



Niger Delta Exploration & Production Plc

ANTI-MONEY LAUNDERING POLICY

1. INTRODUCTION

Niger Delta Exploration & Production Plc (NDEP) is committed to achieving the highest standards of ethical conduct by reinforcing its business principle of zero tolerance to all unethical behaviours.

This policy provides a framework to ensure that stakeholders do not engage in money laundering activities. It shall also help the Company conduct its due diligence such that it does not conduct business with Contractors that engage in money laundering. This Policy is made pursuant to the provisions of the Money Laundering (Prohibition) Act of 2011.

2. DEFINITION

- 2.1 **Anti-money laundering (AML)** refers to the laws, regulations and procedures intended to prevent criminals from disguising illegally obtained funds as legitimate income.
- 2.2 **Compliance Officer** shall be the Anti-money laundering reporting officer (AMLO)
- 2.3 **Contractor Group** means the Contractor and Subcontractors, their affiliates, and their respective directors, officers, and employees (including agency personnel) but shall not include any member of the Company Group. "Contractor Group" shall also mean subcontractors (of any tier) of a Subcontractor which are performing work onshore at any wellsite or other location, their affiliates, their directors, officers, and employees (including agency personnel).
- 2.4 **Designated Non-Financial Institutions (DNFI)** refers to businesses or professions that do not deal in financial and monetary transactions such as deposits, loans, investments, and currency exchange.
- 2.5 **Money Laundering** according to the Act is when any person in or outside Nigeria directly or indirectly conceals or disguises the origin of converts or transfers; removes from the jurisdiction ; acquires , uses, retains, or takes possession or control of any fund or property knowingly or which he/she should reasonably have known that such fund or property is or forms part of the proceed of an unlawful act.
- 2.6 **Stakeholders** refers to any person with an interest or concern in the business of the Company. For the purpose of this Policy, they include any sitting Director, members of Management, Consultants, and employees of the Company.
- 2.7 **Unlawful Act** shall include , corruption , bribery ,fraud , currency counterfeiting and piracy of products , environmental crimes, robbery or theft, smuggling (including in relation to custom & excise duties) , tax crimes , insider trading , terrorist financing , participation in an organized criminal group, trafficking in person , sexual exploitation, illicit trafficking in narcotic drugs , illicit trafficking in stolen goods.

3. PROHIBITION OF THE ACT OF LAUNDERING MONEY

- 3.1 With the exception of transactions conducted through a financial institution, no Stakeholder shall, in the course of conducting business on behalf of the Company, make or accept cash payment exceeding ₦100,000 (One Hundred Thousand Naira) or its equivalent in the case of an individual or ₦1,000,000 (Ten Million Naira) or its equivalent in the case of a corporate body.
- 3.2 In the course of conducting business on behalf of the Company, a transfer to or from a foreign country of funds or securities to a Stakeholder including a Money Service Business

of a sum exceeding US\$10,000 or its equivalent shall be reported via the whistleblowing channels employed by the Company.

- 3.3 If a Stakeholder attempts or succeeds in the circumvention of the provisions of subsections (3.1 and 3.2) above in any way, it shall be treated as a money laundering activity and the provisions of subsection 3.4 below shall apply.

4. DUE DILIGENCE

- 4.1 NDEP shall take steps to verify its contractors/investors identity before awarding contracts and conducting business with them.
- 4.2 NDEP shall also take steps to update all relevant information on its Contractors during the course of its business relationship.
- 4.3 Due Diligence process must be followed by the Company prior to entering into a contractual relationship with a third party. During the due diligence process, the company shall
- Establish that the third parties acting on its behalf are persons with integrity and high reputation to carry out such task to minimize the risk of actions that could result/lead to the breach of any anticorruption laws which could tarnish the Company's reputation.
 - Ensure the individuals and corporate bodies that the company does business with are engaged in legitimate business as this reduces the risk of the company getting involved in person or entity that engage in money laundering illegal businesses or use to expedite such activities.

5. THE OFFENCE

- 5.1 Any Stakeholder or member of any Contractor Group who suspects money laundering activities shall report via the whistleblowing channels provided by the Company. The reporter shall also ensure that adequate information, to the best of their knowledge, is provided to ensure proper investigation.
- 5.2 Any Stakeholder or member of any Contractor Group who is suspected of engaging in money laundering activities shall be investigated and reported to the appropriate authorities as provided for in the Money Laundering (Prohibition) Act 2011.

6. SENSITIZATION OF STAKEHOLDERS

- 6.1 In accordance with the Money Laundering (Prohibition) Act 2011, NDEP shall continuously develop programmes to combat the laundering of the proceeds of a crime or other illegal act, and these shall include but not limited to the following:
- a. the designation of compliance officers at management level,
 - b. regular training programmes for its Stakeholders,
 - c. the centralization of the information collected; and
 - d. the establishment of an internal audit unit to ensure compliance with and ensure the effectiveness of the measures taken to enforce the provision of this Act.

- 6.2 Due to the proliferation of NDEP's subsidiaries, any types/forms of transactions between these subsidiaries shall be properly documented in order for them not to become means of perpetuating money laundering activities.
- 6.3 It is therefore the responsibility of the Chairman, Board Audit & Finance to work with the Company Secretary and the Finance Department to ensure oversight of all subsidiaries of NDEP and to keep track of all activities.
- 6.4 Manuals of authority shall also be implemented at various levels of approvals within the Company to encourage internal control procedures and proper processes for cash transactions and/or bank reconciliations.

7. RESPONSIBILITIES OF THE ANTI- MONEY LAUNDERING REPORTING OFFICER (AMLO)

The Anti-Money Laundering officer will be responsible for the following but not limited to :

- Considering internal reports of money laundering;
- Reporting suspicions of money laundering to the responsible authorities; and
- Acting as key liaison with the money laundering authorities.
- Submitting reports when required to the Special Control Unit Against Money Laundering (SCUML)
- Advising on proceed after a report of suspicion on money laundering has been raised; and • Designing and implementing Anti-Money Laundering processes and procedures.
- Training the business and its employees on money laundering;

8. REPORTING MEASURES AND PROTECTION

Any alleged or suspected violation of this policy should immediately be brought to the attention of the Financial Controller who shall consult with the Compliance Officer (AMLO). Appropriate measures shall be taken as it deems necessary, which may involve engaging a legal counsel to conduct a confidential internal investigation.

No further action should be taken by the party reporting the contravention until a response has been received from the Financial Controller and/or the Compliance Officer. This policy prohibits any form of retaliation against any individual who in good faith report concerns about possible infringements.

A report on suspicious activity should contain, at least, the following information, which will be confirmed by the AMLO:

- Identity of the person raising the suspicion;
- Date of the report;
- Who is suspected of money laundering or terrorist financing activities;
- Other individuals involved otherwise;
- Deliverance of facts;
- What is suspected and why; and

- Any possible involvement of Niger Delta Exploration & Production Plc

9. COMPLIANCE COMMITTEE


Any issues that may arise in relation to this policy shall be discussed by the Committee comprising of the Chief Executive Officer, the Financial Controller, and the Compliance Officer.

10. REVIEW AND APPROVAL

This Policy may be reviewed from time to time by the Board. This policy is hereby approved by the board on the 30th day of April 2021.



CHAIRMAN



COMPANY SECRETARY