

**POLICY**

**GL\_D0061\_Group Policy Anti-Money Laundering  
and Counter-Terrorist Financing**



**CPI PROPERTY GROUP ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST  
FINANCING POLICY**

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## 1. INTRODUCTION

- 1.1 The Group operates its business in several European countries and always complies with applicable laws (including applicable laws relating to the AML and the CTF) and the Group's Code of Business Ethics and Conduct and other Group's internal rules and policies. This policy should be read in conjunction with applicable local internal AML/CTF rules containing the detailed requirements relevant to each jurisdiction. Defined terms have the meanings assigned to them in Section 3.1 of this Policy.
- 1.2 The purpose of this Policy is, in connection and compliance with the Group's Code of Business Ethics and Conduct and other Group's internal rules and policies, to ensure compliance of the Group with applicable laws relating to the AML and the CTF, as well as to ensure that the Representatives understand the importance of the AML and the CTF and their related responsibilities.

## 2. APPLICABILITY

- 2.1 This Policy applies to, and shall be observed by, all companies within the Group and their Representatives. In addition, the Group is committed to communicate this Policy to all Business Partners and Agents and ensure all of its dealings with any Business Partner or Agent to comply with this Policy.
- 2.2 The prior written approval of the Board of Directors of CPI Property Group S.A. is required for any deviation from this Policy, provided that such deviation would not breach any applicable laws.

## 3. DEFINITIONS

- 3.1 Unless expressly stated otherwise herein or unless the context requires otherwise, the capitalized terms used in this Policy shall have the meaning ascribed to them in this Section 3.1:
  - 3.1.1 "**Agent**" means any agent, consultant, contractor, sub-contractor and anyone other, who works on behalf of the Group, and "**Agents**" shall be construed accordingly;
  - 3.1.2 "**AML**" means anti-money laundering;
  - 3.1.3 "**AMLD**" means Directive (EU) No. 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;
  - 3.1.4 "**Business Partner**" means any existing or prospective business partner of the Group, including tenants, purchasers, suppliers, lenders and joint venture collaborates, and "**Business Partners**" shall be construed accordingly;
  - 3.1.5 "**CDD**" means client due diligence;
  - 3.1.6 "**Compliance Officer**" means Compliance Officer of the Group;
  - 3.1.7 "**CTF**" means counter-terrorist financing;
  - 3.1.8 "**Group**" means CPI Property Group S.A. and its subsidiaries;
  - 3.1.9 "**KYC**" means rule "know your customer";
  - 3.1.10 "**PEP**" means any politically exposed person, i.e., any natural person, who is or who during last 12 months ceased to be entrusted with prominent public function, such as head of state, head of government, minister or deputy or assistant minister, member of parliament or of similar legislative bodies, member of the governing

body of political party, member of supreme court, of constitutional court or of other high-level judicial body, the decisions of which are not subject to further appeal, except in exceptional circumstances, member of court of auditors or of the board of central bank, ambassador, chargés d'affaires or high-ranking officer in the armed forces, member of the administrative, management or supervisory body of state-owned enterprises, director, deputy director or member of the board or equivalent function of an international organisation;

- 3.1.11 “**Policy**” means this CPI Property Group Anti-Money Laundering and Counter-Terrorist Financing Policy;
- 3.1.12 “**Representative**” means any officer, director, employee or anyone other directly engaged with, and authorized to act on behalf of, the Group, and “**Representatives**” shall be construed accordingly;
- 3.1.13 “**Sanctions**” mean any measures adopted by the international organizations (including United Nations or European Union) or individual states and their respective public authorities (including USA, United Kingdom or Switzerland) that regulate the import and export of goods, services, software and technology, as well as other economic and trade restrictions or prohibitions, export controls, embargoes and international boycotts of any type;
- 3.1.14 “**UBO**” means ultimate beneficial owner, i.e., any natural person, who ultimately owns or controls the Agent, the Business Partner or any other natural person on whose behalf a transaction or activity is being conducted, and includes at least:
- (a) in case of corporate entities, any natural person, who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shares, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with the European Union laws or subject to equivalent international standards, which ensure adequate transparency of ownership information, whereas a shareholding of 25 % plus one share or an ownership interest of more than 25 % held by a natural person shall be an indication of direct ownership; a shareholding of 25 % plus one share or an ownership interest of more than 25 % held by a corporate entity, which is under the control of natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership;<sup>1</sup>
  - (b) in case of trusts, settlor(s), trustee(s), protector(s), if any, the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates, or any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by any other means; and

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<sup>1</sup> This applies without prejudice to the right of the EU Member States to decide that a lower percentage may be an indication of ownership or control. Control through other means may be determined, among others, in accordance with the criteria in Article 22(1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.

- (c) in case of legal entities such as foundations, and legal arrangements similar to trusts, any natural person holding equivalent or similar positions to those referred to in Section 3.1.14(b) of this Policy.

#### **4. MANAGEMENT RESPONSIBILITIES**

- 4.1 The overall responsibility for the pursuing of this Policy rests with the Board of Directors of CPI Property Group S.A. that acts through the Compliance Officer. The Compliance Officer reports to the Board of Directors of CPI Property Group S.A. on a regular basis.
- 4.2 The specific role of the Compliance Officer as the competent authority designated to carry out the duties in accordance with this Policy and applicable law is governed by the specific national directives (or other rules) implementing this Policy.

#### **5. MONEY LAUNDERING AND TERRORIST FINANCING**

- 5.1 Money laundering is defined broadly and includes concealing, converting, transferring, acquiring, participating in or using the proceeds of any crime. Proceeds of crime include any benefit, which flows from any criminal offence, no matter how minor or insignificant.
- 5.2 Terrorist financing may be defined as providing money or other property, whereas such money or other property is likely to be used for the purposes of terrorism or for the processes of the commission of acts of terrorism. However, such money or other property itself does not necessarily need to come from illegal proceeds or activities.

#### **6. CORE AML AND CTF PRINCIPLES**

- 6.1.1 In respect of the AML and the CTF, the Group never:
  - (a) tolerates money laundering or terrorist financing; and
  - (b) ignores or hide evidence or suspicions of money laundering or terrorist financing.
- 6.1.2 On the other hand, the Group:
  - (a) vigilantly looks out for any suspicious activity suggesting that money laundering or terrorist financing is occurring or connected to any transaction;
  - (b) reports money laundering or terrorist financing risks in its business and is committed to continually improving systems and processes to reduce money laundering and terrorist financing risk exposure;
  - (c) understands the AML and the CTF obligations and ensures that its Agents, Business Partners and their UBOs are identified in accordance with the CDD and the KYC standards and applicable laws; and
  - (d) takes any breaches of the AML and the CTF regulations and policies seriously.

## **7. REPRESENTATIVES TRAINING AND AWARENESS (INTERNAL CONTROL)**

7.1 The Group has adopted an effective internal control systems allowing for prompt identification and mitigation of ML/TF risks, which is adequate to the type of its business. The Group provides the AML and the CTF training to all Representatives who are, due to nature of their role in the Group, exposed to probability of encountering money laundering or terrorist financing in their day-to-day conduct.

## **8. CDD AND KYC, RISK ASSESSMENT**

8.1 In line with the AMLD and based on the performed AML/CFT Risk Assessment while reflecting the risk-based approach the Group applies three different levels of the CDD and the KYC – Simplified, Standard and Enhanced, whereas:

8.1.1 Simplified level is applied, where the Agent or the Business Partner poses a very low risk of money laundering or terrorist financing (e.g., companies listed on any European regulated market);

8.1.2 Standard level is applied to the Agents and the Business Partners that do not fall in either the low or high risk category; and

8.1.3 Enhanced level is applied to the Agents and the Business Partners that fall in high-risk category, which includes the following Agents and Business Partners:

- (a) if they are the PEPs, or if they are a corporate entity or structure owned or controlled by the PEP;
- (b) those established (in case of legal entities) or resident (in case of individuals) in the jurisdictions designated by the European Commission in the delegated regulation pursuant to the AMLD, or those established in any other territory under the Sanctions;
- (c) those involved in a transaction that is very complex or unusually large, or where there is an unusual pattern of a transaction, where it has no apparent economic or legal purpose; and
- (d) any other case, which by its nature can present a high risk of money laundering or terrorist financing.

## **9. IDENTIFICATION AND VERIFICATION**

9.1 The Group has implemented identification and verification procedures within the applied customer due diligence measures in accordance with local laws, which may comprise:

(a) identifying the Business Partners and Agents (and persons purporting to acting on their behalf) and verifying their identity on the basis of documents, data or information obtained from a reliable and independent source, including, where available, electronic identification means;

(b) identifying the beneficial owner and taking reasonable measures to verify that person's identity and understanding the ownership and control structure of the Business Partners or Agents, including verifying the identity of the natural person who holds the position of senior managing officials;

(c) assessing and, as appropriate, obtaining information on the purpose and intended nature of the business relationship;

- (d) conducting ongoing monitoring of the business relationship to ensure the consistency with the knowledge of the Business Partners or Agents, the business and risk profile; and
- (e) obtaining information on the source of funds of the Business Partners or Agents.

## **10. REPORTING OF SUSPICIONS**

- 10.1 The Group has implemented a reporting process to be followed by all Representatives in all situations where they have knowledge, suspicion or reasonable grounds for suspicion of money laundering or terrorist financing.
- 10.2 Any knowledge or suspicion of money laundering or terrorist financing must be first reported to the Compliance Officer (or other person specified in a relevant national internal AML/CFT directive) or via the Group's whistle-blowing procedure.
- 10.3 The Compliance Officer (or other person specified in a relevant national internal AML/CFT directive) will then assess the disclosure and will determine, having investigated the particular facts and circumstances surrounding the reported knowledge or suspicion, any follow-up reporting action to the competent institutions in accordance with requirements of the respective jurisdiction.
- 10.4 The Group has implemented appropriate measures to be taken in case the transaction is suspected to be related to proceeds of criminal activity or terrorist financing, including measures to prevent the thwarting or substantial difficulty of ensuring the proceeds from crime by promptly complying with the Business Partner's or Agent's instructions, measures to refrain from execution or postponing the transaction (Business Partner's or Agent's instruction) and providing competent authorities with documents and information on request.

## **11. GROUP-WIDE INFORMATION SHARING**

- 11.1 Companies within the Group and their Representatives put forth best endeavours to share the information about the Agents and the Business Partners among Group companies and their Representatives, where technically and legally possible, to ensure the Group's compliance with the AML and the CTF applicable laws.

## **12. RECORD KEEPING AND DISCREPANCY REPORTING**

- 12.1 The Group ensures that the risk assessment and CDD data (including records of the actions taken and records of any difficulties encountered during the CDD) are securely stored to comply with obligations on records retention and data protection.
- 12.2 Any knowledge of the discrepancy between the beneficial ownership information available in the central registers and the beneficial ownership information available to the Representatives must be reported to the Compliance Officer, who ensures appropriate actions to be taken in accordance with requirements of the respective jurisdiction.

## **13. FINAL PROVISIONS**

- 13.1 To ensure compliance with the above listed principles, the Group conducts mandatory trainings, which are repeated with each material change to this Policy.
- 13.2 This Policy is subject to approval by the Board of Directors.
- 13.3 The Board of Directors of CPI Property Group S.A. shall regularly revisit and reevaluate this Policy considering the development of the Group's business and applicable laws.

- 13.4 Any violation of this Policy must be immediately reported to the Compliance Officer or via the Group's whistle-blowing procedure.
- 13.5 The Group will take seriously and investigate all reports of potential violation of this Policy to ensure that proper step or measure is taken.
- 13.6 Violation of this Policy by any Representative may constitute a breach of the terms and conditions of employment or other relationship of such Representative with the Group, and thus such Representative may be subject to disciplinary action, which, depending on the nature of the violation, may range from a warning or reprimand to termination of employment or other relationship and, in appropriate cases, civil legal action or referral for regulatory or criminal prosecution.
- 13.7 This Policy was approved by the Board of Directors of CPI Property Group S.A. on August 30<sup>th</sup>, 2024.