Compliance Manual

Regulatory Governance & Operational Standards

> **CONFIDENTIALITY NOTICE**
>
> This document contains sensitive compliance procedures and control mechanisms. Distribution is restricted to authorized compliance personnel and senior management only.

1. Purpose

The Compliance Manual outlines the governance mechanisms ensuring adherence to global regulations, AML/CFT standards, and local jurisdictional laws. It serves as the foundation for GDB's Regulatory and Operational Compliance Program.

2. Governance Structure

- **Chief Compliance Officer (CCO): Oversees the global compliance function**
- **Regional Compliance Heads: Ensure local adherence to financial laws**
- **Board Compliance Committee: Provides oversight and reports directly to the Board of Directors**

3. Regulatory Framework

- **FATF Standards – Alignment with global anti-money laundering best practices**
- **Basel III Principles – Capital adequacy and risk management**
- **GDPR & PDPA – Data protection and privacy**
- **OECD Guidelines – Corporate governance and ethics**

4. Customer Due Diligence (CDD)

- Full KYC onboarding procedure for all individual and corporate clients
- Enhanced Due Diligence (EDD) for high-risk accounts and PEPs
- Continuous monitoring of transactions through automated surveillance systems
- Periodic refresh of CDD based on customer risk rating

5. Transaction Monitoring & Reporting

- Automated flagging of unusual transactions
- Immediate Suspicious Transaction Report (STR) submission to relevant Financial Intelligence Units (FIUs)
- Quarterly review by the Compliance Committee
- Real-time alerts for high-risk transaction patterns

6. Sanctions & Embargoes

Strict adherence to OFAC, UN, EU, and national sanction lists. Screening tools are updated daily to prevent restricted transactions. Any match triggers immediate account freeze and escalation to CCO.

7. Staff Compliance Training

Mandatory completion of annual compliance training modules with proctored assessment and certification. Minimum passing score: 85%. Specialized training for frontline, compliance, and audit personnel.

8. Internal Audit Integration

Compliance teams collaborate with Internal Audit for independent testing of controls and policy adherence. Semi-annual compliance audits mandatory for all business units.

> **Escalation Protocol**
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> Any material compliance breach must be reported to the CCO within 2 hours and to the Board Compliance Committee within 24 hours.