

Anti-Money Laundering Policy

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Anti-Money Laundering Policy

1. Revision History

Date	Version	Created by	Description of change
09.07.2019	1.0	Lisa Odegaard	Document released

2. Introduction

This Anti-Money Laundering Policy ("**Policy**") supplements P&O Maritime's Code of Business Conduct.

As in the Code of Business Conduct, throughout this Policy the terms "we", "**P&O**", "the **Company**", "**Group**", "our" and "us" refer to **P&O Maritime Logistics FZE** and/or any of its subsidiaries, affiliates and entities controlled by P&O on a contractual basis.

This Policy applies to all officers, directors, employees of P&O as well as collaboration and joint venture partners and agents acting on behalf of P&O.

This Policy prohibits the carrying out of, and contribution to, Money Laundering and Terrorist Financing activities (as defined below).

3. Money Laundering and Terrorist Financing

3.1 What is Money Laundering?

Money Laundering is the generic term used to describe the process of concealing illegally obtained funds to appear legal (e.g., funds obtained from corruption, fraud, drug trafficking, organized crime, etc.). This can be achieved by transferring money through elaborate and complex financial transactions, typically bank transactions, designed to mislead anyone who seeks to trace and review the transaction. The objective is to make it difficult to identify the original source of the money. Criminal laws in most countries prohibit Money Laundering activities/transactions.

An example of a transaction which could Indicate Money Laundering is if a client, collaboration or joint venture partner ("**Customer**") requests to pay P&O large payments in cash.

3.2 What is Terrorist Financing?

Terrorist Financing is the term used to describe the provision and collection of funds for terrorist activity. It may involve funds raised from legitimate sources, such as

personal donations and profits from businesses and charities, as well as from criminal sources, such as drug trading, smuggling of weapons, fraud, kidnapping and extortion.

- An example of a transaction which could indicate Terrorist Financing is payment to a supplier/third party which uses its business profits from the transaction to fund terrorist activities.

3.2 Criminal Activities

Laws in most jurisdictions prohibit Money Laundering and Terrorist Financing activities/transactions.

4. Purpose

The purpose of this Policy is to prevent Money Laundering and Terrorist Financing and ensure compliance with all applicable AML Laws.

5. Compliance

P&O conducts business worldwide and is committed to complying with:

- all applicable anti-Money Laundering laws in all jurisdictions where it operates. Examples of applicable Anti-Money Laundering laws are the U.S. Currency and Foreign Transactions Reporting Act of 1970, as amended, the United Kingdom Proceeds of Crime Act 2002, the UK Terrorism Act 2000, and United Arab Emirates federal law 20 of 2018 regarding anti-Money Laundering and counter Terrorist Financing, (collectively, the "AML Laws"); and
- Contractual obligations in contracts with counterparties, including clients and financial institutions, relevant to anti-Money Laundering.

6. Applicability

Each and every employee is responsible for complying with this Policy when:

- discussing or entering into a new business relationship with a Customer, supplier or third party (including freight forwarders, advisors, consultants, financial institutions etc);
- entering into or carrying out a transaction; or
- making or receiving a financial payment, transfer, or deposit related to a transaction.

Each and every collaboration partner and agent, acting on behalf of P&O, shall provide a written letter of acknowledgement (on company letterhead with a scanned copy sent as an email attachment), in the format as set out in Appendix 1 to this Policy, to the P&O employee who has engaged in discussions with that collaboration partner or agent, confirming that it shall comply with this Policy. Once the letter of acknowledgement has been received by the P&O employee, it shall be uploaded to Legal - Letter of Acknowledgement - All Documents (sharepoint.com).

7. The Process

7.1 Employee's Obligations

Each and every employee shall:

- Never pay or receive cash payments, except in the following circumstances;
 - Minor costs related to Company's automobiles (e.g. refuelling and car washing);
 - Ad-hoc expenses for the Company's on-site business lunches and stocking of pantry items in the Company kitchen (e.g. tea, coffee and soft drinks);
 - When a vessel is berthed at a dock and necessary re-stocking is required (e.g. basic food and drink items, toilet paper and cleaning materials)
- Be alert to the possibility that unusual or suspicious elements of a transaction could be indicators of Money Laundering or Terrorist Financing.

Cooperate fully with those responsible for conducting internal checks or reviews or compliance-related investigations within the Group.

7.2 Compliance Verification

7.2.1 Compliance Procedures

Each and every employee shall, prior to engaging in any transaction (such as issuing a purchase order, negotiating a contract or submitting a tender) with a Customer, supplier or third party, carry out a compliance verification procedure in accordance with the following procedures, referred to collectively as "Compliance Procedures" or individually as the "Compliance Procedure":

- Supplier/Third Party Due Diligence Procedure, applicable to transactions with suppliers/third parties [Legal - Sanction and AML policies and procedures - All Documents \(sharepoint.com\)](#); and
- Customer/Partner Due Diligence Procedure, applicable to transactions with Customers [Legal - Sanction and AML policies and procedures - All Documents \(sharepoint.com\)](#).

7.2.2 Main Steps of the Compliance Procedures

Each Compliance Procedure includes the following main steps:

- (1) The employee shall submit a Supplier/Customer Form to the Customer/supplier/third party for completion, together with a copy of this Policy, the Sanctions Policy, the P&O Code of Business Conduct, as well as the template letter of acknowledgement as set out in Appendix 1 (which is only applicable for agents and collaboration/joint venture partners) For a copy of the Supplier/Customer Form please refer to the relevant Compliance Procedure. Please note that certain transactions with suppliers/third parties and Customers

are exempted from a compliance verification. For a list of these entities, please refer to the relevant Compliance Procedure.

- (2) When the completed Supplier/Customer Form and the completed letter of acknowledgement, if applicable, is received from the relevant supplier/third party/Customer, the employee shall submit the completed Supplier/Customer Form to the Procurement/Commercial department for further evaluation and online screening in accordance with the relevant Compliance Procedure;
- (3) If Procurement/Commercial does not identify any Money Laundering/Terrorist Financing risk indicator, the employee shall be informed that the transaction may proceed; and
- (4) If Procurement/Commercial does identify a Money Laundering/Terrorist Financing risk indicator, the following shall apply:
 - The employee shall be informed that further investigation is required;
 - Procurement/Commercial shall send the Supplier/Customer Form and the findings of the online screening results to the Legal Department;
 - The Legal Department shall perform further compliance verifications of the Supplier, third party or Customer by evaluating the relevant Supplier Customer Form and the findings from the online screening and inform Procurement/Commercial and the employee whether or not the transaction may proceed.

Please refer to the relevant Compliance Procedure for a detailed step-by-step of the compliance verification required.

8. Duty to Report a Suspected AML Laws Breach (whether by an employee, collaboration partner or agent)

Notwithstanding the compliance verification performed as part of the Compliance Procedure(s), as set out in section 7.2, at all other times, if an employee suspects that a coworker, agent/collaboration partner acting on behalf of P&O is acting illegally or trying to act illegally, or has breached or is breaching the AML Laws or P&O Policy, the employee must report the suspected breach in writing (either by email or in paper format);

- If the employee is not comfortable with reporting details to the Head of Legal, then the details can be reported to the Ethics Committee via the Ethics Line. The details are as follows:

Telephone: 009714 4404794, or

Email: ethics.poml@pomaritime.com, or

Mail: Letter addressed to—Ethics Committee, Almas Tower PO Box 282800, Dubai, UAE

All reports shall be dealt with in strict confidence. Prompt investigations shall be carried out by the Head of Legal into all cases of actual or suspected breaches discovered or reported. The Head of Legal shall decide whether the activity/transaction may continue or whether it is

prohibited. If a suspected breach is unclear, the Head of Legal shall escalate it to the Ethics Committee for further evaluation.

P&O will not tolerate any retaliation against any person who in good faith reports potential compliance concerns.

9. Consequences of an AML Laws Breach (whether by or involving an employee, collaboration partner or agent)

Any breach of Company Policy or AML Laws may result in disciplinary action, employment or contract termination, or legal action.

The Company may also report suspicions of illegal activity to the applicable authorities, and such authorities may prosecute suspected offenders, who, as a result, could face civil or criminal fines, penalties and/or imprisonment.

10. Responsibilities

- The Chief Executive Officer (“**CEO**”) is responsible for establishing and maintaining a sound internal control system that supports the achievement of the Group’s policies, aims and objectives. The system of internal controls is designed to respond to and manage the whole range of risks including the risk of engaging in or supporting Money Laundering or counter-Terrorism Financing.
- The overall responsibility for managing this Policy has been delegated to the Head of Legal.
- Internal Audit is responsible for:
 - Auditing compliance with this Policy at regular intervals; and
 - assisting the Company’s management in conducting any investigations related to suspicious transactions.
- Ethics Committee (comprising Head of Legal, COO and CHRO) is responsible for: Reviewing any reported breach

11. Quick References and Related Policies and Procedures

- P&O Code of Business Conduct
- Anti-Fraud Policy
- Sanctions Policy
- Know Your Customer Procedures (Also see Customer Due Diligence Process)
- Third Party Due Diligence Procedures

APPENDIX 1

LETTER OF ACKNOWLEDGEMENT

This Letter of Acknowledgement must be reproduced on the company's official letter head

To: P&O Maritime Logistics FZE

<Date>

Dear Sir(s),

CONFIRMATION OF <company's name> (the "COMPANY") COMPLIANCE WITH THE P&O CODE OF BUSINESS CONDUCT, ANTI-MONEY LAUNDERING POLICY AND SANCTIONS POLICY (the "P&O POLICIES")

We, the Company, refer to our discussions with representatives of P&O Maritime Logistics FZE ("**P&O**") concerning acting as a <agent/collaboration partner/joint venture partner> to P&O.

We hereby acknowledge that we have received the P&O Policies from P&O by <email/post> and we confirm that we have read, understand and will abide by the P&O Policies at all times.

s.

SIGNED: _____

NAME: _____

DATE: _____

POSITION: _____

Note: *This letter must be signed by the authorized signatory of the company.*