

Tethys Oil AB (publ) and subsidiaries



Anti-Money Laundering, Counter-Terrorist Financing and Know-Your Counterparty Policy

Adopted by:	Board of Directors	December 15, 2022
Review:	Annually	
Policy is in force until new version is adopted		

<i>Definitions:</i>	
<i>Tethys Oil or Group</i>	<i>Tethys Oil AB (publ) and its subsidiaries</i>
<i>MD</i>	<i>Managing Director of Tethys Oil AB (publ)</i>
<i>Policy</i>	<i>This Anti-Money Laundering, Counter-Terrorist Financing and Know Your Counterparty Policy</i>
<i>Staff</i>	<i>Employee or Director of Tethys Oil</i>
<i>Board of Directors</i>	<i>The Board of Directors of Tethys Oil AB (publ)</i>
<i>Audit Committee</i>	<i>Audit Committee of the Board of Directors</i>

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1. Scope of Policy

Tethys Oil sees anti-money laundering / counter-terrorist financing (“AML-CTF”) and know-your-counterparty (“KYC”) matters as critical considerations in the conduct of its business. The purpose of this AML-CTF and KYC Policy (the “Policy”) is to set out the steps to be taken by the employees, the Board of Directors, consultants and contractors employed or retained by Tethys Oil to verify the identities of all new and existing counterparties with whom the Group interacts, particularly where payments are made.

This Policy applies to all companies in Tethys Oil and any ventures that are controlled or operated by Tethys Oil. This Policy should be followed by all employees, the Board of Directors, consultants and contractors employed or retained by Tethys Oil. The Policy should be read in conjunction with Tethys Oil’s policies and procedures, including the Group Anti-Corruption and Anti-Fraud Policy and Procedure, Whistleblower Policy and Procedure, Stakeholder Policy, the Code of Conduct and the AML-CTF and KYC Procedure.

2. Principles of AML-CTF and KYC

The Tethys Oil’s processes and procedures to identify and manage the risks it is exposed to and take measures to manage these risks, including AML-CTF risks, is based on a risk-based approach. Tethys Oil seeks to ensure that the identities of all persons (actual and legal) are reasonably known and verified prior to contracting and dealing with any third party outside of Tethys Oil (a “Contracting Party”). This is done through standard accepted know-your-customer due diligence to assess the basic risk profile of any Contracting Party, including whether such Contracting Party’s representative or beneficial owner is a politically exposed person (“PEP”), the group corporate structure, legal status and activities (including location of activities).

Tethys Oil is committed to the principles of AML and CTF in the conduct of its business activities. The definitions of money laundering are a *“process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently, or recycled to fund further crime.”* Tethys Oil endeavours to take reasonable and appropriate measures to identify the source of funds of each Contracting Party where Tethys Oil will be receiving financial consideration in its dealings with a Contracting Party.

3. Responsibilities and Implementation

The Board of Directors has approved this Policy and the MD is ultimately responsible for its implementation. It is the responsibility of the Tethys Oil management to be informed of, and ensure compliance with, all the relevant laws regarding AML-CFT and KYC in the countries in which Tethys Oil operates.

4. Reporting and Investigation

The Head of Legal is the main point of contact for reporting and investigating suspected non-compliance relating to AML-CTF and KYC.

- An employee who discovers or suspects an improper activity should immediately inform the Head of Legal about any suspected non-compliance or wrongdoing.

- In instances where an employee does not believe that their issues can or should be addressed using the above reporting procedure, the whistleblower procedure as set out in the Tethys Oil Whistleblower policy should be implemented.

The Head of Legal has the primary responsibility for the investigation of all suspected non-compliance acts as defined in the Policy. If the investigation substantiates that non-compliance activities have occurred, the Head of Legal will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors through the Audit Committee. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with management, as will final decisions on disposition of the case. In instances where the chairman of the Audit Committee has been informed, the chairman of the Audit Committee will assume primary responsibility.

5. Discipline

Any Staff who violates the term of this Policy will be subject to disciplinary action. Any Staff who has direct knowledge of potential violations of this Policy but fails to report such potential violations to Tethys Oil will be subject to disciplinary action. Any Staff who misleads or hinders investigations into violations or potential violations of this Policy will be subject to disciplinary action. Any third party who violates the terms of this Policy, who knows of and fails to report to Tethys Oil violations or potential violations of this Policy, or who misleads investigations according to this Policy, may have their contracts re-evaluated or terminated.

6. Documentation and Reporting to the Board of Directors

The Board of Directors has designated the MD with authority to delegate to the Head of Legal as the compliance officer to monitor Tethys Oil's adherence to good AML-CTF and KYC practices, including the implementation of the associated internal procedure for handling such matters.

It is the responsibility of the Head of Legal to keep an updated record of all suspected and actual incidents of non-compliance with AML-CTF and KYC procedures as well as provide reports of such incidents to the Board of Directors on a continuous basis.

7. Administration of Policy

The Head of Legal is responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed annually and revised as needed. Minor revisions of the Policy may be carried out by the Head of Legal.