SHAFTESBURY CAPITAL

FINANCIAL CRIME POLICY

Anti-Bribery and Corruption, Fraud, Sanctions, Money Laundering and Prevention of the Facilitation of Tax Evasion

1. Introduction and purpose

1.1 This policy has been adopted by the Board of Shaftesbury Capital and is to be communicated to everyone involved in our business to ensure their commitment to it.

1.2 It is Shaftesbury Capital's ("Shaftesbury", "we", "the Group", "the Company") policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption, and fraud, and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

1.3 We expect those who work with or for us to comply with their tax obligations. We do not tolerate, permit, or allow any of our employees to engage in the facilitation of tax evasion or tax fraud by any of customers, suppliers, other business partners, employees or contractors, anywhere in the world.

1.4 We will uphold all laws in the UK relevant to countering bribery, corruption, fraud, tax evasion, money laundering, terrorist financing, proliferation financing and sanctions evasion, including the Bribery Act 2010, the Fraud Act 2006, the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Sanctions and Anti-Money Laundering Act 2018 and The Economic Crime and Corporate Transparency Act 2023 ("ECCTA"), in each case where applicable and in respect of our conduct both at home and abroad.

1.5 The purpose of this policy is to:

a) set out our responsibilities, and of those working for us or associated with us, in observing and upholding our position on financial crime;

b) provide information and guidance to those working for us or associated with us on how to recognise and deal with financial crime issues; and

c) communicate to third parties our approach to financial crime prevention.

1.6 Bribery and/or corruption, and fraud are punishable for individuals by up to ten years' imprisonment and if Shaftesbury Capital is found to have taken part in financial crime the Company could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation.

1.7 Under ECCTA, the Company may be prosecuted and face an unlimited fine if a person associated with the Company commits a specified fraud offence intending to benefit the Company, or in some cases a person to whom services are provided on behalf of the Company, and the Company did not have reasonable fraud prevention procedures in place. The Company does not need to have received the benefit, and it is not necessary to show that the Board or senior management knew about the fraud.

1.8 Under ECCTA, the law on corporate criminal liability for certain economic crimes has also been expanded. The acts of a senior manager may, in certain circumstances, be attributed to the Company. Senior managers must therefore take particular care to ensure that decisions, approvals, statements, records and transactions are accurate, properly authorised and consistent with this policy.

1.9 We, therefore, take our legal responsibilities very seriously.

2. Scope and compliance

2.1 This policy applies to all individuals working at all levels, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), trainees, secondees, casual workers and agency staff (including in-house employees of outsourced service providers), volunteers and interns (collectively referred to as workers in this policy). This policy should be communicated to key consultants, contractors, suppliers, business partners and other similar third parties engaged by Shaftesbury Capital and a commitment obtained from them that they will comply with this policy or have equivalent policies in place, which we may require to be contractual.

2.2 This policy does not form part of any individual’s contract of employment and it may be amended at any time.

2.3 Any Shaftesbury Capital employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct, and may also be personally liable under applicable anti-bribery, fraud, money laundering, sanctions or tax legislation. Any breach by another worker may result in Shaftesbury Capital ceasing to do business with any that person or organisation.

3. Definitions

3.1 **Bribery**

A bribe is a financial or other inducement or reward for action which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit. Bribery includes offering, promising, giving, accepting or seeking a bribe. All forms of bribery are strictly prohibited. If you are unsure about whether a particular act constitutes bribery, you should raise it with the Company Secretary.

3.2 **Corruption**

Corruption is the abuse of an entrusted power or position for private gain.

3.3 **Facilitation payments and kickbacks**

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. Kickbacks are typically payments made in return for a business favour or advantage.

3.4 **Fraud**

Fraud can be broadly defined as the deliberate use of deception or dishonesty to disadvantage or cause loss (usually financial) to another person or party. This can include fraud by false representation, fraud by failure to disclose information when there is a legal duty to do so, or fraud by abuse of position.

3.5 **Tax Evasion**

Tax evasion is cheating the public revenue, or being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of a tax.

3.6 **Facilitation of Tax Evasion**

Facilitation of tax evasion is being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of a tax by another person; aiding, abetting, counselling or procuring the commission of tax evasion offence, or being involved in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

3.7 Third party

Third party means any individual or organisation employees come into contact with during the course of their work for Shaftesbury Capital, and includes actual and potential clients, customers, partners, joint venture parties, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

3.8 Money laundering

Money laundering is the process of concealing, disguising, converting, transferring or handling the proceeds of crime, or becoming involved in an arrangement that facilitates the acquisition, retention, use or control of criminal property by another person.

3.9 Sanctions

Sanctions are legal restrictions imposed by the UK or other relevant authorities which may prohibit or restrict dealings with certain persons, entities, vessels, sectors, territories, assets, payments or economic resources.

3.10 Senior manager

Senior manager means an individual who plays a significant role in the making of decisions about how the whole or a substantial part of the Company's activities are to be managed or organised, or who actually manages or organises the whole or a substantial part of those activities. For Shaftesbury Capital, this includes Directors and senior members of staff.

Examples:

Offering a bribe

You offer a potential contractor tickets to a major sporting event, but only if they agree to offer us preferential rates.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain preferential treatment for us. It may also be an offence for the potential contractor to accept your offer.

Receiving a bribe

A consultant gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a consultant to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Examples *(continued)*:

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

Fraud

A third party contacts the Company claiming to be a supplier and seeks to change the bank account details held for that supplier in order to intercept payment.

A phishing email seeks to obtain financial or confidential information by appearing to be genuine until the details are closely checked.

A property is sold to a purchaser without the disclosure of environmental or other information required to be disclosed on sale.

Properties are advertised with misleading information to deceive renters.

Project progress or sustainability criteria are misrepresented to attract funding.

Tax evasion

An invoice which (correctly) does not include VAT is received from a supplier. This is paid. An employee then alters the invoice with a PDF editor to include VAT. The invoice is included on the VAT return and VAT is recovered from HMRC.

An employee fabricates an expense invoice for a team lunch which did not happen, submits this to the finance team and the company reimburses the payment to the employee's bank account.

4. What is not acceptable?

4.1 It is not acceptable for an individual (or someone on their behalf) to:

a) give, promise to give, offer, authorise or solicit, a payment, gift or hospitality or other benefit with the expectation or hope that a business or personal advantage will be received in return, or to reward any business received or business or personal advantage already given;

b) give, promise to give, offer, or authorise a facilitation payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure;

c) accept a gift, hospitality or payment from a third party that is known or suspected to be offered or provided with the expectation that it will obtain a business or personal advantage for them;

d) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy;

e) act in a way to defraud the Company or another person;

f) act in any fraudulent manner intended to benefit the Company or any third party;

g) disregard the Company’s policies intended to protect the Company from fraud;

h) engage in, or facilitate, money laundering, terrorist financing, proliferation financing or sanctions evasion;

i) make, approve, submit or rely on any false or misleading statement, record, invoice, valuation, tenancy record, sustainability data, financial report, payment instruction, expense claim or due diligence information; or

f) participate in any activity which is intended to facilitate tax evasion.

4.2 If an individual is asked to make a payment on our behalf, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. The individual should always ask for a receipt which details the reason for the payment. If they have any suspicions, concerns or queries regarding a payment, they should raise these with their line manager (or, in the case of a third party, a senior Shaftesbury Capital contact) and the Company Secretary.

4.3 All individuals must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

5. Charitable Donations/Political Donations

5.1 Shaftesbury Capital has a policy of not making political donations. An Executive Director may approve attendance at political dinners, party conferences or similar events where there is a legitimate business purpose, provided that attendance is not intended to obtain or retain business or any improper advantage. Any such approval must be notified to the Company Secretary.

5.2 We recognise the rights of individuals to participate in the political process and make personal political donations. This is permitted, provided that the donation is not associated with Shaftesbury Capital in any way.

5.3 Shaftesbury Capital only makes charitable donations that are legal and ethical under local laws and practices. Unless approved by a member of the Executive Committee, all donations must be considered by the Community Investment Forum. When considering a charitable donation, the Community Investment Forum is mindful to ensure that charitable donations must not be dependent on, or made to reward, win new business, influence a decision or gain any other commercial advantage

5.4 The Community Investment Forum should also consider the following:
5.4.1 Why is the donation being made?
5.4.2 Does the donation coincide with a key transaction or decision?
5.4.3 How would the donation be perceived by a member of the public?

6. Gifts and Hospitality

6.1 This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of establishing or maintaining good business relationships.

6.2 Gifts, hospitality, donations and expenses must not be used to conceal or facilitate bribery, fraud, conflicts of interest, tax evasion, sanctions evasion, money laundering or any other improper benefit. Employees must comply with the Gifts & Hospitality Policy, including approval, registration and escalation requirements.

6.3 Further information on gifts and hospitality can be found in the Shaftesbury Capital Gifts & Hospitality Policy.

7. Sanctions, money laundering and terrorist financing

7.1 The Company will comply with applicable UK sanctions, anti-money laundering, counter-terrorist financing and proliferation financing requirements.

7.2 Employees must not deal with any person, entity, asset, payment, service, transaction or economic resource where they know or suspect that doing so would breach applicable sanctions or financial crime laws.

7.3 Particular care must be taken in relation to property transactions, tenants, purchasers, suppliers, joint venture parties, overseas entities, complex corporate structures, trusts, politically exposed persons, unusual payment routes, changes to bank details and transactions involving high-risk jurisdictions.

7.4 Any actual or suspected sanctions, money laundering, terrorist financing or proliferation financing concern must be reported immediately to the Company Secretary or the General Counsel.

8. Your responsibilities

8.1 The prevention, detection and reporting of bribery, fraud and other forms of corruption and financial crime are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

8.2 You must notify your line manager (or, in the case of a third party, a senior Shaftesbury Capital contact) and the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. In the event you are unable to notify your line manager or, in the case of a third party, a senior Shaftesbury Capital contact, you must notify the Company Secretary or the General Counsel. Examples of "red flags" that may indicate bribery or corruption, fraud or tax evasion are set out in the attached Schedules 1 to 3.

8.3 You must apply appropriate due diligence procedures in accordance with Shaftesbury Capital's Procurement and Supplier Management Policy in the selection of all key suppliers, business partners, agents or other service providers to mitigate bribery, corruption, fraud, tax evasion, sanctions, money laundering and other financial crime risks in respect of third-party intermediaries. Due diligence should be risk-based and may include checks on identity, beneficial ownership, sanctions exposure, politically exposed person status, adverse media, source of funds, conflicts of interest, tax integrity, financial standing, use of agents or intermediaries, and whether the proposed transaction has a legitimate commercial rationale. Appropriate due diligence procedures will vary according to the nature and risk profile of the supplier, for example a UK regulated professional services firm will require a different level of due diligence to an overseas supplier.

8.4 You must ensure that you follow all of the Company's internal control procedures.

9. **Risk assessment and fraud prevention procedures**

8.5 The Company shall maintain proportionate, risk-based procedures designed to prevent bribery, corruption, fraud, tax evasion, money laundering, sanctions evasion and other financial crime.

8.6 These procedures shall include top-level commitment from the Board and senior management, periodic financial crime risk assessments, proportionate policies, procedures and internal controls, due diligence on higher-risk third parties and transactions, communication and training appropriate to role and risk, and monitoring, review and testing of the effectiveness of the Company's financial crime controls.

8.7 The Company shall assess fraud risks arising from employees, agents, subsidiaries, suppliers, contractors, joint venture partners and other associated persons, including the risk of fraud intended to benefit the Company or a person to whom services are provided on behalf of the Company.

9. Record-keeping

9.1 All Shaftesbury Capital employees must declare all hospitality or gifts accepted or offered using the procedure set out in Shaftesbury Capital's Gifts and Hospitality Policy.

9.2 All Shaftesbury Capital employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with Shaftesbury Capital's Expenses Policy and specifically record the reason for the expenditure.

9.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments, fraudulent activity, sanctions evasion, money laundering, tax evasion or any other financial crime.

9.4 You must ensure that adequate records are kept of the reason(s) for the selection of any tenant, contractor or key supplier, including any required due diligence, approval, conflict of interest, sanctions, beneficial ownership or source of funds checks.

10. How to raise a concern – your responsibilities

10.1 The prevention, detection and reporting of bribery and other forms of corruption or any other suspicious activity or wrongdoing are the responsibility of all those working for us or under our control, as described in paragraph 2.1.

10.2 You have a duty to report to your line manager and the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

10.3 We are committed to ensuring that individuals have a safe, reliable and confidential means of reporting any suspicious activity. If you feel unable to raise the matter with your line manager, or the Company Secretary, for whatever reason you may also report concerns using Shaftesbury Capital's independent Speak Up service (0800 915 1571).

10.4 You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Queries on potential tax evasion should be raised with a member of the tax team. If you are unsure whether a particular act constitutes bribery, corruption or fraud, if you have been unable to contact the tax team regarding potential tax evasion, or if you have any other queries, these should be raised with the Company Secretary.

10.5 If a Shaftesbury Capital employee reports an act of bribery, corruption, fraud, tax evasion, sanctions evasion, money laundering or other financial crime to you as their line manager or a third party reports such an act to you as a senior Shaftesbury Capital contact, you must promptly report the act to your line manager, the Company Secretary or the General Counsel.

10.6 Where an act of **corruption, bribery, fraud, tax evasion, sanctions evasion, money laundering or other financial crime is reported, we will act as soon as possible** to evaluate and, if appropriate, investigate the situation.

10.7 Employees must not destroy, delete, alter, conceal or dispose of any document, email, message, note, device record, invoice, payment record or other information that may be relevant to a concern or investigation.

10.8 The Company Secretary or the General Counsel shall determine whether legal, regulatory, enforcement or other external notifications should be made, and shall oversee any internal investigation and evidence preservation steps.

10 Training and communication

10.1 Training on this policy forms part of the induction process for all new individuals. Regular, relevant training on how to implement and adhere to this policy will be provided. You must participate in this training.

10.2 Our zero-tolerance approach to bribery, fraud, tax evasion, sanctions evasion, money laundering and corruption must be communicated to all key consultants, contractors, suppliers, business partners and other similar third parties at the outset of our business relationship with them and as appropriate thereafter (e.g. if a supplier were to provide a product from overseas or use an overseas subsidiary, intermediary or agent). Such partners may raise concerns through the independent Speak Up service.

10.3 The Company Secretary shall maintain a register of all consultants, contractors, suppliers, business partners and other similar third parties who have confirmed they have accepted the policy or equivalent terms.

11 Monitoring, review and assurance

11.1 The Company Secretary shall report periodically to the Executive Committee and at least annually to the Audit Committee or Board on the operation of this policy, including financial crime incidents, material breaches, high-risk red flags, training completion, due diligence exceptions, Speak Up reports relating to financial crime, control weaknesses and remedial actions.

11.2 The Company shall review this policy and related financial crime controls annually, and more frequently where there is a material change in law, regulation, guidance, business activities, risk profile or enforcement practice.

11.3 The Company shall monitor, review and, where appropriate, test the effectiveness of its financial crime controls as part of its wider risk management and internal controls framework.

12 Contact

12.1 If you have a question about the requirements of this policy, or wish to report a concern, you should contact the Company Secretary.

Schedule 1 - Potential risk scenarios: Corruption and Bribery “red flags”

The following is a list of possible red flags that may arise during the course of you working for us. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly using the procedure set out in “How to raise a concern” in paragraph 9:

(a) you are offered an unusually generous gift or offered lavish hospitality by a third party.

(b) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.

(c) a third party requests that you provide employment or some other advantage to a friend or relative.

(d) you become aware that a third party engages in, or has been accused of engaging in, improper business practices.

(e) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with government officials.

(f) a third party insists on receiving a commission or fee payment before committing to sign a contract with us, or carrying out a government function or process on our behalf.

(g) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.

(h) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.

(i) a third party requests an unexpected additional fee or commission to "facilitate" a service.

(j) a third party requests that a payment is made to "overlook" potential legal violations.

(k) you receive an invoice from a third party that appears to be non-standard or customised.

(l) a third party insists on the use of side letters or refuses to put terms agreed in writing.

(m) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.

(n) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

Schedule 2 - Potential risk scenarios: Fraud "red flags"

The following is a list of possible red flags that may indicate fraudulent or other financial crime activity. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly using the procedure set out in "How to raise a concern" in paragraph 9:

(a) **Unauthorised financial transactions** – Payments or transfers made without proper approvals or supporting documentation.

(b) **Unusual expense claims** – Employees or executives submitting excessive or suspicious reimbursement requests.

(c) **Conflicts of interest** – Employees engaging in undisclosed dealings with related parties or benefiting from company decisions.

(d) **Manipulated property valuations** – Internal reports exaggerating asset values to mislead stakeholders.

(e) **Fraudulent tenancy records** – Fake lease agreements or overstated rental income figures to inflate revenue.

(f) **Weak internal controls** – Lack of oversight or frequent policy overrides enabling misconduct.

(g) **Resistance to audits or compliance reviews** – Employees withholding documentation or avoiding scrutiny.

(h) **Unusual, unexplained or inconsistent financial reporting** – Gaps between internal budgets, forecasts, and actual results.

(i) **Selective reporting of sustainability efforts** – Misrepresenting sustainability initiatives to improve public perception.

(j) **False or misleading disclosures** - Statements, reports, approvals or external communications that omit material facts or present information selectively.

(k) **Improper use of intermediaries** - Requests to use agents, consultants or introducers without a clear role or properly documented rationale.

(l) **Threshold avoidance** - Transactions split or structured to avoid approvals, sanctions checks, anti-money laundering checks, tax reporting or procurement controls.

(m) **Beneficial ownership concerns** - Refusal to provide beneficial ownership information, or use of unnecessarily complex structures without a clear commercial rationale.

Schedule 3 - Potential risk scenarios: Tax Evasion "red flags"

The following is a list of possible red flags that may arise during the course of your employment and which may raise concerns under the prevention of the facilitation of tax evasion law. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to your line manager or use the procedure set out in the Speaking Up Policy:

a) you become aware that a third party engages in, or has been accused of engaging in, the evading of tax or using aggressive tax avoidance schemes in either the UK or overseas.

b) a third party suggests Shaftesbury Capital participates in a transaction that appears to be circular or has no commercial rationale.

c) you learn that a Shaftesbury Capital customer or supplier has previously made a disclosure to HMRC under the disclosure of tax avoidance scheme (DOTAS) regime or an overseas equivalent.

d) a Shaftesbury Capital customer or supplier has an uncommon ownership structure which is overly complex without a clear and legitimate commercial purpose or some reasonable justification.

e) a Shaftesbury Capital customer or supplier has a structure which is designed to conceal information or make it difficult to obtain certain information such as beneficial ownership.

f) a third party suggests Shaftesbury Capital participates in a complex transaction without also supplying supporting professional tax advice.

g) a third party suggests Shaftesbury Capital participates in a transaction which is just below a tax or reporting threshold or is not commensurate with the known customer/supplier profile or structure.

h) a third party insists on payments to be made to/from an entity different to that which Shaftesbury Capital has a contractual relationship with.

i) a third party indicates that they have not disclosed income or assets to tax authorities or have otherwise not complied with their tax obligations.

j) a third party indicates that the purpose of a transaction or business arrangement is to conceal income or assets from tax authorities or to generally not comply with their tax obligations.

k) a third party indicates an unwillingness to accept Shaftesbury Capital's terms and conditions with respect to the facilitation of tax evasion.

l) a third party insists on payments to be made or received in cash.

m) a supplier offers discounts in return for their invoices to be settled in cash.

n) a supplier fails to raise an appropriate invoice for their work or services.

o) a third party insists on payments to be made/received to/from a bank account held in a different name without a justifiable reason.

Schedule 4 - Potential risk scenarios: Sanctions, money laundering and terrorist financing "red flags"

The following is a list of possible red flags that may indicate sanctions, money laundering, terrorist financing, proliferation financing or related financial crime risk. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly using the procedure set out in "How to raise a concern - your responsibilities":

a) a third party refuses to provide information about its identity, beneficial ownership, source of funds, source of wealth, controllers or payment route;

b) a transaction involves an overseas entity, trust, nominee, private investment vehicle or special purpose vehicle without a clear commercial rationale;

c) a third party is linked to a sanctioned person, a politically exposed person, adverse media or a high-risk jurisdiction;

d) a payment is requested to or from an account that is in a different name, jurisdiction or currency from that expected under the contractual arrangements;

e) a transaction is structured to avoid sanctions checks, anti-money laundering checks, approval thresholds, tax reporting or procurement controls;

f) a third party seeks to use cash, cryptocurrency or other unusual methods of payment without a clear and legitimate explanation;

g) information provided about ownership, funding, property use, occupation, rent, service charges or transaction purpose is incomplete, inconsistent, misleading or changes without explanation; or

h) a third party asks the Company to proceed urgently, avoid normal checks or withhold information from banks, advisers, auditors, regulators or enforcement authorities.