

Anti-Money-Laundering Policy

battenfeld-cincinnati

Application

The Anti-Money-Laundering Policy applies to the employees of all companies affiliated within the battenfeld-cincinnati organization (hereinafter referred to as "the Company").

What is money laundering?

Money laundering is the attempt to turn the proceeds of criminal activity into legitimate funds by obscuring their real origin.

The schemes employed to turn "dirty" money into "clean" are numerous and varied, but criminals will typically try to pass their ill-gotten gains through reputable businesses so that, when the funds are returned to them, they appear to have come from a legitimate source.

Why is money laundering important?

The Company is committed to conducting its business in an ethical and socially responsible manner. This includes taking active steps to prevent financial crime and ensure that the Company does not unwittingly facilitate criminal behavior.

There is an ongoing risk that the Company may be targeted by criminals for money laundering purposes. Such money laundering schemes will require the Company to possess or deal with criminal funds in some way and this in itself is an offence in many jurisdictions. The Company therefore expects all its officers and employees to be aware of the warning signs of money laundering and to remain vigilant at all times in respect of these.

Money Laundering Red Flags

- A customer, agent or proposed business partner who is reluctant to provide complete information or who provides suspicious information
- Third parties acting on behalf of another where it is unclear who the actual counterparty is
- Requests to make or accept payments in cash
- Structuring of transactions to avoid record keeping or reporting obligations
- Unusually favourable payment terms
- Orders or purchases that are inconsistent with a customer's normal business purpose
- Transactions involving offshore banks, unlicensed money remitters or currency not related to the transaction

- Transactions involving politically exposed persons
- Transactions involving jurisdictions or individuals with links to criminal or terrorist activities

What should you do if you are aware of suspicious behavior?

As an officer or employee of the Company, you have a duty to remain alert for potential criminal behavior. If you become aware of any of the warning signs listed above or have any other reason to suspect there may be improper financial behavior occurring you must immediately inform the Company's compliance officer.

You must **never** inform anyone about whom you have suspicions that you are intending to or have reported them. This in itself constitutes an offence.

A failure to report suspicions of money laundering could expose the Company to legal sanctions, as well as reputational damage. As a result, you will jeopardize your employment with the Company.

In addition, you will expose yourself to criminal sanctions which are likely to include imprisonment.

How to minimize money laundering and criminal financing risks

Following these steps will help limit the risk of exposing yourself or the Company to financial crime:

- Perform thorough and accurate KYC checks on all new customers, suppliers or business partners
- Consider risk factors posed when entering into a new business relationship and note where there are any increased risks (such as jurisdictional or reputational concerns)
- Maintain records of all KYC documents received and document decisions in all instances where there are money laundering 'red flags' present
- Money laundering is a criminal offence and the consequences for you personally mean that you must understand your individual responsibilities: make sure you attend training sessions relating to anti-money-laundering and know who the Company's compliance officer is at all times

What the Company will do to minimize money laundering and criminal financing risks

As part of its program to reduce the risk of financial crime and money laundering, the Company has committed to the following measures:

- The Company will not have any business dealings with entities or individuals without obtaining, as soon as commercially practicable following the start of the business relationship, documents confirming their identity and / or ownership (as appropriate)
- The Company has appointed a compliance officer to whom all employees will be able to report suspicious behavior
- The Company will ensure that all employees receive a copy of this policy and the training necessary to identify the warning signs of money laundering and financial crime
- The Company will review this policy annually and will update it as necessary in line with any legal, regulatory or commercial developments

Coming into force

This policy comes into force on January 1, 2016.