

# Anti-Money Laundering Policy



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## **PURPOSE**

It is Constructel's Group policy to comply with all applicable Anti-Money Laundering (AML) Laws in our operations worldwide. To this end, Constructel will only conduct business with customers who are involved in legitimate business activity and whose funds are derived from legitimate sources.

The purpose of this Anti-Money Laundering Policy (the "**Policy**") is to explain the rules you are required to follow to reduce the risk of money laundering and terrorist financing associated with Constructel's business. This policy explains our individual responsibility in complying with anti-money laundering and counterterrorist financing laws in the jurisdictions in which we operate ("**AML Laws**").

## **Application**

This Policy was approved by the Board of Directors of Constructel Group on 2022, October 27. Its adoption and enforcement is mandatory for Constructel and its subsidiaries and covers all activities conducted by Constructel worldwide. It applies to all Group companies, their directors, officers, employees, contractors and anyone else acting on Constructel's behalf in any jurisdiction. Where local customs, standards, laws, or other policies apply that are stricter than the provisions of this Policy, the stricter requirements must be complied with. However, if this Policy stipulates stricter requirements than local customs, standards, laws or other local policies, the stricter provisions of Policy shall apply.

## **Policy Violation and Disciplinary Action**

Failure to comply with this Policy can have severe consequences. For the Company, these could include significant monetary penalties, debarment from contracting with public entities, confiscation of profits, damages claims and/or significant reputational damage. Individuals could face prosecution, criminal fines and imprisonment.

Constructel will view any violation of this Policy by an employee as a significant matter subject to disciplinary action, including termination of employment. The Company reserves its right to terminate its contractual relationships with any agents, representatives, contractors or other third parties that breach this Policy.

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## REQUIREMENTS

### What is the risk?

Breaches of AML Laws may lead to severe criminal or civil penalties for companies and individuals, including significant monetary fines, imprisonment, extradition, blacklisting, revocation of licences, and disqualification of directors.

In addition, breaches of AML Laws can lead to harm to reputation and commercial relationships, restrictions in the way we can do business, and time and cost to conduct internal investigations and/or defend against government investigations and enforcement actions.

### What is Money Laundering and Terrorist Financing?

Money laundering means exchanging money or assets that were obtained criminally for “clean” money or other assets that don’t have an obvious link with any criminal activity. AML laws also prohibit money being used to fund terrorism, whether it has been obtained legitimately or not.

The following types of activities are considered to be “money laundering” and are prohibited under this policy:

- the conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("**criminal property**"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;
- conducting a financial transaction which involves criminal property;
- the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, ownership or control of criminal property;
- the acquisition, possession or use of criminal property;
- promoting the carrying on of unlawful activity; and
- participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned above.

The broad definition of money laundering means that anybody (including any Constructel employee) could be in violation of the law if he/she becomes aware of or suspects the existence of criminal property within the business and becomes involved in or continues to be involved

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in a matter which relates to that property being linked to the business without reporting his/her concerns.

Property can be criminal property where it derives from any criminal conduct, whether the underlying criminal conduct has taken place in the country where you are situated or elsewhere.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used to fund terrorist activity.

### **Red Flags**

Where any suspicions arise that criminal conduct may have taken place involving a customer, colleague or third party, you should consider whether there is a risk that money laundering or terrorist financing has occurred or may occur.

Some examples of red flags to be reported include:

- A customer provides insufficient, implausible or false information or is reluctant to provide complete information regarding ownership structure.
- A customer's business formation documents are from a tax haven, or a country that poses a high risk for money laundering, terrorism or terrorist financing, or a country that is not otherwise associated with the customer.
- Methods or volumes of payment are seen that are not customarily used in the course of business, e.g., payments with money orders and/or multiple instruments to pay a single invoice, and/or payments from unrelated third parties.
- Requests by a customer or partner to pay in cash.
- Orders or purchases that are inconsistent with the customer's trade or business.
- Payments to or from third parties that have no apparent or logical connection with the customer or transaction.
- Payment to or from countries considered high risk for money laundering or terrorist financing, or from countries unrelated to the transaction or the known location of the customer.
- Overpayments followed by directions to refund a payment, especially if requested to send the payment to a third party.
- Structuring transactions to avoid government reporting or record keeping requirements.

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- Wire transfer or other payment activity that is not consistent with the business activities of the customer, or which originates or terminates with parties unrelated to the transaction.

The above is not intended to be an exhaustive list. Any unexplained deviation from customer and accepted business practice should alert you to further investigate the activity in accordance with this policy.

### **Employee Responsibility**

All employees are required to read and follow this policy, to understand and identify any red flags that may arise in their business activities and to escalate potential compliance concerns related to AML to the Group Compliance Officer ([compliance@constructel.com](mailto:compliance@constructel.com)) without notifying anyone involved in the transaction.

If an employee escalates concerns, no further action should be taken before advice and/or instructions are received.

### **Due Diligence and Record Keeping**

It is our policy to carry out due diligence ("DD") at the outset of any business relationship and, if necessary, where any red flags arise subsequently on our suppliers, distributors, counterparties, agents and any person with whom Constructel has an established business relationship that will involve the transfer to or receipt of funds ("Customers"), so we can be satisfied that they are who they say they are and so that we can ensure that there are no legal barriers to working with them before contracts are signed or transactions occur. Various factors will determine the appropriate forms and levels of screening.

You should escalate any instances where you have cause for suspicion as a result of carrying out DD and ongoing monitoring to the Group Compliance Officer ([compliance@constructel.com](mailto:compliance@constructel.com)), who will advise you regarding next steps.

You must, in consultation with the Group Compliance Officer ([compliance@constructel.com](mailto:compliance@constructel.com)), carefully consider the outcome of those next steps before deciding whether to do business with the third party.

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The Finance department must regularly monitor and/or review Customers to identify activity that could indicate money laundering or terrorist financing is taking place.

You must maintain records to evidence the DD and ongoing monitoring undertaken.

**Training and Communication**

Training on this Policy forms part of the induction for all new starters. Thereafter, training on this policy will be delivered every two years. All employees will receive online training on how to identify money laundering, the consequences of engaging in money laundering and how to report money laundering in accordance with Constructel’s Policy on Reporting Potential Violations.

**Raising a Concern**

You have a duty to report concerns about any instance or suspicion of misconduct. Concerns should be reported in accordance with Constructel’s Policy on Reporting Potential Violations.

If you are in doubt about whether something constitutes money laundering, or have any questions in relation to this Policy or any other compliance policy, please consult the Group Compliance Officer ([compliance@constructel.com](mailto:compliance@constructel.com)) for further guidance.

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