

ANTI-MONEY LAUNDERING POLICY & GUIDELINES

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Document Change Control

All changes are to be agreed and authorised by the CEO.

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Document Sign-off

	Signed	Date
CEO		31 March 2023

All changes are logged in the Policies Document Control Register.

1. OBJECTIVE / RISK

- 1.1 This policy applies to Brockwell Energy Limited and all of its subsidiaries ("the Company").
- 1.2 Money laundering is a financial crime and costs the UK more than £100 billion pounds per year. It is used by criminals and terrorists to move funds and pay for assets. High volumes of criminal money flowing through the UK results in a loss of confidence in the UK economy which has far reaching consequences for us all.
- 1.3 Criminals may attempt to commit money laundering through the Company, and therefore money laundering is a risk for us.
- 1.4 Taking part in money laundering may result in criminal liability for the individuals involved, as well as reputational damage for the Company.
- 1.5 The purpose of this Policy is to highlight the risks to the Company from money laundering, set out the actions that the Company is taking to reduce the risk of money laundering and explain what action you can take to prevent money laundering.
- 1.6 The Company has a zero-tolerance approach to money laundering.
- 1.7 This policy does not form part of any employee's contract of employment and it may be amended at any time.

2. SCOPE & COMPLIANCE

- 2.1 This Anti-Money Laundering Policy ("the Policy") applies to everyone who works for the Company, and all of its subsidiaries and majority owned or controlled companies and joint ventures. As well as applying to officers and employees of the Company, the Policy also applies to any third parties acting on behalf of the Company, such as agents, intermediaries and representatives who perform services for or on behalf of the Company.
- 2.2 We are fully committed to upholding the highest standards of ethical conduct and operating our business professionally, fairly and with integrity. We expect the same of our colleagues and any third-party representatives/partners who work with us. This Policy is a crucial element in our effort to prevent money laundering taking place in the Company. If you have any questions on this Policy, please contact Iain Cockburn.
- 2.3 Any employee or other person acting on behalf of the Company that breaches this Policy will be subject to disciplinary action, which may include termination of their contractual relationship with the Company.

3. WHAT IS MONEY LAUNDERING?

- 3.1 Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for clean money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.
- 3.2 Money laundering can take many forms such as:
 - handling the proceeds of crime;
 - being directly involved with any criminal or terrorist property;
 - entering into arrangements to facilitate the laundering of criminal or terrorist property;

- investing the proceeds of crime into other financial products or into the acquisition of property/assets.

3.3 The **Proceeds of Crime Act 2002 (POCA)** sets out the primary offences related to money laundering:

- concealing, disguising, converting, transferring or removing criminal property from the UK;
- entering into or becoming involved in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- the acquisition, use and/or possession of criminal property.

3.4 The **Terrorism Act 2000** sets out the primary offences related to terrorist funding and requires regulated businesses to report knowledge or suspicion of offences related to terrorist financing relating to:

- fund raising for the purposes of terrorism
- using or possessing money for the purposes of terrorism
- involvement in funding arrangement
- money laundering – facilitating the retention or control of money which is destined for, or is the proceeds of, terrorism.

3.5 The maximum penalties for commission of these offences include unlimited fines and/or prison sentences of up to 14 years.

4. RED FLAGS

4.1 Below are some non-exhaustive examples of money laundering and potential red flags which may indicate that money laundering is taking place:

- buying an asset using the proceeds of crime, letting it or selling it on, giving the criminal an apparently legitimate source of funds;
- criminals hiding behind complex company structures involving multiple countries and multiple bank accounts to disguise the real purpose of a transaction and hide its beneficial ownership;
- a high cash element in a transaction or a payment in cash for services related to a transaction;
- a valuation of a property which is clearly significantly below or in excess of a realistic valuation;
- the use of a property for criminal purposes, e.g. storage of drugs or weapons.

4.2 The best defence against being involved in money laundering is to understand the transaction you are working on, who the counterparties are, and to understand the source of funds. If there is no clear commercial rationale for a transaction, or the commercial rationale appears questionable, it may be appropriate to make further enquiries.

5. REPORTING CONCERNS ABOUT MONEY LAUNDERING

5.1 You must ensure that you read, understand and comply with the Policy.

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- 5.2 The prevention, detection and reporting of concerns about money laundering is your responsibility and the responsibility of those working under our control. You are required to avoid any activity that might lead to or suggest a breach of the Policy and to promptly report concerns.
- 5.3 You have a duty to report concerns about money laundering at the earliest possible stage.
- 5.4 All matters will be dealt with in confidence and, where applicable, in strict accordance with the terms of the Public Interest Disclosure Act 1998, which protects colleagues who raise matters in the public interest.
- 5.5 If you are unsure about whether a particular matter may involve money laundering, or is worthy of being reported, you should speak with your line manager. If you feel unable to raise the matter with your line manager for whatever reason, you should contact Iain Cockburn.

6. ACTION TAKEN BY THE COMPANY TO COMBAT MONEY LAUNDERING

- 6.1 We are committed to combatting attempts to perpetrate money laundering through the Company. Our actions include the following:
- Conducting a review of the money laundering risks faced by the Company, which has been incorporated within our overall risk management framework. This will be kept under regular review.
 - Training on anti-money laundering for relevant staff will be provided.
 - Developing this Policy.

7. WHO TO CONTACT

- 7.1 You must ensure that you read, understand and comply with this Policy.
- 7.2 If have a question about the requirements of the Policy or wish to report a concern, or to suggest ways in which it might be improved, you should contact:

Iain Cockburn – iain.cockburn@brockwellenergy.co.uk // 07720 462 739