

Anti Money Laundering Policy

Kilmac is committed to ensuring that it has controls in place to counter the risk of money laundering and terrorist financing activities. 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. Money laundering can take many forms including:

- 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.

The law creates some specific offences in relation to money laundering including: The Proceeds of Crime Act 2002 (known as 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
- failing to disclose knowledge or suspicion of money laundering to either the relevant Money Laundering Reporting Officer (MLRO) or the National Crime Agency (NCA) (formerly known as the Serious Organised Crime Agency (SOCA)) as appropriate
- tipping off any person that such a disclosure has been made. 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:
 - fund raising for the purposes of terrorism
 - using or possessing money for the purposes of terrorism
 - involvement in funding arrangements
 - money laundering – facilitating the retention or control of money which is destined for, or is the proceeds of, terrorism.

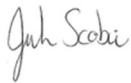
What you must do / not do

Conduct due diligence checks when dealing with others, including the following

- making it a condition of doing business with us that any other party will provide necessary evidence as to the source of their funds;
- undertaking additional checks on their ownership structure or on where their business is managed;
- seek proof as to the source of funds where appropriate; and any other procedures we consider to be reasonable in the circumstances.
- Colleagues must look out for 'red flags' and report them immediately to the Finance Director. Redflags can include:
 - the customer or supplier refuses or fails to confirm that it will cooperate with our additional due diligence checks;
 - the customer or supplier operates or is resident in a country where there is a higher risk of the money being derived from crime;
 - the customer or supplier has unusual invoicing or documentation practices, for example invoicing a different company to the one receiving the service; and
 - the customer or supplier requests for payments to be:
 - made in cash;
 - paid to or through another entity;

- paid to bank accounts in another country;
- paid in another currency; or
- paid in advance where that is not accepted practice for that to occur.
- Books, records and accounts must be kept which accurately and fairly reflect all transactions.
- No payments should be made, approved, or processed where there is any suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No “off the books” or unrecorded funds or accounts are permitted. Examples of unacceptable processes includes:
 - making records showing a payment to one person when, in fact it was made to someone else;
 - submitting inaccurate expenses;
 - records that inaccurately characterise/describe the true nature of transactions or payments;
 - claims for services, products or equipment not received; and
 - creating or maintaining unrecorded funds or assets of the company (including unrecorded “petty cash”).

You must report to the Finance director of the Business unit you work in if you have grounds for suspecting that there is a risk of money- laundering occurring

A handwritten signature in black ink that reads 'Julie Scobie'.

Julie Scobie - Financial Director
16th October 2023