



COMPLIANCE AT CLARKSONS



V3 JANUARY 2025

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Policy Statement

The Clarksons group of companies (“Group”) is founded on a commitment to provide the highest quality of service to our clients while maintaining the highest level of integrity.

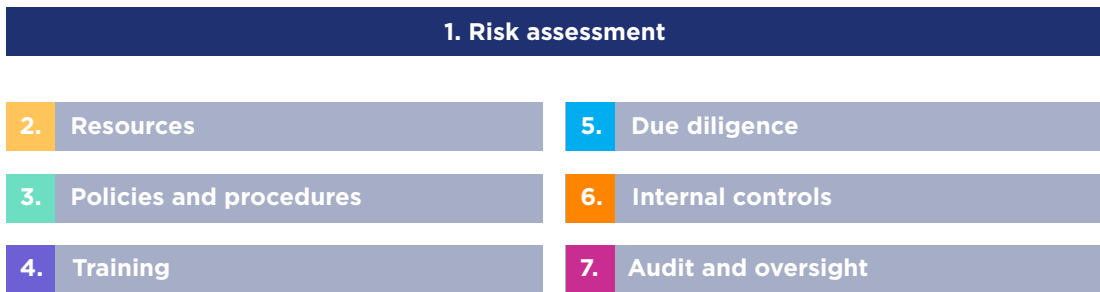
The Group is committed to compliance with all applicable laws and regulations in all jurisdictions in which we operate, are registered and or are licensed including but not limited to compliance with relevant economic and trade sanctions, bribery and corruption, market abuse, insider dealing and money laundering laws.

COMPLIANCE OVERVIEW

A best-in-class-programme

We take our compliance obligations very seriously and believe that we have a best-in-class programme and infrastructure in our industry.

Clarksons' compliance programme is designed to help protect Clarksons group of companies and its employees. The programme ensures that the Group does not breach, inter alia, sanctions, bribery corruption, market abuse and money-laundering laws. Our clients benefit from the Group ensuring that the services it provides do not contravene such laws.

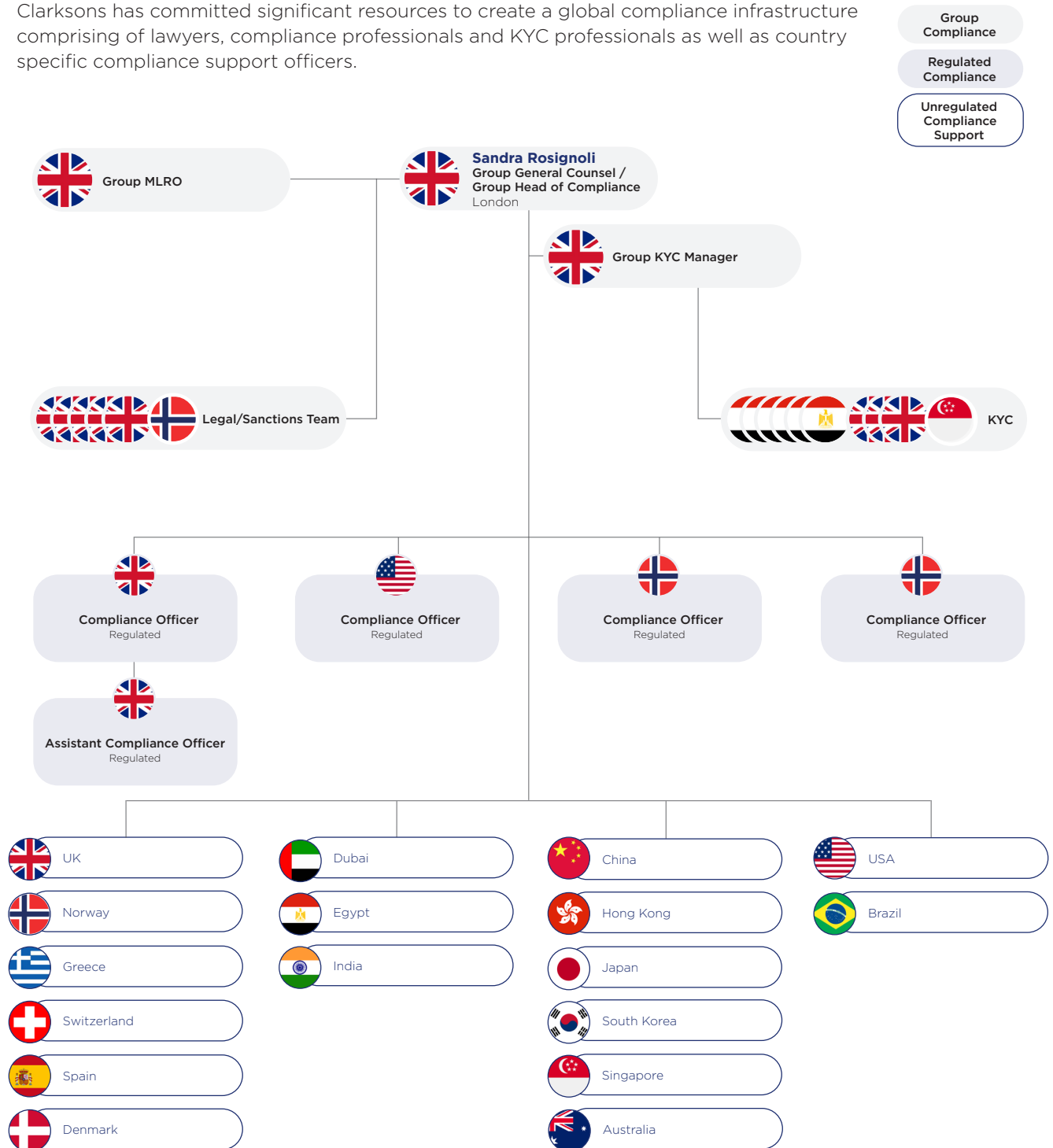


Our compliance programme is modelled on best practice as identified by regulators and enforcement agencies. It has been formulated following a **risk assessment** of each type of financial crime risk to which the Group is exposed, support by senior management who have provided **resourcing** and authority to key personnel in the compliance function, a suite of appropriate **policies and procedures** which are available to all staff via our intranet - the Clarksons Directory, groupwide **training, due diligence** performed on clients, vessels and transactions, substantial **internal controls** and **oversight** and **auditing**.

2. RESOURCES

Sanctions lawyers, KYC analysts, regulated compliance officers and a compliance support team

Clarksons has committed significant resources to create a global compliance infrastructure comprising of lawyers, compliance professionals and KYC professionals as well as country specific compliance support officers.



3. POLICIES AND PROCEDURES

Improving awareness of the law and how to act

We have created Group policies and procedures and made them available to all staff via our Group intranet, so that all our people know how they should and should not act.

These policies include:

Our compliance manual and ethics code

Sets out policies and procedures covering inter financial crime risks, our people and culture, managing information and communications risk and whistleblowing.

Our staff handbook

Sets out the standards of behaviour and ethics that we expect from all our people.

Our more detailed subject specific compliance policies covering inter alia

- Data privacy
- Diversity
- Group expenses
- Harassment and bullying
- Health & safety
- Information security
- KYC
- Share dealing
- Whistleblowing
- Anti-money laundering



4. TRAINING

Embedding and reinforcing policies and procedures

All relevant staff globally perform annual bespoke on-line training, covering the law, how to use our in-house screening tools, consequences of breaches, escalation mechanisms and interactive tests. Our training modules are updated annually with relevant and current examples of compliance risks specific to our industry.

Our people also receive regular updates on compliance via email, video clips and in-person seminars and webinars.

Our training ensures our policies and procedures are embedded across the Group; in every team, in every service area, in every country.



5. DUE DILIGENCE

Our staff check every transaction, party, country and vessel related to any transaction through our proprietary ‘Client Check’ tool, where required.

The Client Check tool checks whether a transaction involves a country subject to sanctions. If so, our staff are automatically prompted to contact sanctions@clarksons.com explaining the nature of the transaction and the client. The sanctions team will then investigate the transaction, its legality and respond accordingly.

Similarly, in respect of each transaction, prior to transacting, all staff are required to check on the ‘Client Check’ tool to ensure that the parties and vessel involved in a transaction are not listed on a sanctions list. If a vessel, IMO number or party is on a sanctions list, staff are automatically prompted to contact sanctions@clarksons.com explaining the nature of the transaction and the party/s involved. The sanctions team will then investigate the transaction, its legality and respond accordingly.

If our staff wish to work with a new client and such potential client is not sanctioned, then our KYC will proceed to perform extensive due diligence on that party. It's critical we know who we are doing business with. That's why Clarkson's has a team of knowledgeable KYC professionals in the UK, Egypt and Singapore focusing exclusively on performing due diligence on our clients and partners.

We are unique in our industry in having a large dedicated global KYC team. The team utilises rigorous screening processes that incorporate our unparalleled knowledge and wealth of shipping intelligence, proprietary in-house sanctions and KYC technologies and multiple third-party databases containing corporate ownership information on over 470 million companies globally.



6. INTERNAL CONTROLS

Significant internal controls exist in order to identify, block, escalate and record activity that may be prohibited in order to minimize risks.

These include clear written policies and procedures, our Client Check tool, training and Client Check usage audit dashboards, accounting system blocks, trade press tracking, legal enforcement tracking, IP filtering, finance controls on expenditure, access to petty cash and gifts and hospitality to name just a few.

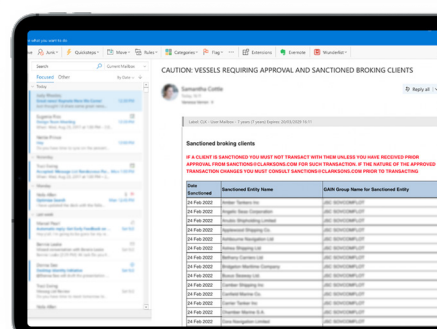
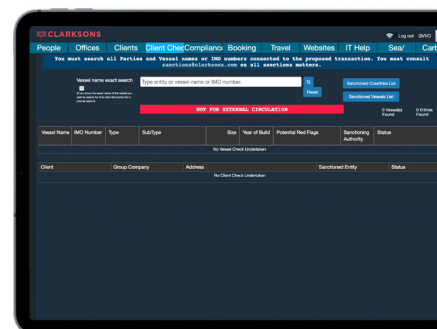
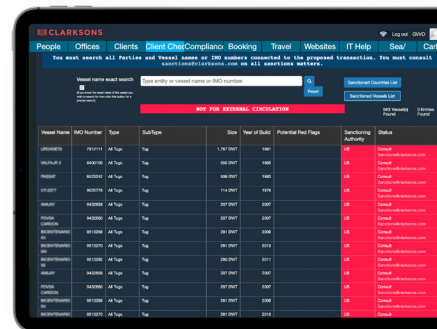
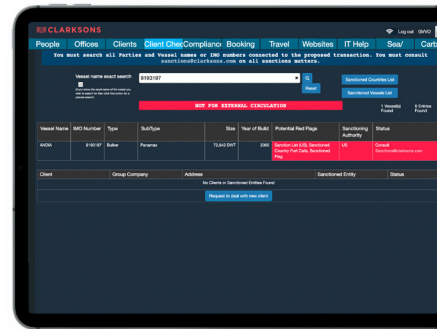
Focus on Client Check, KYC and Sanctions

Client Check was developed by Clarksons Group IT and compliance as a proprietary sanction checking tool. Each hour Client Check populates from the US, EU, UN, UK, Swiss, and Australian sanctions lists enabling staff to have easy access to information about sanctioned persons, entities, and vessels. Singaporean data is updated manually when an amendment to the legislation has occurred. Client check also identifies high risk vessel behaviours such as AIS deactivation, sanctioned port calls, indirect routing, IMO number or location spoofing, flag hopping and frequent name changes - all of which practices have been identified by OFAC and OFSI as evidence of potential illicit behaviours.

Both OFAC advisories and designated sanctioned vessels are included in the data inputted into Client Check. Client Check also shows whether a potential new client is in fact already a broking client of the Clarksons Group and whether they have passed KYC. Where a parent entity within the Client Check database is subject to sanctions, all entities within such database that are listed as subsidiaries of the sanctioned parent are automatically marked as sanctioned.

Our staff are reminded via weekly email of all Group clients that are on a sanctions list and are notified within an hour of designation of any client that goes onto a sanctions list.

At a Group level, our Client Check tool covers all stages of our business relationships. From carrying out risk and sanctions screening on every single party and transaction prospective client to hourly monitoring of existing clients against US, EU, UN, UK, Singaporean, Australian and Swiss sanctions lists - all the while maintaining thorough records for audit purposes.



7. AUDIT & OVERSIGHT

Our audit and oversight ensure our rules are implemented

It's crucial that we monitor the compliance measures we have in place and ensure they are implemented correctly.

Responsibility

The Group General Counsel/Head of Compliance takes ultimate responsibility for compliance across Clarksonson. As a senior executive, she has the authority and experience to implement compliance measures effectively and efficiently.

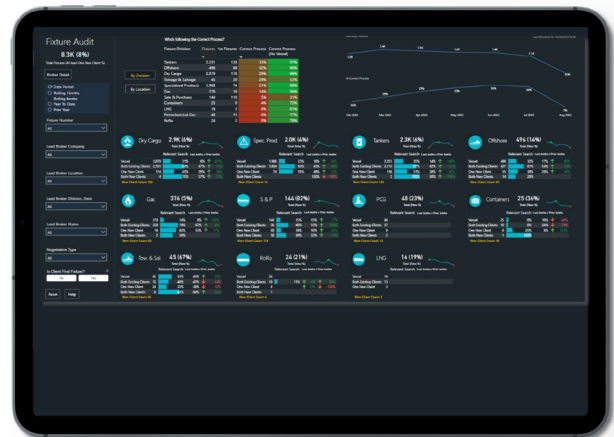
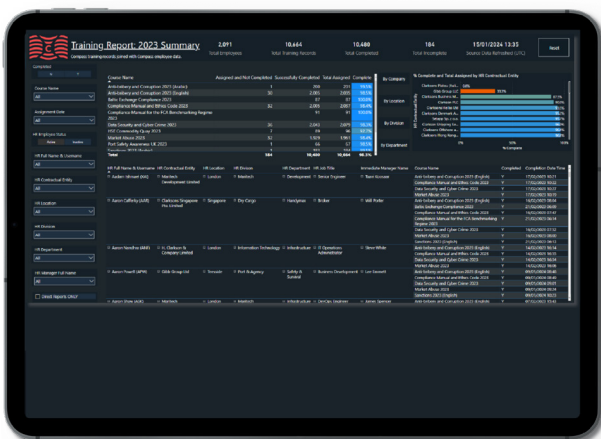
Implementation

We have a substantial network of compliance support members who monitor and implement compliance 'on the ground'. Located in all our offices around the world, together the team performs a key role in applying relevant policies and procedures as well as attending monthly global group compliance calls to review implementation and training outcomes.

Audit

A comprehensive and objective audit function of our compliance programme ensures that we are aware of how our compliance programme is performing and where it should be enhanced to take into account changing risk and compliance environment. In order to uphold this, the Group General Counsel/Head of Compliance oversees a monthly compliance audit of KYC and Client Check usage using bespoke audit dashboards.

These dashboards monitor and audit our use of KYC and sanctions tools, as well as the completion of our training modules. In the event that we identify an instance of poor compliance performance, senior management will intervene to investigate and take remedial action.



Version control

Document details

Detail	
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