

	KHIRON LIFE SCIENCE CORP ANTI-MONEY LAUNDERING, COUNTER-TERRORIST FINANCING AND COUNTER-PROLIFERATION FINANCING (AML/CFT/CPF) POLICY		CODE: 09-01-905
	ISSUANCE DATE: 01/06/2021	VERSION: 00	PAGE 1 OF 4
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I. Introduction

Over the past several years, the international community has become increasingly concerned about the growing problem of money laundering (ML), terrorist financing (TF) and the financing of proliferation of weapons of mass destruction (CFP).

This concern arises from the fear that such activities could seriously jeopardize the integrity of national financial systems and hamper economic development. Combating these forms of crime, is a problem of global concern.

Khiron Life Sciences Corp (“Khiron” or the “Company”) as a multinational listed company recognizes that combating ML and preventing TF and CPF are core components of its corporate governance. The Company is committed to promoting and adhering to the highest standards of probity and accountability in the use of its financing and will not tolerate any suspicious behavior.

Khiron’s Anti-Money Laundering, Countering the Financing of Terrorism and Countering Proliferation Policy is based on the recommendations issued by FTAF and in compliance with the local regulations of each of the jurisdictions where it operates.

The intent of this Policy is to prevent the exposure to serious reputational risk, financial loss, operability risks or legal liabilities. The Company will endeavor to ensure that its funds and the funds it administers are not used to finance any illegal acts connected with ML, FT, and FP.

This Policy takes effect on the date of its approval. Following approval of the Policy, internal due diligence procedures will be developed to meet the Policy objectives.

II. Definitions

a. Money laundering (ML)

Money Laundering can be outlined as concealment of the origins of money obtained illegally, typically by passing it through a complex sequence of financial or commercial transactions. ML usually involves three stages: (i) introducing the proceeds of crime into the financial system (placement); (ii) transactions to convert or transfer the funds to other locations or financial institutions (layering); and (iii) reintroducing the funds into the legitimate economy as "clean" money and investing it in various assets or business ventures (reintegration) appearing to have been legally obtained.

PRODUCED BY	REVIEWED BY	APPROVED BY
Name: Angela Acosta	Name: Board of Directors	Name: Board of Directors
Position: Legal Leader	Position: Board of Directors	Position: Board of Directors
Date: 01/06/2021	Date: 01/06/2021	Date: 01/06/2021

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b. Terrorist financing (TF)

Terrorist financing involves the solicitation, collection, or provision of funds to support terrorist acts, individual terrorists, or terrorist organizations. The funds may come from both legal and illicit sources.

c. Financing proliferation (FP)

Financing the proliferation of weapons of mass destruction involves the transfer and export of technology, goods, software, services, or expertise that could be used in nuclear, chemical, or biological weapon-related programmes, including delivery systems.

III. Objectives

Establish management guidelines for the prevention and control of the risk of money laundering, terrorist financing, and proliferation financing to minimize the possibility that through the different activities carried out by the Company in the development of its operations, resources are introduced from money laundering or terrorism is financed or indirectly as an instrument for the concealment, management, investment or use of any form of money and other assets derived from illicit activities.

This Policy applies to all Khiron-financed and/or Khiron-managed operations and activities carried out by Khiron or any of its subsidiaries-

The Company is committed to the fight against money laundering and the financing of terrorism; therefore, it will strictly comply with the regulations that apply to it.

It will internally promote an open rejection of any criminal activity or conduct that involves money laundering, terrorist financing and proliferation financing (ML/ FT/PF). The fulfillment of the commercial goals is subject to comply with the (ML / FT/PF) prevention and control regulations.

All operations, businesses, and contracts that the Company or its subsidiaries carry out will agree to the policies and procedures set forth in this Policy and other internal rules that regulate LAFT's sources of risk, otherwise they will not be processed.

The designed system is integrated into the guidelines given in this document and in this way the controls that are implemented here must be applied by all employees, in line with the principles and values that guide their actions as encompassed by the Code of Ethics and Business Conduct.

This Policy is mandatory as well as all related procedures and applies to all personnel working in the company, shareholders, clients, suppliers and other third parties linked to the Company and its business line.

The implementation and enforcement of the Policy will take place by the following individuals:

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As a first defense line the Senior Professional of Security (SPS) will be assigned with the task of performing the *due diligence* of the counterparts using both public and private data bases to certify that they are compliant with Khiron’s ML/TF/PF Policy and that no negative report has been issued against them. The SPS will review the results of the report along with a member of the financial team to determine if the financial documents presented by the counterparty match the information provided.

If compliant, the SPS will issue an email confirming the report copying the Compliance Officer and the CFO, that will keep the records.

In case of a non-compliance situation, or a negative report the case shall be transferred to the Compliance Officer for it to address the situation an issue a determination.

If the Compliance Officer identifies a potential risk or the materialization of the same, he will prepare the correspondent assessment and will summon up the Compliance Committee for considering the applicable measures.

The Compliance Committee will be made up of the following persons in the Company: "Compliance Officer", "CFO", "Controller" and a member of the Legal Team.

The Compliance Officer will monitor the enforcement of the Policy and will along with the Compliance Committee prepare an annual report due by the end of the year to be presented to the CEO and to the Audit Committee.

As embedded in the Company’s Code of Ethics and Conduct all the members of Khiron as well as the management team are committed to the accomplishment of the Company’s goals and full compliance with good governance.

IV. Training and culture

The most effective way of avoiding integrity failures is to instill a culture of high ethical standards. Khiron will provide ongoing ML, TF, and PF risk-related training to relevant personnel, with special attention to the business/operational units. The main objective of the training is to improve the understanding, abilities, and analytical capacity of relevant personnel with respect to ML, TF, and PF risk and its reputational and other impact on the operations.

These training initiatives also serve to enhance and foster a risk culture and capabilities to identify the changing nature of ML/TF/PF activities/risks to enable the Company to react and respond to them in a timely and appropriate manner.

V. Policy effectiveness review

A policy effectiveness review will be conducted on a regular basis. The Compliance Officer along with the Compliance Committee ensure that all improvements identified and/or changes required are reflected in this Policy. Any relevant changes to this Policy must be approved by the Corporate Governance Committee.

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VI. Preservation of information

The Company will keep the documents and records related to compliance with the rules of the AML/FT/PF risk management and control system for a term of ten (10) years. Once the term has concluded, the documents shall be available at least in a digital form.

VII. Sanctions

In the event of non-compliance or non-observance by any employee or collaborator of the Company of the provisions contained herein, the Company may adopt the measures it deems pertinent, including the immediate dismissal of the employee or collaborator from their position. The same will occur with administrators, contractors, suppliers or third parties, and the Company may immediately terminate its contractual or commercial relationship with them, as well as report them to the competent authorities.

VIII. Related policies and procedures

- Recommendations by FTAF
- Code of Ethics
- Internal regulations

You can communicate any report, question, or comment regarding the Policy by e-mail to ethicsfirst@khiron.ca

FORMATS AND REGISTRATION

NAME	ARCHIVE					DISPOSAL
	¿WHO?	¿HOW?	¿WHERE?	TIME	USER	
N/A	N/A	N/A	N/A	N/A	N/A	N/A

CONTROL OF CHANGE

SUMMARY OF THE MODIFICATIONS	
Drafted document, Review & approval by board of directors	Version 00 01/06/2021
DETAIL OF ELIMINATIONS	
N/A.	