been recognized that there is no internationally recognized legal definition of a Politically Exposed Person. However they would normally be considered to include senior present and former political figures, their immediate family and close associates.

With no known sources of databases that have complete record of all politically exposed persons, details relating to the following class of persons could generally be included for the purpose of identifying PEPs.

- All existing and past Members of Legislative Assemblies/Members of Parliament
- List of candidates who have contested elections in the past five years.
- List of known politically connected movie stars, industrialists
- List of all members of recognized political parties.

PFS shall verify the customer is PEP based on data available in public domain to the extent possible. In this regard, 4GIFT shall obtain the declaration about PEP at the time of KYC compliance.

## 13. Risk Management Committee: (“RMC”)

Principal officer may submit the periodic report to RMC if there is a need arises in case of high risk cases and which may require further guidance from Committee so they can assess the risk involved in the case of different customers on the basis of data collected by project department. Depending on the requirement, services an independent consultant having knowledge and background on the subject may be taken. Such issues categorization shall be kept confidential and shall not be divulged to any third party irrespective of their relationship with Company at any level of organization.

**14. Customer Education & Awareness:**

The above policy along with relevant forms shall be hosted on 4GIFT's website [www.SurpriseUinc.com](http://www.SurpriseUinc.com) to educate the customer of the objectives of the KYC / AML/ CFT programme. While dealing with customers, Dealing Officers and Staff in 4GIFT shall take special care in obtaining required information from the client.

**15. Employee's Training:**

4GIFT shall have an ongoing employee training programme so that the Team members are adequately trained in KYC/ AML procedures. Training requirements shall have different focuses for frontline staff, compliance staff and officer/staff dealing with the new customers. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them.

**16. Updation in KYC Policy of Company**

MD & CEO of PFS will be authorized to amend/modify the KYC/ AML Policy or such other related guidance notes of Company, to be in line statutory authority's requirements/updates/ amendments time to time.

SurpriseU Inc – 251 Little Falls Drive – Wilmington Delaware – EIN: 92-0595301