



Anti-Money Laundering Policy

Updated: October 2018

1. Purpose and Scope

It is one of the fundamental principles of Befesa, including all its group companies and subsidiaries ("**the Company**") to strictly observe all national and international laws and regulations, and therefore with all the anti-money laundering rules and laws, and expects all the employees to conduct its business and operations in a way which is compliant with said relevant laws and regulations.

This Anti-money laundering guideline ("**Guideline**") is binding on all directors, officers and employees of the Company ("**Employees**"). Third parties representing the Company (such as agents, sales representatives, distributors, consultants) must agree to represent the Company in a manner consistent with the Guideline as well as all applicable laws and regulations.

2.- What is money laundering?

Money laundering is the attempt to turn the proceeds of criminal activity into legitimate funds by obscuring their real origin.

The schemes employed to turn 'dirty' money into 'clean' are numerous and varied, but criminals will typically try to pass their ill-gotten gains through reputable businesses so that, when the funds are returned to them, they appear to have come from a legitimate source.

3.- Why is money laundering important?

The Company is committed to conducting its business in an ethical and socially responsible manner. This includes taking active steps to prevent financial crime and ensure that the Company does not unwittingly facilitate criminal behaviour.

There is an ongoing risk that the Company may be targeted by criminals for money laundering purposes. Such money laundering schemes will require the Company to possess or deal with criminal funds in some way and this in itself is an offence in many jurisdictions. The Company therefore expects all its officers and employees to be aware of the warning signs of money laundering and to remain vigilant at all times in respect of these.

4.- Money Laundering Red Flags

Each employee of the Company must be alert about warning signs of suspicious behaviour, as the following:

- A customer, agent or proposed business partner who is reluctant to provide complete information or who provides suspicious information
- Third parties acting on behalf of another where it is unclear who the actual counterparty is
- Requests to make or accept payments in cash
- Structuring of transactions to avoid record keeping or reporting obligations
- Unusually favourable payment terms
- Orders or purchases that are inconsistent with a customer's normal business purpose
- Transactions involving offshore banks, unlicensed money remitters or currency not related to the transaction
- Transactions involving politically exposed persons
- Transactions involving jurisdictions or individuals with links to criminal or terrorist activities

5.- What employee should do if he is aware of suspicious behaviour

Officers and Employees of the Company have a duty to remain alert for potential criminal behaviour. If someone of them become aware of any of the warning signs listed above or have any other reason to suspect there may be improper financial behaviour occurring he must immediately inform the Company's Compliance Officer.

Officers and Employees must never inform anyone about whom they have suspicions that they are intending to or have reported them. This in itself constitutes an offence.

A failure to report suspicions of money laundering could expose the Company to legal sanctions, as well as reputational damage. As a result, the defaulting employee will jeopardise his employment with the Company.

In addition, he will expose himself to criminal sanctions which are likely to include imprisonment.

6.- How to minimise money laundering and criminal financing risks

Following these steps will help limit the risk of exposing Employees or the Company to financial crime:

- Perform thorough and accurate KYC checks on all new customers, suppliers or business partners
- Consider risk factors posed when entering into a new business relationship and note where there are any increased risks (such as jurisdictional or reputational concerns)
- Maintain records of all KYC documents received and document decisions in all instances where there are money laundering 'red flags' present
- Money laundering is a criminal offence and the consequences for you personally mean that you must understand your individual responsibilities: make sure you attend training sessions relating to anti-money laundering and know who the Company's Compliance Officer is at all times

7.- What the Company does to minimise money laundering and criminal financing risks

As part of its programme to reduce the risk of financial crime and money laundering, the Company does the following measures:

- The Company does not have any business dealings with entities or individuals without obtaining, as soon as commercially practicable following the start of the business relationship, documents confirming their identity and / or ownership (as appropriate).
- The Company has appointed a Compliance Officer to whom all employees are able to report suspicious behaviour.
- The Company ensures that all interested employees receive a copy of this policy and the training necessary to identify the warning signs of money laundering and financial crime.
- The Company reviews this policy annually and updates it as necessary in line with any legal, regulatory or commercial developments

8. Questions

If an Employee has any question regarding this Guideline, he/she is encouraged to refer the question to the Compliance Officer of the Company.

9.- Reporting of Violations and Actions upon Notification

Each Employee who knows or has good reason to believe that this Guideline or the relevant anti-money laundering laws and regulations have been violated is encouraged to bring this matter to the attention of the Compliance Officer of the Company.

The Company has established a whistleblowing system and the address is: <https://www.bkms-system.net/Befesa>

Upon request, the identity of the Employee who makes a report in good faith is kept confidential. The Company does not tolerate retaliation against anyone who has reported a suspected violation in good faith.

Each report of a suspected violation is investigated without undue delay. If a violation has been confirmed, it is the responsibility of the supervisor to take – after consultation with the Compliance Officer - appropriate action against the relevant Employee.

10. Effective Date and Previous Guidelines

This Guideline has come into force with effect as of 9 January 2017.

It supersedes and replaces any other guidelines or rules of the Company pertaining to the subject matter hereof.