



CODE OF CONDUCT





Anti-Bribery, Anti-Corruption, Anti-Fraud

1. Anti-Bribery, Anti-Corruption, Anti-Fraud

Consistent with KM & D Ltd commitment to conducting business in an honest and ethical manner at all times, the Anti-Bribery/Anti-Corruption Policy prohibits employees and professionals (among others), when conducting business on behalf of KM & D Ltd, from directly or indirectly offering, giving, soliciting, or receiving anything of value to or from government officials, clients, suppliers, or other business partners if it is intended, or could reasonably appear as intended, to improperly influence a business decision or obtain any other advantage. Items of value may include (among other things):

- ✓ Money, charitable contributions, or other assets
- ✓ Employment opportunities
- ✓ Gifts, travel, hospitality, and entertainment
- ✓ Favors or kickbacks

Engaging in such behaviour may violate Bulgarian or foreign anti-bribery or anti-corruption laws. In addition to potentially exposing KM & D Ltd. and the individuals involved to regulatory, civil, and criminal liability, it also presents a reputational risk to KM & D Ltd.

All employees and professionals are responsible for the prevention, detection, and prompt reporting of actual or suspected fraudulent activities.

Fraud includes the intentional act of deception, falsification of information, or misrepresentation by a client, employee, professional, vendor, or any other third party with the intent to convert another's assets for personal gain or third-party gain or benefit.

All employees and professionals are responsible for reviewing and understanding their roles and responsibilities with regard to KM & D Ltd Anti-Bribery/Anti-Corruption Policy. Anyone who is aware of a potential violation of this policy must report it to General Manager. Employees and professionals should reference the Anti-Bribery/Anti-Corruption Policy and Anti-Fraud Policy for further details.

Anti-Money Laundering

KM & D Ltd prohibits money laundering and takes active steps to prevent, detect, and report money laundering to appropriate government agencies in Bulgaria — as well as any activity that facilitates money laundering, the funding of terrorism, or other criminal activities involving customer accounts on the official books and records of KM & D Ltd.

The company strictly follows the law on measures against money laundering.

This law defines the measures for the prevention of the use of the financial system for the purposes of money laundering, as well as the organization and control of their implementation.

Money laundering within the meaning of this law, when committed intentionally, is:

1. the conversion or transfer of property, with the knowledge that this property was acquired from a crime or from an act of participation in a crime, in order to hide or disguise the illegal origin of the property or to support a person who participates in the commission of such an act in order to avoid the legal consequences of that person's act;
2. the concealment or concealment of the nature, source, location, disposition, movement or rights in relation to or ownership of property, with the knowledge that such property was acquired by a crime or by an act of participation in a crime;
3. the acquisition, possession, possession or use of a property with knowledge at the time of receipt that it was acquired from a crime or from an act of participation in a crime;
4. participation in any of the actions under items 1 - 3, association with the purpose of performing such an action, the attempt to perform such an action, as well as assisting, inciting, facilitating or giving advice in the performance of such an action or its concealment.

2. Anti-money Laundering



The knowledge, intent or purpose required as an element of those specified in para. 1 activity, can be established on the basis of objective factual circumstances.

Money laundering is also present when the crime from which the property was acquired under para. 1, was carried out in another member state or in a third country and does not fall under the jurisdiction of the Republic of Bulgaria.

The measures to prevent the use of the financial system for the purposes of money laundering are:

1. comprehensive verification of customers;
2. collection and preparation of documents and other information under the conditions and according to the order of this law;
3. storage of the documents, data and information collected and prepared for the purposes of this law;
4. assessment of the risk of money laundering and financing of terrorism;
5. disclosure of information about suspicious operations, transactions and customers;
6. disclosure of other information for the purposes of this law;
7. control over the activity of the obliged entities under section II of this chapter;
8. exchange of information and interaction at the national level, as well as the exchange of information and interaction between the "Financial Intelligence" Directorate of the State Agency "National Security", the financial intelligence units of other countries and jurisdictions, as well as with the competent bodies in the relevant field and organizations of other countries.

The Anti-Money Laundering/Counter Terrorist Financing Policy aims to ensure that KM & D Ltd has appropriate measures to manage the risks associated with money laundering and terrorist financing across KM & D Ltd.

Employees and professionals are responsible for reviewing and understanding their roles and

responsibilities related to the AML/CTF Policy.

This includes:

Escalating any suspicious activity, actual or attempted, to Financial Crimes Compliance Knowing clients and collecting all required client identification information required by federal regulation and KM & D Ltd Customer Identification.

Identifying end clients that may pose a heightened risk of money laundering, terrorist financing, political corruption, and escalating to Financial Crimes Compliance

Completing all required anti-money laundering and financial crimes training on an ongoing basis.

3. Treating customers fairly (TCF)

Treating customers fairly

This policy is agreed upon by the general manager of KM & D Ltd and any amendments will require approval from him.

The policy will be reviewed on at least an annual basis, or as required by business activities and regulatory requirements.

Document Purpose The Company is committed to treating all of its customers fairly. Treating customers fairly (TCF) is about establishing a culture of fairness throughout the business that creates an understanding of the customer's needs and expectations and provides appropriate products and services.

To achieve this objective, TCF is more than just about having a policy; it is about instilling the right culture and values throughout the business from the general manager in strategy and decision-making, down through the team and staff performance. This Treating Customers Fairly Policy is designed to set out the responsibilities for the fair treatment of clients and demonstrate how the Company continually assesses how it treats its customers fairly.

Policy Statement

In all circumstances, KM & D Ltd and its staff must treat the Company's customers fairly. TCF will be a continuing and ongoing process within all parts of the Company's business which all staff will be required to follow and embed in all their dealings with the Company's customers at all times.

TCF Commitments

TCF is further supported by KM & D Ltd following customer commitments:

- Communicate clearly and explain things in plain language.
- Help the customer to understand our products and services.



- Contact the customer at a time to suit him/her and provide regular updates.
- Treat the customer as an individual.
- Offer the customer a choice of products based on his/her individual circumstances.
- Listen to the customers' views.
- Answer any questions honestly and deal with any problems quickly and fairly.
- Treat the customer fairly, with courtesy and respect.

Where we engage with any other company in a way that brings that company into contact with customers, we will hold that company to the same standards as ourselves, and expect them to demonstrate compliance with this policy.

KM & D Ltd Principles

KM & D Ltd Principles:

- **Principle 1:** KM & D Ltd must conduct its business with integrity;
- **Principle 2:** KM & D Ltd must pay due regard to the information needs of its clients and communicate information to them in a way that is clear, fair and not misleading;
- **Principle 3:** KM & D Ltd must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client;
- **Principle 4:** KM & D Ltd must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.

KM & D Ltd is approaching Treating Customers Fairly on a 'principle-based' approach and does not intend to provide detailed guidance or rules on what fairness requires in particular.

Customer Outcomes

KM & D Ltd has defined the following TCF Outcomes as critical for the fair treatment of customers:

- **Outcome 1** – Customers can be confident that they are dealing with KM & D

Ltd where the fair treatment of customers is central to the corporate structure;

- **Outcome 2** - Products and services marketed and sold in the retail market are designed to meet the needs and expectations of identified customer groups and targeted accordingly;
- **Outcome 3** – Customers are provided with clear information and are kept appropriately informed before, during and after the point of sale;
- **Outcome 4** - Where Customers receive advice, the advice is suitable and takes account of their circumstances;
- **Outcome 5** - Customers are provided with products that perform as companies have led them to expect and the associated service is both of an acceptable standard and as they have been led to expect;

Tel.: +359 52 686 080 / +359 52 686 090

www.kmandd.com

4. Business Continuity and Disaster Recovery

Business Continuity and Disaster Recovery KM & D Ltd. has followed a risk assessment and identified the following risks to business continuity. The following key areas are defined with an action plan for each risk identified.

Loss of power supply

- Contact the power company for an estimate of the length of the power outage.
- Use of an alternative site

Loss of internet

- Contact the internet service provider for an estimate of the length of the outage.
- Use of an alternative site
- Use of phone network/phones/WIFI tethering/hotspot

Hacking or website outage

- Contact the hosting company for an estimate of the outage.
- Ensure backups of the website are kept.
- Ensure offline storage of backups of essential files is kept.
- Ensure internet security/antivirus software is updated regularly.

Fire or theft damage

- Ensure building safety and electricity isolation.
- Assess damage to site/office.
- Contact the insurance company.
- Contact the security company.
- Ensure the safety of documents and equipment from further loss by removing them from the site.
- Use of an alternative site.

Loss of site

- Move to an agreed alternative site.
- Work from home.

Death, illness

- Contact next of kin.
- Contact emergency services or a doctor.



- Use of shared cloud storage/backups to ensure continued service to clients.
- Daily/weekly meetings to outline outstanding work schedules to ensure continuity in the event of illness/death.

Backups and data recovery

- Daily/weekly onsite backups made and stored offsite.
- Cloud storage.
- Use of laptops, removed from the site and stored securely offsite.

Employee leaving company.

- Ensure the return of all company documents
- Ensure the return of the company laptop and phone.
- Change passwords and cancel access to email, network etc.
- Use of email forwarding to maintain client communication.
- Assign client lists to other staff members and update clients on their new point of contact.

Paper record storage

- Ensure paper storage is secured in a locked filing cabinet to protect client information.
- Copies of important documents to be stored offsite in a secure location.

Recovery

- Run a test once every 3 months from one of the key risk areas to establish the performance of the action plan and update any shortcomings as necessary.

Summary/Conclusion

KM & D Ltd. is committed to operating our businesses in accordance with the highest ethical standards. This Code of Conduct guides how we operate and reinforces our commitment to doing what is right and protecting our employees, professionals and end clients.

Our firm's reputation is based on these guiding principles, and it takes action by all of us to ensure our continued success. Reviewing these policies will give you a better understanding of who we are and what we believe.

We also encourage you to speak up if you see violations of this Code.

Thank you for your support and continued partnership.