

IPPC Ltd. POLICY FOR PREVENTION AND SUPPRESSION OF ILLEGAL TRANSACTIONS AND MONEY LAUNDERING

1. INTRODUCTION

This document, pertaining to Quality Management System of IPPC Ltd, outlines the basic principles and the standards followed by IPPC Ltd, in relation to prevention and suppression of illegal transactions and money laundering. In case IPPC Ltd cooperates or trades with a Company, that has its headquarters in a country/jurisdiction where the requirements of applicable anti-money laundering laws and regulations establish higher standards than those mentioned below, then those standards shall be met.

This Policy is notified to IPPC's personnel and shall be implemented without divergences. Finances Manager and in general Finances Management Departments, as well as IPPC's employees, who are engaged in transactions, shall adopt and implement this Policy, exactly as it is composed and approved by IPPC's Operator.

2. DEFINITIONS

Money laundering: Money Laundering is any transaction to conceal or disguise the nature and source of funds that have been obtained from illegal activity. The main objective of the money launderer is to transform 'dirty' money into seemingly clean money or other assets in a way to leave as little trace as possible of the transformation. Examples of illegal activities that often involve money laundering are: drug trafficking, robbery, fraud, blackmailing/bribery, smuggling, illegal gambling etc.

Placement: Physically depositing "cash" into banks and non-bank financial institutions such as currency exchanges, or converting "cash" into other financial instruments and products (stocks, investment products, emission allowances or products, etc), or using "cash" to purchase expensive items that can be resold. *Smurfing* - a form of Placement where the launderer makes many small cash deposits instead of a large one to evade local regulatory reporting requirements applicable to cash transactions.

Integration: The "return" of the laundered money back into the economy, after the laundering proceeds, as apparently legitimate funds.

Country Risk: The risk in a country, that occurs in relevance with the potential level of the risk of money laundering in its jurisdiction. Such countries may be:

- Countries subject to sanctions, embargoes or similar measures.
- Countries identified by the Financial Action Task Force (“FATF”) as non-cooperative in the fight against money laundering or identified by credible sources as lacking appropriate money laundering laws and regulations.
- Countries identified by credible sources as tolerating or promoting illegal activities, such as funding terrorist activities, drug trafficking, etc.
- Countries identified by credible sources as having significant levels of corruption, lack of transparency in procedures and a generally non-transparent economic and tax environment.

Customer Risk: The risk that a client is involved in money laundering activities. There are certain characteristics that imply a customer’s potential higher money laundering risks. Such customers may be:

- Companies having their Headquarters in a country with high country risk.
- Off Shore companies
- Armament manufacturers and dealers.
- Cash intensive companies
- “Politically Exposed Persons” (“PEPs”), referring to individuals holding or having held positions of public trust.

3. DESCRIPTION

Basic Principles

All of the financial transactions of IPPC Ltd are made through legal accounting procedures. Under no circumstances shall transfer of funds from or to IPPC Ltd take place, unless the relevant voucher is expedited (invoice, receipt, etc).

Transfers of money from or to IPPC Ltd take place only through Bank Transfer, Bank Draft or Credit Card for amounts over 1.500,00 €.

IPPC Ltd issues annual balance sheets, according to the relevant legislation of Greece. IPPC’s balance sheets are audited by a third party accountant to prove their validity and reliability, before they are submitted to the Competent Authority of Greece.

IPPC Ltd keeps financial records according to the relevant legislation of Greece. Records are kept at least for a 10 year period, or more, if this is mandated by legislation.

Customer Control

An indispensable requirement for an emission trade to take place is that the customer has filled, signed and stamped on the “Know Your Customer” form (KYC), via which information of his procedures and proof of his legality are submitted to IPPC. Customer’s identity information (company’s name, address, means of communication), company’s contact information, typical legalizing evidence (company’s headquarters, company’s registration number, company’s scope and activities), as well as customer’s bank account information (name of bank, account number) are included in the abovementioned requested information. Every filled KYC form is kept to physical and electronic record by IPPC Ltd, for at least during the period that the customer is involved in trades with IPPC Ltd.

Every customer shall have the legal right of issuing invoices or receipts.

Financial transactions with each customer shall be made through nominative bank accounts. Customer’s bank account shall belong to the company or to the contact person. In the second case, the contact person assigned by the company shall have the jurisdiction to commit the company. The requirement above shall be proven in company’s charter or another equivalent official document.

IPPC Ltd holds the right to check and confirm the information submitted by the customer to KYC form.

Control of Partners and Suppliers

Partners and Suppliers with a “permanent” relation with IPPC Ltd (the term “permanent” means repeated partnership for at least two years and with financial scope exceeding 2000 € per year) shall submit to IPPC Ltd evidence for proving their identity and at least one bank account information, as long as financial transaction are made directly via bank.

Control of IPPC Ltd

IPPC’s financial data and trading management are checked at least biannually by the Financial Manager.

IPPC Ltd is open to audits by the relevant Competent Authority and accepts the responsibility to provide all necessary data and documents, in order to define its financial details, so as the Competent Authority to have complete and valid evidence for the company’s legality.

Employees of IPPC Ltd, whose employment is related to customers or IPPC’s financial management, are informed by the Financial Manager for IPPC’s Policy, as far as illegal

transactions and money laundering are concerned. Every employee is encouraged to report to the Financial Manager and the Board of Directors any suspicious transaction cases that fall under his knowledge.

IPPC Ltd keeps physically and electronically all financial and accounting records, according to the relevant legislation of Greece, at least for a 10 year period, or more, if this is mandated by legislation.