

# SHAFTESBURY CAPITAL PLC

## FINANCIAL CRIME POLICY

### Anti-Bribery and Corruption, Fraud 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 and tax evasion, including the Bribery Act 2010, the Fraud Act 2006 and the Criminal Finances Act 2017, 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.
- 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. Charges may also be brought against the Directors and Officers of a company if that company commits an offence under the Fraud Act. We therefore take our legal responsibilities very seriously. Any breach of this policy by an employee may lead to disciplinary action which may include dismissal.

#### 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, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (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 both comply with it themselves.

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 the UK Bribery Act. Any other worker breaching this policy may result in Shaftesbury Capital ceasing to do business with any such third party.

### **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.

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.

#### **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.

#### **Tax evasion**

A supplier insists on payments to be made, for their services, to a bank account under a different entity name from that on the bill and with which Shaftesbury Capital has contractual agreement.

#### **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 any kind of fraudulent manner;
- f) disregard the Company's policies intended to protect the Company from fraud; 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. Under no circumstances is it ever permissible to do so.

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. All donations must be made in accordance with Shaftesbury Capital's ESC Management Committee. When considering a charitable donation, the ESC Management Committee is mindful to ensure that charitable donations must not be dependent on, or made to reward, win new business or gain any other commercial advantage

5.4 The ESC Management Committee 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 Further information on gifts and hospitality can be found in the Shaftesbury Capital Gifts & Hospitality Policy.

## **7. Your responsibilities**

- 7.1 The prevention, detection and reporting of bribery 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.
- 7.2 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 or tax evasion are set out in the attached Schedules 1 and 2.
- 7.3 You must apply appropriate due diligence procedures in accordance with Shaftesbury Capital's Procurement Policy in the selection of all key suppliers, business partners, agents or other service providers to mitigate any bribery and financial crime risks in respect of third-party intermediaries. Appropriate due diligence procedures will vary according to the nature of the supplier, for example a UK regulated professional services firm will require a different level of due diligence to an overseas supplier. In the appointment of any supplier, business partner, agent or other service provider of Shaftesbury Capital, you must require compliance with Shaftesbury Capital's Procurement Policy.

## **8. Record-keeping**

- 8.1 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.
- 8.2 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.
- 8.3 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.
- 8.4 You must ensure that adequate records are kept of the reason(s) for the selection of any tenant, contractor or key supplier.

## **9. How to raise a concern – your responsibilities**

- 9.1 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.
- 9.2 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.

- 9.3 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 whistleblowing helpline (0800 915 1571).
- 9.4 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 or corruption, 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.
- 9.5 If a Shaftesbury Capital employee reports an act of bribery or corruption, fraud or tax evasion to you as their line manager or a third party reports an act of bribery, corruption, or fraud 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.
- 9.6 Where an act of corruption **or bribery is reported, we will act as soon as possible** to evaluate and, if appropriate, investigate the situation.

## **10 Training and communication**

- 13.1 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.
- 13.2 Our zero-tolerance approach to bribery 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 Whistleblowing helpline.
- 13.3 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.

## **14. Contact**

- 14.1 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; or
- (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: Tax Evasion “red flags”**

The following is a list of possible red flags that may arise during the course of you working for us 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 Whistleblowing 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 invoices for their work or services; or
- 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.