



Anti-Money
Laundering
Procedure

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Anti-Money Laundering Procedure

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Anti-Money Laundering Procedure

1. Purpose

The purpose of Abraj Energy Service S.A.O.G, Anti-Money Laundering Procedure is to lay down the Anti-Money Laundering policies of the Company to create awareness among all Board Directors, employees, customers, contractors, and Subcontractors about money laundering, the ways and means of combating it. Money laundering is the process by which the individuals and or entities in possession of money from illegitimate sources attempt to conceal the true origins and ownership of such Money, try to conceal illicit funds, or otherwise make these funds appear legitimate. The Company will not condone, facilitate, or support money laundering.

This Policy has been prepared in compliance with the laws in Oman relating to combating Money Laundering and Terrorism Financing, namely:

- a) Royal Decree No. 30/2016 promulgating the Law of Combating Money Laundering and Terrorism Financing ("**the Anti-Money Laundering Law**"); and
- b) Royal Decree No. 72/2004 promulgating the Implementing Regulations of the Anti-Money Laundering Law.

Under Omani law, any person who commits or attempts to commit a money laundering offense shall be punished by a term of imprisonment not less than 5 years and not exceeding 10 years and by a fine not less than RO. 50,000.000 and not exceeding the amount of funds involved in the money laundering offense.

2. Scope

AML procedures consist of a series of protocols and directives intended to stop and identify money laundering within a company. AML processes have a broad reach, addressing several areas to guarantee legal compliance, deter financial fraud, and preserve the integrity of financial systems. Depending on the industry and jurisdiction, the details may change.

3. Definitions

AML: Anti-Money Laundry

Receipt: An official record that represents proof of a financial transaction or purchase.

UN: United Nation

Q&C: Quality & Compliance

ARC: Audit & Risk Committee

Compliance Committee: Consist of General Counsel, Compliance Officer, and Internal Audit Manager

4. Responsibilities

The Compliance Committee or Head of the Legal Department are responsible for receiving any Money Laundering report.

Finance Department specially and all employees generally are responsible for highlighting any payment abnormalities occurred in Abraj.

The Committee Is responsible to ensure that the is procedure kept up to date where the CEO need to approve it before uploading it into Abraj system.

5. Money Laundering Vigilance

Money laundering represents a serious challenge for businesses. It is often hard to detect and the penalties for breaching the Anti-Money Laundering Laws can be severe.

Few of the Company employees will ever individually be in a position to infringe the Anti-Money Laundering Laws or regulations, but there are a few areas which all employees need to watch out for - Bear in mind that these issues are often very unclear so any suspicions must be reported to the Legal Department or to Compliance Committee and treated with great care and confidentiality:

- i. abnormalities in the way payments to the Company are executed;
- ii. customers who appear to lack integrity in their operations;
- iii. customers who appear overly secretive or evasive about their identity, beneficial ownership, source of funds, or why they are doing a transaction in a particular way and what the big picture is;
- iv. customers who seem to be involved in transactions that do not correspond with their normal/ registered business activities; and
- v. Customers who ask for shortcuts or unexplained speed in completing a transaction.

6. Payment Abnormalities

The Company supports anti-money laundering regulations, policies and/or provisions by ensuring that proper procedures are in place to avoid receipt of cash or cash equivalents that are the proceeds of crime. This is a key part of the finance department's role but all employees have a part to play in supporting, by remaining aware of suspicious financial or commercial activities, such as the following examples:

- a. payments made in currencies other than that specified in the invoice;
- b. attempts to make payments in cash or cash equivalents;
- c. payments made by someone not a party to the contract (unless approved);
- d. payments to/from an account other than the normal business relationship account;
- e. requests or attempts to make payments for each invoice or group of invoices by multiple cheques or drafts;
- f. requests to make an overpayment.
- g. payments received from/sent to "high risk" countries (Please refer to UN security council "www.un.org" for a list of countries subject to international sanctions as may be imposed from time to time currently the countries identified in the Exhibit);
- h. use of multiple foreign bank accounts with no apparent good reason;
- i. complicated logistical arrangements or illogical decisions with no apparent commercial purpose.

7. Customer Guidelines

To ensure that the Company only does business with natural and/or juristic persons that comply with the Anti Money Laundering Law and share the Company standards of integrity, it is recommended to:

- a. carefully consider the integrity of potential party and other business relationships;

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- b. conduct the appropriate due diligence on potential business partners or agents;
- c. communicate with customers and related parties about the AES compliance expectations of them;
- d. ensure that you (as a Company employee) are fully aware of a customer's business practices;
- e. avoid conducting business with any party or other business partner suspected of unlawful activity relating to dealings with the Company unless those suspicions are investigated and resolved or otherwise approved by the Legal department of the Company.

Note: the above are guiding principles only and are not a substitute for using your judgment and common sense when assessing the integrity and ethical business practices of potential business partners. If in doubt, please raise your concern to Compliance Committee or Legal Department.

8. Handling & Reporting of Suspicious Cases

Some guidelines are given below on how to handle the situation when suspicious activity may be identified:

- a. avoid being excited or agitated on detecting a questionable person or transaction but obtain enough information about the potential party or person.
- b. be always courteous and diplomatic.
- c. Handle suspected cases in the strictest confidence and information shared on a need-to-know basis with other members of the staff while such cases are being handled.

Ensure that any information gathered, or suspicious activity is treated as very confidential and discreetly report it to the Head of the Legal Department or to the ARC.

9. Record Keeping

A written record of all reported cases/issues will be maintained by the Q&C Dept. and Legal Department with root cause analysis and the corrective action being taken.

10. Monitoring & Reviewing the Procedure

The Procedure will be monitored on an ongoing basis and this document will be reviewed and, if necessary, revised in the light of legislative or codes of practice and corporation changes. Improvements will be made to the management by learning from experience and the use of established reviews.

Thus monitoring & reviewing of the procedure are essential to assess how effective the Company has been.

11. Procedure Amendment

Should any amendments, revisions, or updates be made to this procedure it is the responsibility of the Compliance Committee, and to be approved by the CEO before cascading it to all relevant employees. Written notice and/or training will be provided.

12. Further Information

If you require any additional information or clarification regarding this procedure, please contact your manager. In the unlikely event that you are unhappy with any decision made, you should use the Company's formal grievance process.

13. References:

13.1 Related Documents

Sr No	Document Title	Document No
1	Code of Conduct & Ethics Manual	Q&C-MS-XX-003
2	Human Capital Manual	HC-MS-XX-001

13.2 Related Record

Sr No	Document Title	Document No
1	Conflict of Interest- Declaration	Q&C-MS-FM-XX-030

Note: XX – Refer to the latest revision in INTELEX