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Last review date: October 2021

Anti-Money Laundering Policy

This policy applies to all companies within, and all employees of, the Benchmark Group

A. Introduction

1. Money laundering is the process whereby illegally obtained money (from terrorist activity or other serious crimes) is given the appearance of having originated from a legitimate source.
2. The Proceeds of Crime Act 2002 (POCA), the Terrorism Act 2000 and the Money Laundering Act 2007 have been adopted by the UK Government and these form the cornerstone of Benchmark Holdings plc's Anti Money Laundering Policy, which applies across the whole organisation internationally. Where the Benchmark group has operations in different jurisdictions, they will also comply with the local obligations, with the more rigorous standards taking priority.
3. Benchmark Holdings plc will take measures to prevent the company and its employees being exposed to money laundering, to identify areas in which money laundering may occur and to comply with legal and regulatory requirements, especially the process for reporting actual or suspected money laundering cases to the Money Laundering Reporting Officer. It is the responsibility of every employee to be vigilant and act promptly in all suspected cases.

B. The Policy

4. This policy applies to all employees and directors within the Benchmark Group, and sets out procedures for the reporting of suspected money laundering activities with the aim to reduce potential criminal activity. The policy defines procedures that will assist the company to comply with its legal obligations.
5. This policy should be read alongside the company's Whistleblowing Policy and Anti-Bribery Policy.
6. Failure of an employee to comply with the procedures defined within this policy may lead to disciplinary action in line with the company's Disciplinary Policy Procedures.

C. Background

7. The POCA 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the company and its employees with respect to suspected money laundering, the key points being:
 - The reporting and detection of suspected money laundering;

- Employees must be vigilant for the signs of money laundering;
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer;
- No payment to the company will be accepted in cash if it exceeds £2000 (or equivalent);
- Where the company is carrying out certain regulated activities during day to day business then the customer due diligence procedure must be followed, for example some Treasury Management activities are regulated by the Financial Services Authority;
- The Money Laundering Regulations are complex and detailed and should there be any doubt about the policy requirements, please request further information from line management.

D. What is Money Laundering?

8. Money laundering is a term used which relates to offences involving the proceeds of crime or terrorism funds. The following acts are defined as acts of money laundering:
- Concealing, disguising, converting, transferring or removing criminal property from the UK (section 327 of the POCA 2002);
 - To enter into or become concerned in an arrangement which you know or suspect will assist the acquisition, retention, use or control of criminal property or on behalf of another person (POCA section 328);
 - Acquiring, using or possessing criminal property.

These are primary money laundering acts. Two secondary offences are also defined which relate to the failure to disclose any of the three primary acts and tipping off (POCA section 330). Tipping off is where someone informs a person or persons involved in, or suspected to be involved in money laundering acts, in such a way as to reduce the likelihood of their being investigated.

9. While the risk to the company of breaching legislation is considered to be low, employees in all areas should be aware that they could be potentially exposed to money laundering acts. It is important that all employees are aware of their responsibility to report any suspicions of money laundering activity as detailed within this policy (see reporting). All employees are responsible to act promptly and report any suspicions to the Money Laundering Reporting Officer to prevent any breach of legislation which can lead to serious criminal penalties.

E. The Money Laundering Reporting Officer (Monitoring Officer)

10. The employee nominated to receive disclosures about money laundering activity is the Monitoring Officer. The Money Laundering Reporting Officer will deal with all disclosures confidentially and make decisions on reporting the activity to the Serious and Organised Crime Agency (SOCA) in the appropriate manner, all reports will be retained for seven years. Contact details:

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F. Reporting

11. Any employee who suspects money laundering activity should report their suspicions promptly to the Money Laundering Reporting Officer. Upon receipt of the report the Money Laundering Reporting Officer may contact you directly to discuss the content of the report as required.

12. No further enquiries should be made about the suspected money laundering after reporting to the Money Laundering Reporting Officer for action. No further steps in any transaction relating to the suspected money laundering should be made without authorisation from the Money Laundering Reporting Officer. For example, if repeated reported cash overpayments are received to a specific account seek guidance from the Money Laundering Reporting Officer before the amounts are refunded as a Company cheque.
13. No disclosure should be made to others that would indicate suspicions of money laundering. Any employee reporting should not discuss the matter with others or note on file that a report has been made to the Money Laundering Reporting Officer as this may result in the suspect becoming aware of the situation.
14. The Money Laundering Reporting Officer will promptly evaluate any Disclosure Report to determine whether it should be reported to SOCA. The Money Laundering Reporting Officer will, if necessary, promptly report the matter to SOCA in the prescribed manner via www.soca.gov.uk. Failure to report a disclosure to SOCA is considered a criminal offence without reasonable grounds. All disclosures will be retained on file for five years.

G. Customer Due Diligence

15. Extra care needs to be taken when the company is carrying out regulated activities, this is known as customer due diligence, for example treasury management activities, charging for a service as a business or a customer other than a UK public authority. Due to the nature and stringent guidelines for regulated business, you will be aware if your duties involve regulated activities.
16. If customer due diligence (CDD) applies, you must seek evidence of identity, for example:
 - Check the business's website to confirm their business address
 - Conduct an on-line search to confirm the nature of business and identity of any directors
 - Seek evidence from the key contact of their personal identity following the guidelines for identifying customers
17. Identification must be retained for five years after the end of the business relationship.

H. Guidance and Training

18. The company will make all employees aware of the requirements and obligations placed on the company and on themselves as individuals by anti-money laundering legislation and give targeted training to those most likely to encounter money laundering. See Schedule 1 at the end of this document.

I. Further information

Further information can be obtained from the following sources www.soca.gov.uk. Any questions or concerns regarding this policy or anti-money laundering generally should be directed to compliance@bmkholdings.com.

Schedule 1

1. All employees should be vigilant to suspicious activity, in particular when handling cash and other monetary transactions and when procuring works.
2. Any transaction involving an unusually large amount of cash should cause questions to be asked about the source. This will particularly be the case where cash paid exceeds the amount necessary to settle a transaction, and the person(s) concerned request a non-cash refund of the excess. This will include double payments.
3. The reason for the use of trusts or offshore funds for handling the proceeds or settlement of a transaction should be questioned.
4. Care should be exercised and further enquiries may be needed where:
 - A third party intermediary becomes involved in a transaction
 - The identity of a party is difficult to establish or is undisclosed
 - A company is used by a third party and the ultimate ownership is concealed or difficult to establish
 - A party is evasive as to the source or destiny of funds
5. It should be remembered that the money-laundering regime adopts an 'all-crimes' approach. Whilst the above examples are largely concerned with significant transactions which organisations may affect with third parties, the offences under the POCA (notably sections 327-329) may apply to a very wide range of more everyday activities within an organisation. For example, being complicit in crimes involving the falsification of claims, benefiting from non-compliance with the conditions attaching to a grant, or facilitating employment on which tax is not paid.

How could money laundering occur within Company?

6. Money laundering may occur during day to day business activities within the company, there are issues all employees should be aware of.

Training

- Employees must be vigilant at all times
- If in doubt, report it
- The Anti-Money Laundering Policy should be adhered to and further guidance requested from the Anti-Money Laundering Reporting Officer where needed
- Access further information via the sources in section I of the document, for detailed guidance

Procurement

- Check that tender documents are clear and it is stipulated that employees performing contract works are legitimate
- Check that new suppliers are identified as bone fide?

Debtors

- Cash overpayments are repeatedly received to a debtor account without reasonable explanation, and refunds are given in the form of a Company cheque, bacs payment, this may be a means to conceal the source of money obtained from illegal activities.