



**Anti-Money Laundering  
Anti-Terrorism Financing  
Policy**

**DUO ENERGY PTE LTD**

## **Policy Statement**

Duo Energy is committed to complying with all applicable laws and regulations, including anti-money laundering (AML) and counter-terrorist financing (CTF) measures, in every jurisdiction where it operates or conducts business. The company strictly prohibits any involvement in money laundering activities and will not support or finance any form of terrorism through its operations or activities.

## **Scope of Policy**

This policy applies to all employees and members of Duo Energy, regardless of their role or position. Each individual is responsible for understanding and adhering to AML and CTF regulations, policies, and guidelines relevant to the countries in which the company operates.

This policy also extends, where appropriate and practicable, to any individual or entity associated with Duo Energy, including clients, trading partners, and business affiliates. To enforce compliance, the company may establish procedures and guidelines to align with evolving legal and regulatory requirements.

## **Definition**

**Money Laundering** is the process of disguising illegally obtained funds to make them appear legitimate. It typically involves three stages:

- A. **Placement** - Introducing illicit funds into the financial system.
- B. **Layering** – Conducting transactions to obscure the origins of the funds
- C. **Integration** – Merging illicit funds with legitimate assets or investments.

Terrorist financing refers to the used of funds that are collected and/or raised from either legitimate or illegitimate sources with the intention to used it for the support of carrying out acts of terrorism.

## **Red Flags: Money Laundering & Terrorist Financing**

Money laundering and terrorist financing can take various forms. While not exhaustive, the following risk factors may indicate potential illicit activity:

- ❖ A new or unknown customer, business partner, or affiliate unable to complete Know Your Customer (KYC) or onboarding procedures.
- ❖ A secretive entity or individual unwilling to provide required information without justification.
- ❖ Reluctance to use banking channels for transactions, insisting on cash-based payments.
- ❖ Frequent cancellations or reversals of transactions.
- ❖ Unusual third-party transactions, including unnecessary fund routing.
- ❖ Large or frequent overpayments with no clear rationale.
- ❖ Inability to explain the origin of funds.
- ❖ Transfer of funds to high-risk countries or tax havens
- ❖ Transactions inconsistent with a client's usual activity.
- ❖ Requests for payments to unrelated affiliates or entities.
- ❖ Unusual large cash deposits, withdrawals, or transactions.
- ❖ Introduction of a client by an entity based in a high-risk jurisdiction known for illegal activities.

## **Application of this Policy**

Duo Energy will provide adequate and appropriate resources to implement this Policy and will ensure it is communicated and understood by all staff and members of the company.

### **1. Risk Assessment**

The company follows a risk-based approach to identify, assess, and mitigate risks related to money laundering and terrorist financing. This includes:

- ❖ Identifying potential exposure to AML and CTF risks.
- ❖ Evaluating the potential impact of such risks.
- ❖ Implementing measures to mitigate these risks.

The company considers transaction nature, size, and risk factors, investigating any unusual activity to determine its legitimacy.

### **2. Know Your Customer (“KYC”)**

Consistent with the risk-based approach, prior to the establishment of a new business relationship with a new trading counterpart or business partner, under Duo Energy’s internal onboarding procedure, a KYC review process will be undertaken which includes (but not limited to):

Before establishing business relationships, Duo Energy conducts a thorough KYC review, which includes:

- ❖ Verifying the identity of clients, trading partners, and ultimate beneficial owners.
- ❖ Validating banking relationships and official business registration records.
- ❖ Assessing financial statements to identify any irregular financial patterns.

All KYC documentation is maintained for compliance and record-keeping purposes.

### **3. Monitoring and Reporting**

Employees must ensure that funds handled by the company are not linked to illicit activities. Staff must be vigilant for “Red Flags” and report suspicious transactions to their team manager or department head. If necessary, cases will be escalated to the Compliance Team or Compliance Committee, as outlined in the company’s Compliance Policy.

### **4. Record Retention**

Duo Energy will retain all relevant transaction and business records in accordance with its Information Management Policy and applicable legal requirements.

### **5. Cooperation with Authorities**

Duo Energy and its employees will fully cooperate with relevant authorities responsible for combating money laundering and terrorist financing in jurisdictions where the company operates.

## **Governance & Compliance**

This policy will be reviewed annually by the Compliance Committee to ensure alignment with the latest legal and regulatory developments, maintaining best practices in the company’s operations.