

FRAUD PREVENTION STATEMENT

Effective 1 September 2025, the Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence of Failure to Prevent Fraud, requiring 'in-scope' organisations to develop and implement fraud prevention measures.

This statement is therefore made by Midwich companies operating within the United Kingdom and Ireland (UK&I).

This statement should be read in accordance with our Tax Strategy Paper, found here:
<https://midwichgroupplc.com/sustainability/governance/policies-and-documents/>

Our Commitment

Midwich is committed to the highest standards of ethical conduct and integrity within its business activities and shows a zero-tolerance approach to any unethical or illegal practices. We **do not tolerate any form of fraud** and consider fraudulent activities to have a detrimental impact in business and are fully committed to complying with the requirements as set out on the ECCTA. Anyone acting on Our behalf - either directly or indirectly including but not limited to employees, agents, officers and consultants - are responsible for maintaining our reputation and to conduct business honestly and professionally.

Steps we have taken

Midwich regularly conducts risk assessments for fraud, to determine the potential risk of fraud occurring and identify actions that should be taken to reduce any such risk(s).

To ensure our adherence to the requirements, we have taken the following steps:

1. Top level commitment

- This statement is fully endorsed by the Board of Midwich Group, creating a culture where we all view fraud as unacceptable.

2. Risk Assessments

- All UK&I Midwich Group companies undertake bi-annual Risk Assessments. Dedicated sections pertaining to the prevention / detection of fraud form part of these assessments.
- A further risk assessment was undertaken by all UK&I group companies in July 2025 focusing solely on fraud.

3. Customers & Suppliers

- During the onboarding process, we undertake checks to identify whether any instances of suspected/actual fraud has occurred, for example, press releases, public record information etc.

4. Employees

- Employees are subject to pre-employment and vetting checks where relevant.

5. Acquisitions

- Acquisitions are subject to robust due-diligence, undertaken by our in-house Mergers & Acquisitions team and utilising external expertise.

6. Anti-Fraud Policy & Procedures

- Implemented a robust policy and procedure which has been issued to all UK&I employees.

7. Ongoing Training & Awareness

- Appropriate, ongoing training and awareness for existing and new employees, undertaken via in-house training and/or external training if required utilizing appropriate external expertise.

This statement is approved by:



Philip Bligh

CFO (UK&I)

APPENDIX 1: IN-SCOPE ORGANISATIONS

1. Which organisations are in scope?

The offence applies to large, incorporated bodies and partnerships across all sectors of the economy.

2. What is meant by “incorporated bodies and partnerships”?

Section 199(13) of the Economic Crime and Corporate Transparency Act 2023 (ECCTA), states that the offence applies to organisations incorporated or formed by any means. This includes, but is not limited to incorporation by:

- The Companies Act 2006
- Royal Charter
- Statute (for example NHS Trusts)
- The Limited Liability Partnerships Act 2000
- The Co-operative and Community Benefit Societies Act 2014.

The offence also applies to partnerships which are not bodies corporate (including Scottish partnerships and Limited Partnerships formed under the Limited Partnerships Act 1907). Note that some charities are incorporated and would therefore be in scope if they meet the criteria to be considered a “large organisation”.

3. Guidance for the offence of failure to prevent fraud

Unincorporated organisations (other than partnerships) are not in scope. The offence also applies to bodies incorporated and partnerships formed outside the UK but with a UK nexus.

4. What is meant by “large organisations”?

The offence of failure to prevent fraud applies only to large organisations. A “large organisation” (as defined in section 201 of the ECCTA), as meeting two or three out of the following criteria:

- More than 250 employees
- More than £36 million turnover
- More than £18 million in total assets.

These conditions apply to the financial year of the organisation that precedes the year of the base fraud offence.

These criteria apply to the whole organisation, including subsidiaries, regardless of where the organisation is headquartered or where its subsidiaries are located.

The definition of subsidiaries is given in the Companies Act 2006 section 1159. The provisions relating to subsidiaries are a specific statutory extension of the general principle and only apply to groups where there is a parent-subsidiary relationship. For example, LLP networks, supply chain companies and franchises are not included in this calculation.

For clarity, turnover is calculated as follows:

- ‘Turnover’ means the amount derived from the provision of goods and services falling within the ordinary activities of the commercial organisation or subsidiary undertaking, after deduction of—
a. trade discounts; b. value added tax; and c. any other taxes based on the amounts so derived.⁷
- Aggregate turnover is calculated as: a) the turnover of that organisation; and b) the turnover of any of its subsidiary undertakings (including those operating wholly outside the UK).

Organisations should take professional legal advice to determine whether they fall into the definition of “large organisation” set out in sections 201-202 of the Act.

Subsidiaries

An individual subsidiary or franchise that meets the criteria above would be considered as a “relevant organisation” and could be liable for the offence in its own right. Moreover, the subsidiary of a large organisation, which is not itself a large organisation, can be prosecuted rather than the parent organisation if an employee of the subsidiary commits a fraud intending to benefit the subsidiary, as set out in section 199(2).

APPENDIX 2: TYPES OF FRAUD COVERED BY THE OFFENCE

| England and Wales | Northern Ireland | Scotland |
|---|--|---|
| <ol style="list-style-type: none"> 1. Fraud offences under section 1 of the Fraud Act 2006⁹ including: <ul style="list-style-type: none"> o Fraud by false representation (section 2 Fraud Act 2006) o Fraud by failing to disclose information (section 3 Fraud Act 2006) o Fraud by abuse of position (section 4 Fraud Act 2006). 2. Participation in a fraudulent business (section 9, Fraud Act 2006). 3. Obtaining services dishonestly (section 11 Fraud Act 2006) 4. Cheating the public revenue (common law). 5. False accounting (section 17 Theft Act 1968). 6. False statements by company directors (section 19 Theft Act 1968) 7. Fraudulent trading (section 993 Companies Act 2006). | <ol style="list-style-type: none"> 1. Fraud offences under section 1 of the Fraud Act 2006¹¹ including: <ul style="list-style-type: none"> o Fraud by false representation (section 2 Fraud Act 2006) o Fraud by failing to disclose information (section 3 Fraud Act 2006) o Fraud by abuse of position (section 4 Fraud Act 2006) 2. Participation in a fraudulent business (section 9, Fraud Act 2006). 3. Obtaining services dishonestly (section 11 Fraud Act 2006). 4. Cheating the public revenue (common law). 5. False accounting (section 17 Theft Act Northern Ireland 1969). 6. False statements by company directors (Section 18, Theft Act Northern Ireland 1969). 7. Fraudulent trading (section 993 Companies Act 2006). | <ol style="list-style-type: none"> 1. Fraudulent trading (section 993 Companies Act 2006). 2. Fraud (common law). 3. Uttering (common law). 4. Embezzlement (common law). |