



Anti-Money Laundering Policy Statement

info@2rivers-group.com
www.2rivers-group.com

2Rivers is fully committed to complying with relevant laws and regulations relating to money laundering (ML) and combating terrorist financing (CTF). This policy is designed to ensure compliance with relevant local and international legislations and regulations by taking reasonable steps and exercising the necessary due diligence to deter the use of the 2Rivers' products or services by any parties involved in money laundering, terrorism financing and tax evasion.

The relevant local and international laws and regulations include but are not limited to the EU AML Directives, the UK's Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the United States' Currency and Foreign Transactions Reporting Act, and the UAE's Federal Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations. The UAE is a member of the Middle East & North Africa Financial Action Task Force ("MENA FATF"). It is also a member of the Gulf Cooperation Council, which is a member of the FATF. 2Rivers undertakes to comply with the FATF recommendations and any other applicable industry standards.

The purpose of this policy is to enforce and maintain effective AML and CTF controls with a zero-tolerance approach to any such activity which breaches the international and local laws and regulations. The AML policy is integral to our commitment to ethical business practices and our dedication to upholding transparency and integrity in all business operations. All Employees must observe, respect, and adhere to the governing principles and responsibilities set out in this policy.

In view of local and international laws the term Money laundering ("ML") is explained as an activity which is designed to conceal or disguise the true origin of, converting or transferring, or removing criminally derived proceeds to make them appear to have been sourced from legitimate sources. Similarly, Terrorist Financing ("TF") is defined as an act of providing financial support to terrorism or terrorist organizations to enable them to carry out acts of terrorism. The potential exposure of ML which concerns with source and TF which concerns with destination of funds are analysed as part of our risk assessment criteria.

Policy Guidelines

- Risk-Based Approach
- Counterparty due diligence
- Continuous monitoring for high-risk customers, counterparties, and related transactions
- Detecting and reporting suspicious activities and unusual transactions
- Recording our business transactions and ongoing reports on money laundering
- Training and awareness among all Employees.

Risk-Based Approach

Our risk-based approach aims to clearly guide our compliance and operational teams in identifying and reporting suspicious activities, establishing a framework for enhanced due diligence procedures, and effectively mitigating potential risks related to AML exposure. This risk-based approach includes, but is not limited to:

1. Identifying potential AML/CTF risks that our entity is exposed;
2. Categorising such risk in accordance with internal risk classification methodology; and
3. Defining and implementing appropriate measures to mitigate identified risk.

Counterparty Due Diligence

Counterparty Due Diligence (CDD) is the process used to assess the counterparties background prior to forming business relations, for assessing their identity and level of risk they pose related to money laundering. As part of our AML policy, we always conduct thorough CDD and Know Your Customer (KYC) procedures to verify counterparty identities including their UBOs, products envisaged to be traded, types of services or activities we might engage in with the counterparties, countries and geographical locations of counterparties' operations, understand their business activities, and ensure transparent business relationships.

The relevant parties for 2Rivers where CDD is conducted regularly are trading and transaction partners, suppliers, contractors, vessel's owners, charterers surveyors and Service Providers.

Counterparty Risk Classification

Before establishing a new business relationship, we conduct and keep records of risk classifications for all counterparties. This process includes simplified and Enhanced Due Diligence (EDD) based on risk factors involved and EDD is recommended for high-risk customers and suppliers, as well as simplified measures for low-risk situations.

- **Geographical Risk:** Considering the geographical risk, we establish an assessment of the jurisdiction where the counterparty operates, focusing on the external and internal regulations that the country has implemented for combating money laundering and terrorism financing.
- We classify the assessment into three categories: high-, medium-, and low-risk countries, based on their exposure to money laundering, corruption, fraud, and financial crimes.
- **Counterparty Risk:** During our assessment of the counterparty risks, we focus on considering factors such as the transparency of ownership structure, the type of organization, dealings with entities having officers or members as government officials or politically exposed persons and whether they have clear commitments to follow international regulations and standards set in place for AML.

Screening of Counterparts

We use the latest technology and most advanced compliance data tools to conduct regular party screenings against any entity subject to economic, trade, or financial sanctions, which may include asset freezes, travel bans, and bans on the financing of state-owned enterprises, to ensure sanction compliance and prevent legal or regulatory violations.

These include:

1. Counterparty onboarding procedures that identify types of counterparties and transactions likely to pose a higher-than-average risk to 2Rivers and require a higher level of Due Diligence.
2. Procedures to establish if counterparties are known or suspected money launderers, terrorists or otherwise engaged in criminal activity.
3. Enhanced Due Diligence (“EDD”) is undertaken where a transaction or a counterparty result in a heightened level of financial crime or reputational risk.
4. Ongoing monitoring of transactions conducted by counterparties using a risk-based approach.
5. A clear register on what documents or records must be maintained on counterparty identification and individual transactions and their retention period; and
6. Regular compliance reviews and independent audits of AML/CTF policy and procedure documents and execution against established standards.

Certain counterparties, such as Government Officials or counterparties belonging to high-risk geographies, pose a much higher money laundering risk and so require enhanced CDD measures, which may involve:

- Collecting more identification documents from the respective party.
- Determining the origin of funds or assets by requesting additional financial records.
- Examining more closely the business relationship’s nature or the transaction’s purpose.
- Executing ongoing monitoring procedure effectively.

Monitoring of Transactions

Our compliance team conducts ongoing monitoring of business transactions to:

- Ensure that business transactions are consistently transparent
- Identify and report any unusual transactions
- Foster a culture of vigilance and responsibility
- Support further action and examination when risks arise

Detection and Reporting

Employees must report any suspicious activities if they suspect any form of money laundering or terrorist financing.

Failure to comply with our AML regulations may result in definitive action, including immediate termination and reporting to the appropriate authorities.

Record Keeping

We keep internal records of all transactions and operations. Our records are readily available for the appropriate authorities and regulators when duly requested. ML information and documents are stored securely for at least a five-year period or lengthy period if so required by specific regulations.

Types of Records:

- Client information
- Business and financial transactions
- Internal controls and independent audits

Training and Compliance Monitoring

We provide regular training sessions to ensure all employees understand the latest AML regulations, the importance of compliance, and their responsibility in preventing money laundering. Our training sessions include practical guidance on identifying and reporting suspicious activities and conducting due diligence.