

Anti-Money Laundering, Counter-Terrorist Financing & Sanctions Policy

Batho Pele Group (Pty) Ltd

Policy	Anti-Money Laundering, Combating the Financing of Terrorism and Sanctions Policy
Reference	BPG-POL-01
Version	1.0
Approved by	Board of Directors, October 2026
Policy owner	Compliance Officer (Director: Duane P. B. Webber)
Applies to	All directors, employees, contractors, agents, intermediaries and consortium partners acting for or on behalf of Batho Pele Group (Pty) Ltd
Review	Annually, or sooner on a material change in law or business

1. Purpose and commitment

Batho Pele Group (Pty) Ltd ("the Company") trades in high-value petroleum cargoes across borders. That business is exposed to money laundering, terrorist and proliferation financing, trade-based laundering and sanctions evasion. The Company has zero tolerance for any of these. This policy sets the minimum controls that apply to every counterparty, cargo and payment.

2. Legal framework

The Company complies with all laws that apply to it, including:

- South Africa: Financial Intelligence Centre Act 38 of 2001 (FIC Act), as amended, including the duty under section 29 on any person carrying on a business to report suspicious and unusual transactions; Prevention of Organised Crime Act 121 of 1998 (POCA); Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004 (POCDATARA); and the Exchange Control Regulations, 1961.
- Ghana (for transactions into Ghana): Anti-Money Laundering Act, 2020 (Act 1044) and related regulations.
- Targeted financial sanctions of the United Nations Security Council and, where applicable to the transaction, its currency, banks or counterparties, the sanctions of the United States (OFAC), European Union and United Kingdom.

The Company is not an "accountable institution" under Schedule 1 of the FIC Act. It nevertheless applies a risk-based customer due diligence standard consistent with that Act and with FATF Recommendations, because its banks, funders and counterparties expect it.

3. Compliance Officer

The Board appoints a Compliance Officer (currently the Director) who is responsible for: maintaining this policy; approving high-risk relationships; receiving internal reports of suspicion; filing reports with the Financial Intelligence Centre (FIC) through goAML; training; and keeping records.

4. Know Your Counterparty (KYC) due diligence

No contract may be signed, cargo nominated or payment made or received until KYC is complete and recorded. For every supplier, buyer, intermediary, financier and logistics partner the Company obtains and verifies:

- Legal name, registration number, registered and trading address, and certificate of incorporation.
- Directors, and every natural person who ultimately owns or controls 10% or more (beneficial owners), verified against identity documents.
- Nature of business, licences (e.g. petroleum import/wholesale licences), source of product and, for financiers, source of funds.
- Bank account details confirmed by a bank letter. Payments are made only to an account in the counterparty's own name in its country of business.
- Screening of the entity, its directors and beneficial owners against UN, OFAC, EU and UK sanctions lists and for politically exposed person (PEP) status and adverse media.

Enhanced due diligence (EDD)

EDD is mandatory, and Compliance Officer sign-off is required, where any of the following apply: a PEP or a state-owned enterprise is involved; the counterparty is in a high-risk or FATF grey-listed jurisdiction; the ownership structure is complex or opaque; a commission or fee is payable to an intermediary; or payment is requested to or from a third party. EDD includes understanding source of funds and wealth, and senior approval before proceeding.

5. Petroleum trade red flags

Staff must stop and escalate if they see any of the following:

- Product of unclear or sanctioned origin, falsified or inconsistent certificates of origin, quality or bills of lading, or ship-to-ship transfers without commercial explanation.
- Vessels with AIS (tracking) gaps, frequent flag or name changes, or links to sanctioned owners or managers.
- Requests for upfront "procedure" fees, unverifiable bank instruments, or payment to or from unrelated third parties or offshore accounts.
- Prices materially out of line with ICE/Platts benchmarks without explanation.
- Reluctance to provide KYC, beneficial-ownership or licensing information.

6. Sanctions

The Company will not deal directly or indirectly with any sanctioned person or jurisdiction, and will not purchase or supply petroleum products of sanctioned origin. Each cargo requires a certificate of origin, supplier warranty on origin and title, and vessel screening. Where the transaction is in US dollars, the Company will also observe OFAC restrictions that its banks apply.

7. Reporting suspicion

Any director, employee or agent who knows or suspects that a transaction involves proceeds of crime, terrorist financing or sanctions evasion must report it immediately to the Compliance Officer. The Compliance Officer will decide whether to file a report with the FIC as soon as possible and, in any event, within 15 working days of the suspicion arising, as required by the FIC Act. **Tipping off is prohibited:** no person may tell the counterparty or anyone else that a report has been or may be made.

Property associated with terrorist activity or a sanctioned person must not be dealt with, and must be reported under section 28A of the FIC Act.

8. Record keeping

KYC records, contracts, inspection reports, shipping documents and payment records are kept for at least five years after the relationship or transaction ends, in a form that can be produced to regulators or law enforcement on request.

9. Training, monitoring and breach

All staff and agents receive training on this policy at onboarding and annually. The Compliance Officer monitors relationships for changes in risk and refreshes KYC at least annually for high-risk counterparties. A breach of this policy is a serious disciplinary offence and grounds for termination of any agency or partnership agreement.

Approval

Adopted by the Board of Directors of Batho Pele Group (Pty) Ltd, October 2026. Signed copy held by the Company.