

**Northern Ocean Ltd.**  
**Financial crime policy**

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## 1 Introduction

Northern Ocean Ltd. (“**the Company**”) operates in jurisdictions where financial crime is a criminal offence. In the context of our operations at the Company, financial crime is any kind of criminal conduct relating to money including any offence involving:

- Fraud or dishonestly; or
- Handling the proceeds of crime; or
- The financing of terrorism.

## 2 Purpose

This policy expands on the Company’s Code of Conduct and further details our requirements in relation to financial crime, specifically relating to anti-bribery and anti-corruption (“**ABAC**”).

## 3 Scope and applicability

This policy applies to all entities controlled by the Company and officers, directors, employees as well as workers and third party consultants of the Company, wherever they are located (together “**Employees**”).

It also applies to representatives, vendors, agents, consultants and other individuals or companies that provide services for or on behalf of the Company (together “**Business Partners**”).

## 4 Our commitment and responsibilities

The Company will not tolerate any form of financial crime by its employees or Business Partners acting on its behalf and this policy demonstrates our zero-tolerance approach.

This policy will be reviewed and updated where necessary as our business environment changes and new threats appear.

## 5 What’s the legislation?

As a global business, there is a growing number of, and changes to, laws which apply to jurisdictions in which we operate. The regulatory landscape has become more dynamic and complex. This policy makes reference to some of the key global legislative requirements, however is not intended to be an exhaustive list of all relevant legislation. Instead, this policy aims to communicate the spirit of the relevant laws and regulations with particular reference to the following:

- Foreign Corrupt Practices Act (FCPA) 1997 (as amended)
- UK Bribery Act 2010
- Office of Foreign Assets Control (OFAC) sanctions
- US Economic Sanctions Laws
- European Union (EU) sanctions
- United Nations (UN) Security Council sanctions
- EU 4<sup>th</sup> Directive on anti-money laundering (AML) and counter terrorist financing (CTF)
- HM Treasury (UK) sanctions

## **6 Bribery and Corruption**

### **6.1 What is Bribery?**

Bribery is an improper advantage offered, promised or provided in connection with a person's position, office or assignment in either the public or private sector.

Bribery includes offering, promising or giving an advantage to another person with the intention to (i) induce a person to perform improperly a relevant function or activity, or (ii) in order to reward a person for the improper performance of such a function or activity.

Further, it is prohibited offering to pay, paying or authorizing the payment of money or anything of value to a public official in order to influence any act or decision of the public official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business.

Bribery may involve government officials, companies or private individuals and may occur directly or indirectly through third parties.

Both paying a bribe and receiving a bribe is strictly prohibited. You should be aware that presenting an offer is sufficient to be held liable under applicable anti-corruption laws. No actual transfer has to be made.

Examples of benefits that may constitute bribery is cash, loans, gifts, entertainment, travel, services, donating to charity for improper reasons and scholarships.

The company prohibits the following acts being undertaken by any Employee or Business Partner acting on the company's behalf:

- Offering, promising or giving a bribe;
- Requesting, agreeing to receive or receiving a bribe;
- Bribing a Public Official in order to obtain or retain a business advantage

### **6.2 What is trading in influence?**

Trading in influence is a concept from the European Council Criminal Law Convention on Corruption from 1999. Trading in influence is accordingly made a criminal offence under many applicable anti-corruption laws.

We prohibit the offering or giving of an improper advantage to a third party in exchange for this person trying to influence the conduct of someone else.

If we ever engage lobbyists or agents to influence a public office or political decisions, certain precautions must be made, namely:

- We must attempt to identify any links between the lobbyist/agent and a politically exposed person;
- The lobbyist or agent must be open about his assignment for our company in contact with the decision makers;
- The fee must be reasonable based on the service provided by the lobbyist or agent.

### **6.3 Public Officials**

The term “Public Official” includes elected or appointed officials at all levels of government as well as anyone who is employed by a national, regional or local government or a government-owned or controlled entity, employees of public international organizations, political parties, officials of political parties and candidates for public office.

### **6.4 Facilitation Payments**

The Company prohibits facilitation payments (also called “grease payments”). A facilitation payment is a payment made to a public official to expedite or secure performance of a routine duty which that person is already obliged to perform and where such payment would exceed what is properly due.

Typical examples of facilitation payments:

- Paying a small sum to a public official to obtain certain approvals which are needed to conduct business in that country;
- Making cash payments to customs officials to release goods held in customs;
- Paying a small sum in unofficial fees to obtain visas or work permits or to get through immigration/customs at the airport.

The only exception to this is where an employee or Business Partner has reasonable belief that their personal safety is at risk. In such situations the employee must report the details of the payment to the CEO within 48 hours of making such a payment.

### **6.5 Gifts, entertainment and hospitality**

Employees or Business Partners should not provide gifts to or receive them from any Public Official (or their close families and business associates). Employees should never solicit a gift or favor from those with whom the Company does business.

Only gifts, entertainment and hospitality that are reasonable, proportionate and transparent, that do not influence business decisions and are not prohibited by law or otherwise may be offered or accepted. If in doubt, contact the CEO.

Cash or cash equivalents, such as bonuses, gift certificates redeemable for merchandise, tickets (except as permitted herein) or services, the payment of credit card charges, or the like regardless of the amount may not be offered, given or received without the written approval from the CEO.

### **6.6 Political and Charitable donations**

The company does not make contributions of any kind to political parties.

We must always ensure that social projects, donations and grants are awarded according to objective criteria and in order to improve our overall image and reputation. No charitable donations will be made by the Company with the intent to gain a commercial advantage.

### **6.7 Conflicts of interest**

A conflict of interest exists if actions by an employee are, or could reasonably appear to be influenced directly or indirectly by personal considerations, duties owed to persons or entities

other than the Company, or by actual or potential personal benefit or gain. Conflicts of interest do not necessarily have to result in unethical or illegal acts.

Employees and Business Partners must avoid conflicts of interests, including potential conflicts of interest that could create the perception that they may be improperly influenced in their decision making.

If an employee or Business Partner acting on the company's behalf have an actual, perceived or potential conflict of interest they should notify this immediately to their manager and adhere to any instructions provided on how to address such conflict of interest.

## **6.8 Engaging Business Partners**

We choose our Business Partners carefully. This involves mapping relevant information relating to the legality of their activities, reputation, experience, technical knowledge, history and potential risks or liabilities.

All contracts with Business Partners must be in writing. We will do our best to include anti-corruption clauses in our contracts to ensure that our Business Partners are committed to following our standards. If any of our Business Partners are suspected of anti-corruption law violations in connection with work performed under our contract, the contract must be rescinded immediately and further payments suspended.

Agents or intermediaries function as a liaison between our company and a third party. Working with agents represents a corruption risk and requires due care and attention. If any of our agents pay a bribe, this may result in liability for our business for anti-corruption law violations. When engaging an agent, you must ensure that a written agreement with anti-corruption clauses is concluded, that the fee is in proportion with the service provided, and that you monitor the agent's work.

## **7 Anti-Money Laundering**

### **7.1 What is money laundering?**

Money laundering is a term used to describe the process of hiding the criminal origins of money or property which are proceeds of crime within legitimate business activities. It can also be the use of money of a legitimate origin that supports terrorism.

### **7.2 What are your responsibilities?**

The company prohibits the following acts being undertaken by an Employee or Business Partner:

- concealing, disguising, converting, transferring criminal money or property;
- entering into or becoming concerned in an arrangement that a person knows or suspects facilitates, by whatever means, the acquisition, retention, use or control of criminal money or property by or on behalf of another person; and
- acquiring, using or possessing criminal money or property

Employees of the Company should undertake appropriate due diligence to assess the integrity and identity of our Business Partners and third parties. The screening should include public information such as sanctions lists, ownership structure and adverse media.

Should any Employee of the Company have any knowledge or suspicion of money laundering they should report this to the CEO.

## **8 Sanctions and Export control laws**

### **8.1 What are sanctions and export control?**

Sanctions are economic or trade restrictions which governments may impose against foreign countries, entities, organisations, or individuals who engage in acts contrary to international law or against the government's national security interests. Appropriate checks should be carried out to ensure compliance with all applicable sanctions.

Export controls are restrictions on importing or exporting "controlled items", including certain goods, raw materials, services, or technologies. These restrictions and prohibitions may depend on the nature of the items, the country of origin, the end-use, or on the identity and activities of the counterparty.

### **8.2 What are your responsibilities?**

Employees and Business Partners must observe and comply with applicable local and extraterritorial sanctions and export controls requirements.

Any third party, including but not limited to, agents, suppliers, service providers, distributors, vendors, consultants, banks or other financial service providers should be subject to appropriate due diligence to make sure they are not targeted by any sanction and/or trade controls restrictions.

Should any Employee or Business Partner suspect a violation of trade controls they must inform the CEO.

## **9 Managing incidents and reporting a concern**

### **9.1 Reporting a concern**

Should any Employee or Business Partner acting on behalf of the Company have a concern or know or suspect a violation of this Financial Crime Policy they can either report the matter:

- Directly to your line manager or CEO as appropriate.
- Via the third party compliance hotline or via the online link;  
<https://report.whistleb.com/northern>

Any reports will be handled confidentially, impartially and in a timely manner and in accordance with the Company's Complaints Procedure.

### **9.2 Disciplinary action**

Financial crime such as bribery, money laundering and breaching international sanctions are offences which can lead to criminal penalties for you as an individual as well as the Company. In addition to this, breaches to this policy will result in prompt disciplinary actions, which may include dismissal / termination of contract.

## **10 Monitoring and review**

Our Company conducts an annual assessment of the corruption risk associated with our activities. The CEO is responsible for monitoring the implementation of the Financial Crime Policy and supplementary procedures. Compliance with policies and procedures must be subject to internal control and supervision. A review of certain activities and expenses must be made to identify potential non-conformances.