

ANTI-MONEY LAUNDERING POLICY

Policy Statement

Money laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activity in order to use illegal proceeds for a legitimate cause e.g. the paying of bills.

Regulated businesses may be susceptible to money laundering schemes because an innocent company can be used to launder the illegal proceeds of a crime in order for those proceeds to look legitimate. For example, if illegal proceeds are invested by a criminal, the dividend or return that they receive by virtue of their investment will appear as legitimate proceeds of an investment.

This policy sets out a summary of the UK AML rules, our regulatory oversight, and the commitment of Tilstone Partners Limited and Warehouse REIT plc to take steps to ensure that neither we nor our employees are implicated in money laundering.

This policy applies to all employees and workers acting on our behalf.

Money laundering is defined by three separate stages:

- Placement – the physical disposal of cash proceeds from illegal activity;
- Layering – disguising the audit trail by creating complex layers of financial transactions; and
- Integration – placing the money back into the economy so that it appears legitimate.

The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 constitute the legal framework in the UK for the prevention of money laundering. Money laundering is a criminal offence. In the UK, penalties include unlimited fines and/or terms of imprisonment ranging from 2 to 14 years.

It is a breach of the law to knowingly assist a money launderer in connection with the proceeds of any crime. There is a penalty of up to 14 years imprisonment and/or an unlimited fine. Failure to report suspicions concerning money laundering by a client, potential client, contact or colleague carries a penalty of up to 5 years imprisonment and/or an unlimited fine.

Disclosing to a client or anyone else that they are under investigation or subject to a report involving money laundering or fraud (known as “tipping off”), carries a penalty of up to 5 years imprisonment and/or an unlimited fine.

Role of the Financial Conduct Authority (FCA), IQ-EQ and receiving agents

The FCA expects all regulated firms across supervised sectors to have effective controls and systems to detect, prevent and deter financial crime. The FCA’s rules aim to reduce the likelihood of the financial system being used for money laundering and increase the detection of laundered and illegal funds.

G10 Capital Limited is the principal to the Company. G10 Capital Limited provides compliance oversight over Tilstone Partners Limited and in its role as AIFM to Warehouse REIT plc. Money laundering is a critical issue for the FCA, G10 Capital Limited, IQ-EQ, the Company and all associated employees. As stated above, breaches of the rules and legislation can result in severe penalties and financial crime being undetected.

G10 Capital Limited has an appointed Money Laundering Reporting Officer (‘MLRO’). This role has the responsibility for the establishment, maintenance and oversight of anti-money laundering systems and controls.

The MLRO will:

- Receive reports of suspicious activity from any employee in the business;
- Consider all reports and evaluating whether there is, or seems to be, any evidence of money laundering or terrorist financing;

- Report any suspicious activity or transaction to the United Kingdom Financial Intelligence Unit of the National Crime Agency ('NCA'); and
- Ask NCA for consent to continue with transactions that must be reported and ensuring no transactions are continued illegally.

Warehouse REIT plc has appointed an external receiving agent to verify the identities and sources of funds for applicants and holders of securities in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

Our People

Our employees receive training in relation to this policy and AML procedures and are required (as appropriate) to carry out risk assessments to allow the business to assess its exposure to money laundering and to:

- Recognise and report possible signs of money laundering;
- Conduct or procure appropriate checks on occupiers, suppliers, vendors and purchasers to identify the following:
 - Principal beneficial owners
 - Origins of funds deposited or invested
 - The nature of their business
- Conduct due diligence in all cases of new client relationships; and
- Report suspicious activity to the MLRO, providing as much detail as possible.