EPHESUS INVESTMENTS AND ASSETS LTD

AML, KYC and Sanctions-Screening Policy

How we identify, verify and screen every counterparty before we engage

Version	1.0	**Date**	9 October 2026	**Next review**	October 2027
Owner	Compliance Officer (Dr Adiele Onyeze, Chairman & CEO, acting as Compliance Officer until a separate appointment is made)				
Approval	Approved by the Board of Directors			**Status**	Subject to review by Kenyan counsel

1. Purpose and scope

This policy sets out how we identify, verify and screen the parties we work with, and how we respond to money-laundering, terrorist-financing and sanctions risk. "KYC" in this policy means knowing our counterparty: who they are, who owns and controls them and whether we may deal with them. It applies to everyone at Ephesus and to every counterparty relationship we enter.

2. Our position

> We do not hold client funds. We do not receive, hold, transmit or manage investment monies. We are not a bank, a fund manager, a broker-dealer or a payment service. Our income is fees paid to us under written engagement letters.

We nevertheless sit close to large transactions. We introduce project sponsors to capital partners, we assemble consortia and we advise public bodies. A person seeking to launder money or to evade sanctions may try to use an introduction, a consortium seat or an advisory relationship to gain legitimacy. We refuse to be that route, so we identify, verify and screen every counterparty before we engage.

3. Applicable law and standards

We follow:

- the **Proceeds of Crime and Anti-Money Laundering Act 2009** of Kenya (POCAMLA), as amended, and its regulations;
- the **Prevention of Terrorism Act 2012** of Kenya (POTA) and the lists of designated persons and entities published under it;
- the **Companies (Beneficial Ownership Information) Regulations 2020** of Kenya;
- the sanctions regimes of the United Nations Security Council, the United States (OFAC), the United Kingdom (OFSI) and the European Union;
- the anti-money-laundering laws of Zimbabwe, Tanzania and any other country in which we work; and
- the Recommendations of the Financial Action Task Force (FATF) as a benchmark of good practice.

Whether or not the law classifies us as a reporting institution, we apply the measures in this policy in full.

4. Who we check

"Counterparty" means any person or entity with whom we propose to enter a business relationship: project sponsors and developers; investors, lenders and capital partners we introduce to a project or to a public body; consortium partners and co-sponsors; agents, introducers, sub-consultants and local partners; and public bodies and state-owned enterprises, to the extent of identifying the authorised signatories and the legal basis of their authority.

We check the counterparty itself, its directors, its authorised signatories and its beneficial owners.

5. When we check

We complete identification, verification and screening before we sign an engagement letter, a consortium agreement or a non-disclosure agreement that leads to the exchange of project information, and before we make any introduction. We do not introduce a party whose checks are incomplete. Urgency does not change the order.

6. Identification and verification

Natural persons. We obtain and verify full name, date of birth, nationality, residential address and a government-issued photo identity document (national identity card or passport), together with evidence of authority to act where relevant. We verify against the original document or a certified copy, and by video call where we do not meet the person.

Legal entities. We obtain and verify the legal name, registration number, country and date of incorporation, registered office, certificate of incorporation, constitutional documents, a current registry extract (in Kenya, the CR12), the names of directors and authorised signatories, the ownership structure and the identity of each beneficial owner. We check the registry extract against the official registry where we can access it.

Trusts, foundations and partnerships. We identify the settlor, trustees, protector, beneficiaries, partners and any other person with control.

We keep a copy of every document we rely on. We do not accept documents that are expired, illegible, inconsistent or unverifiable.

7. Beneficial ownership

A beneficial owner is a natural person who ultimately owns or controls a counterparty. We treat any natural person who directly or indirectly holds 25% or more of the shares, voting rights or economic interest in a counterparty, or who otherwise exercises control over it or its management, as a beneficial owner. Where the law of the counterparty's home country sets a lower threshold, as Kenya does at 10% under the Companies (Beneficial Ownership Information) Regulations 2020, we apply the lower threshold.

We trace ownership through every intermediate company, trust or nominee until we reach a natural person. Where no natural person meets the threshold, we identify the senior managing official and we record why.

8. Politically exposed persons

A politically exposed person (PEP) is an individual who holds or has held a prominent public function (head of state or government, minister, senior politician, senior government, judicial or military official, senior executive of a state-owned enterprise or political-party official), together with that person's family members and close associates. We treat a person as a PEP for at least twelve months after they leave office, and for longer where their influence continues.

We screen every natural person we identify against PEP databases and public sources. Where a counterparty, or its beneficial owner, director or signatory, is a PEP, we apply enhanced due diligence:

- we establish and document the source of wealth of the PEP and the source of the funds involved in the proposed relationship, with supporting evidence;
- we assess whether the PEP's public function bears on the project, the public body or the decision concerned;
- we obtain Board approval before engaging; and
- we review the relationship at least every six months.

Our work with public bodies brings us into contact with public officials in their official capacity. That is not the same as a business relationship with a PEP as a counterparty. We keep the two separate and we record the distinction.

9. Sanctions screening

Before engagement, and at every review, we screen every counterparty and its directors, signatories and beneficial owners against:

- the United Nations Security Council Consolidated List;
- the United States OFAC Specially Designated Nationals List and other OFAC sanctions lists;
- the United Kingdom Sanctions List maintained by the Office of Financial Sanctions Implementation (OFSI);
- the European Union Consolidated Financial Sanctions List; and
- the lists of designated persons and entities published in Kenya under the Prevention of Terrorism Act 2012.

We also check whether the counterparty is owned or controlled by a sanctioned person or operates in a sanctioned territory, and whether it has been debarred by the World Bank Group, the African Development Bank or another multilateral institution. A confirmed match ends the engagement. A possible match goes to the Compliance Officer and is not cleared until resolved with evidence.

10. Risk assessment and enhanced due diligence

We rate every counterparty as lower, standard or higher risk, taking account of the type of counterparty, its ownership, its countries of incorporation and operation, the sector, the size and structure of the proposed transaction and the results of screening. We apply enhanced due diligence to higher-risk counterparties. These include PEPs; counterparties from jurisdictions on the FATF lists of jurisdictions under increased monitoring or subject to a call for action; complex or opaque ownership structures; cash-intensive businesses; and any case where the counterparty's explanation of its business or its funds does not make sense.

Enhanced due diligence means additional verification, source-of-wealth and source-of-funds enquiries, adverse-media review and Board approval.

11. Ongoing monitoring

We re-screen every active counterparty against sanctions and PEP lists at least annually, and higher-risk counterparties more often. We refresh identification documents when they expire or when the counterparty's ownership, control or circumstances change. During an engagement we stay alert to a new party entering a structure, a request to change payment arrangements or a change in the stated purpose of the transaction.

12. Record retention

We keep all identification, verification, screening and risk-assessment records, with the engagement correspondence to which they relate, for at least seven years from the end of the business relationship or the completion of the transaction, whichever is later. Records are held securely and are available to competent authorities on lawful request.

13. Reporting suspicious activity

Anyone at Ephesus who knows or suspects, or has reasonable grounds to suspect, that a counterparty, a transaction or funds are connected to money laundering, terrorist financing, the proceeds of crime or sanctions evasion must report this at once to the Compliance Officer. The Compliance Officer assesses the report and, where the law requires it, files a suspicious transaction or activity report with the Financial Reporting Centre of Kenya as POCAMLA requires. We may also report voluntarily where we judge that appropriate.

We do not tell the counterparty that a report has been made or is being considered; tipping off is an offence and a breach of this policy.

14. Refusal to proceed

We decline to engage, or we withdraw from an engagement, where:

- identification or verification cannot be completed;
- beneficial ownership cannot be established;
- a sanctions match is confirmed;
- a PEP relationship cannot be justified or its source of wealth cannot be evidenced;
- the counterparty withholds or falsifies information, or structures the relationship to avoid our checks;
- a fee cannot be traced to a legitimate source, or a party other than the named counterparty offers to pay, without a justification approved by the Compliance Officer; or
- the risk, in the judgement of the Compliance Officer, cannot be mitigated.

15. Responsibilities and training

The Board owns this policy. The Compliance Officer administers it, keeps the counterparty records, approves risk ratings, decides escalations and reports to the Board at least annually. All staff are trained on it on joining and annually.

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