

ENFORCEABLE UNDERTAKING

RASMALA INVESTMENT BANK LIMITED

THIS ENFORCEABLE UNDERTAKING is made under and for the purposes described in Article 89 of the Regulatory Law 2004.

The commitments in this Enforceable Undertaking are offered to the Dubai Financial Services Authority (DFSA) by **RASMALA INVESTMENT BANK LIMITED (RIBL)**.

Capitalised terms not otherwise defined in this Enforceable Undertaking have the meanings given to them in the Glossary Module and AML Module of the DFSA Rulebook, or in the Annex to this Enforceable Undertaking.

INTRODUCTION AND BACKGROUND

1. RIBL was licensed by the DFSA on 13 December 2005 as a PIB Category 4 Authorised Firm, which authorised RIBL to carry on the Financial Services of Advising on Financial Products or Credit and Arranging Credit or Deals in Investments.
2. On 1 August 2006, the DFSA approved RIBL's application to vary its licence to become a PIB Category 2 Authorised Firm and carry on further Financial Services. RIBL is currently authorised to carry on the following Financial Services:
 - 2.1. Advising on Financial Products or Credit;
 - 2.2. Arranging Credit or Deals in Investments;
 - 2.3. Arranging Custody;
 - 2.4. Dealing in Investments as Agent;
 - 2.5. Dealing in Investments as Principal; and
 - 2.6. Managing Assets.

Inquiries Undertaken by the DFSA

3. Following a periodic risk assessment carried out in August 2015, the DFSA conducted further inquiries, from January to May 2016, into RIBL's business model. The inquiries included:
 - 3.1. interviews and meetings with members of RIBL's senior management and certain employees; and
 - 3.2. a review of RIBL documentation, including a sample of Client files.
4. The DFSA's inquiries raised the following concerns regarding RIBL's conduct.

AREAS OF CONCERN

5. The DFSA is concerned that RIBL may have breached:
 - 5.1. AML Module Rule 6.1.1(1) by failing to:
 - 5.1.1 undertake a risk-based assessment of Clients; and
 - 5.1.2 assign Clients a risk rating proportionate to their money laundering risks;

- 5.2. AML Module Rule 7.6.1 by failing to review the risk rating assigned to Clients on a scheduled or periodic basis;
- 5.3. AML Module Rules 7.2.1(1), 7.3.1(1) and/or 7.6.1 by not undertaking appropriate CDD and ongoing CDD of its Clients;
- 5.4. AML Module Rules 7.1.1(b) and 7.4.1 by failing to undertake EDD for Clients for which it had assigned a high risk rating for money laundering risks; and
- 5.5. AML Module Rule 7.3.1(3) by failing to:
 - 5.5.1 increase the degree and nature of the monitoring of its business relationship with Clients which involve PEPs; and
 - 5.5.2 obtain the approval of senior management to commence a business relationship with Clients which involve PEPs.
6. The concerns set out above do not mean that the DFSA found instances of money laundering, terrorist financing or sanctions breaches.
7. The DFSA is of the view that RIBL may have, in the course of its business, carried out the Financial Service of Providing Custody to some of its Clients because the DFSA is of the opinion that RIBL safeguards and administers Client Investments for those Clients.
8. However, RIBL is of the view that it holds or controls Client Investments as a part of its Investment business and does not carry out the Financial Service of Providing Custody.

Acknowledgments

9. RIBL:
 - 9.1. does not admit that it has contravened any of the provisions of the AML Module set out in paragraph 5 above; and
 - 9.2. does not agree that it is conducting the Financial Service of Providing Custody to its Clients.

However, RIBL acknowledges the DFSA's concerns and offers the undertakings set out below to resolve these concerns.

10. The DFSA acknowledges that RIBL has cooperated fully with the DFSA in its inquiries and sought an amicable resolution with the DFSA. This includes the offer to appoint an independent expert to assist RIBL in complying with its obligations, and the Remediation Plan referred to in undertakings below.

TERMS AND CONDITIONS OF ENFORCEABLE UNDERTAKING

Appointment of External Compliance Expert

11. RIBL undertakes that, within 30 days from the date of this Enforceable Undertaking, it will engage a suitably qualified and experienced third party firm or person (the External Compliance Expert) to carry out the activities described in paragraphs 14 to 22 below.
12. RIBL's engagement of the External Compliance Expert, and the terms and conditions of the engagement of the External Compliance Expert, are both subject to the DFSA's approval.

13. RIBL further undertakes that it will pay the costs and expenses of the engagement and the services provided by the External Compliance Expert.

Role of External Compliance Expert

Remediation Plan

14. RIBL will carry out, and engage the External Compliance Expert to assist it to carry out, a review of all of RIBL's active Client files (the Review) to identify any deficiencies in RIBL's compliance with the AML Module.
15. RIBL will prepare, and engage the External Compliance Expert to assist it to prepare, a remediation plan (the Remediation Plan) to resolve:
 - 15.1. any AML concerns identified by RIBL or the External Compliance Expert during the Review;
 - 15.2. the concerns identified by the DFSA in its review of the sample of RIBL's Client files referred to in paragraph 3.2 above; and
 - 15.3. any further concerns identified by either RIBL or the External Compliance Expert in RIBL's systems and controls.
16. The Remediation Plan will also include an appropriate AML training program to be undertaken by all relevant senior management and staff regarding RIBL's obligations under DFSA administered Laws and Rules.
17. The Remediation Plan will be agreed with the DFSA but must, as a minimum, set out the:
 - 17.1. concerns to be resolved;
 - 17.2. tasks to be completed to resolve the concerns;
 - 17.3. person(s) responsible for completing each of the tasks; and
 - 17.4. time frame to complete each of the tasks.
18. RIBL undertakes to:
 - 18.1. submit the draft Remediation Plan to the DFSA for approval no later than 30 days after the date of the appointment of the External Compliance Expert;
 - 18.2. make any changes to the draft Remediation Plan that may be reasonably required by the DFSA in order for it to approve the plan; and
 - 18.3. resubmit the draft Remediation Plan for approval, with the changes requested under paragraph 18.2, no later than 14 days after the DFSA has requested the changes.

Implementation of the Remediation Plan

19. RIBL undertakes to implement all of the tasks in the Remediation Plan within the timetable in the Remediation Plan and, in any event, to complete all of the remediation tasks no later than 90 days from the date that the Remediation Plan is approved by the DFSA (the Plan Approval Date).
20. RIBL undertakes to resolve the DFSA's concerns that RIBL may have Provided Custody to some of its Clients as soon as reasonably possible, and certainly within 90 days from the date of this Enforceable Undertaking and for this purpose, RIBL undertakes to engage the External Compliance Expert to provide RIBL and the DFSA,

within 90 days from the date of this Enforceable Undertaking, with an assessment and written confirmation that all of the DFSA's concerns in relation to this matter have been resolved.

Monitoring

21. RIBL undertakes that it will engage the External Compliance Expert to:
 - 21.1. monitor the implementation of the Remediation Plan, and report to the DFSA on a monthly basis in this regard, from the date of its appointment; and
 - 21.2. provide RIBL and the DFSA with an assessment and written confirmation, at the end of the period of 90 days from the Plan Approval Date, as to whether RIBL has properly implemented the Remediation Plan (the Remediation Confirmation). If the External Compliance Expert cannot provide the Remediation Confirmation on the due date, the External Compliance Expert must be engaged by RIBL to provide a statement in writing to RIBL and the DFSA that the Remediation Confirmation cannot be provided and the reasons for same.

Sign-Off for New Clients

22. RIBL undertakes to engage the External Compliance Expert to:
 - 22.1. assess and confirm to RIBL and the DFSA in writing that the on-boarding of any new Client by RIBL complies with all applicable legislation in the DIFC (the On-boarding Confirmation). If the External Compliance Expert cannot provide the On-boarding Confirmation by the due date, the External Compliance Expert must be engaged by RIBL to provide a statement in writing to RIBL and the DFSA that the On-boarding Confirmation cannot be provided and the reasons for same; and
 - 22.2. provide the On-boarding Confirmation 90 days after the External Compliance Expert has provided the Remediation Confirmation to RIBL and the DFSA.

Financial Penalty

23. RIBL shall pay the DFSA a financial penalty in relation to the concerns set out in this Enforceable Undertaking. The penalty payable is a total of USD60,000 as follows:
 - 23.1. the amount of USD30,000 is payable within 30 days of the date of this Enforceable Undertaking; and
 - 23.2. subject to paragraphs 24 and 25, the amount of USD30,000 is suspended subject to the terms and conditions described in paragraph 25 below.
24. If the DFSA, in its sole discretion, reasonably determines that RIBL has failed in any material respect to comply with any or all of the terms or conditions in this Enforceable Undertaking, it must notify RIBL in writing of that determination. In such instance, the penalty in paragraph 23.2 shall cease to be suspended.
25. In the event that the financial penalty under paragraph 23.2 ceases to be suspended and becomes payable under paragraph 23.2, RIBL shall pay the financial penalty of USD30,000 within 30 days of being provided with the DFSA's written determination in accordance with paragraph 24.

Further Undertakings

26. RIBL undertakes to comply with any reasonable and lawful direction given to it by the DFSA about compliance with its obligations under this Enforceable Undertaking, within a reasonable period prescribed at the sole discretion of the DFSA.
27. RIBL undertakes not to make any public statement that in any way conflicts with the intent and purpose of this Enforceable Undertaking. Further, apart from RIBL's views as recorded in paragraph 8 and 9.2 above, RIBL undertakes not to dispute the concerns held by the DFSA as recorded in this Enforceable Undertaking.

Remedies for Breach of Enforceable Undertaking

28. RIBL acknowledges the right of the DFSA, at its sole discretion, to reasonably determine that RIBL has failed to satisfy the terms and conditions of this Enforceable Undertaking.
29. In the event the DFSA reasonably determines that RIBL has failed to satisfy the terms and conditions of this Enforceable Undertaking, the DFSA reserves the right to pursue any remedy available to it in law without further notice, including but not limited to those specified in Article 89(4) of the Regulatory Law 2004.

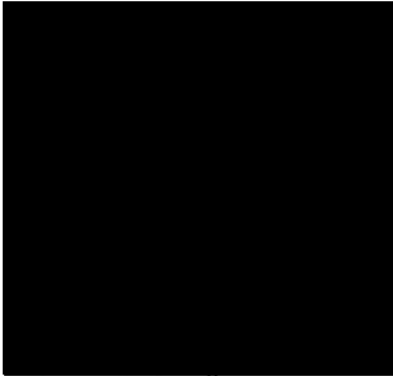
Address for Service of Documents or Process

30. RIBL's address for service in relation to this Enforceable Undertaking is:
Rasmala Investment Bank Limited
Level 1
Gate Village 10
DIFC
P O Box 31145
Dubai, UAE

Further Acknowledgements

31. The DFSA accepts the undertakings given by RIBL in this Enforceable Undertaking.
32. This Enforceable Undertaking is drafted and agreed to as between the DFSA and RIBL.
33. A person who is not a party to this Enforceable Undertaking has no rights under Part 10 of the Contract Law (DIFC Law No 6 of 2004) or otherwise to enforce any term of this Enforceable Undertaking.
34. Subject to paragraph 35 below, the facts and matters contained in this Enforceable Undertaking are without prejudice to the DFSA and RIBL in that they may not be used, produced or relied upon in any other proceedings, including without limitation any civil, administrative or criminal actions or proceedings that may be brought by any other person.
35. Paragraph 34 above does not prevent the DFSA from seeking any court order in relation to this matter or bringing any action to enforce a term or condition of this Enforceable Undertaking.
36. This Enforceable Undertaking is governed by and shall be construed in accordance with the laws of the DIFC. The parties irrevocably agree that the DIFC Courts shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise out of, or in connection with this Enforceable Undertaking.

37. This Enforceable Undertaking does not affect the DFSA's power to investigate or take further action against RIBL in relation to any other concerns, or arising from future conduct or findings, other than the facts and concerns set out in this Enforceable Undertaking.
38. The DFSA may issue a media release upon execution of this Enforceable Undertaking referring to its terms and the concerns of the DFSA that led to its execution. Further, the DFSA may publish this Enforceable Undertaking or parts thereof.
39. This Enforceable Undertaking takes effect on the date on which it is executed by the DFSA's authorised delegate.

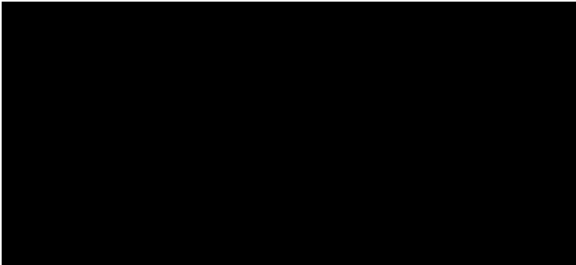


18-10-16

Date

Rasmala Investment Bank Limited

Accepted by the Dubai Financial Services Authority under Article 89 of the Regulatory Law 2004 by its authorised delegate:



18-10-16

Date

Dubai Financial Services Authority

ANNEX – DEFINITIONS

AML means anti-money laundering, counter-terrorist financing and sanctions compliance

AML Module means the Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module of the DFSA Rulebook.

CDD means Customer Due Diligence.

Date of this Enforceable Undertaking means the day on which the Enforceable Undertaking takes effect under paragraph 39.

DIFC means the Dubai International Financial Centre.

DFSA means the Dubai Financial Services Authority.

EDD means Enhanced CDD.

External Compliance Expert means the expert referred to in paragraph 11.

On-boarding Confirmation means the confirmation that RIBL has on-boarded its Clients in compliance with all applicable legislation in the DIFC referred to in paragraph 22.1.

PEP means Politically Exposed Person.

Plan Approval Date means the date the Remediation Plan is approved by the DFSA.

Regulatory Law 2004 means the Regulatory Law, DIFC Law No 1 of 2004.

Remediation Confirmation means the confirmation that the Remediation Plan has been properly implemented referred to in paragraph 21.2.

Remediation Plan means the plan referred to in paragraph 15.

Review means the Client file review referred to in paragraph 14.

RIBL means Rasmala Investment Bank Limited, a DIFC Company and a DFSA Authorised Firm (DFSA reference number F000132).