

Anti-Facilitation of Tax Evasion Policy & Procedures

This policy is designed to help all staff understand not just the legislation relevant to tax evasion or its facilitation but also to provide you with details of further help and training which may be needed.

In many countries (including the UK), it is a criminal offence to dishonestly evade tax or to assist others to do so. This can deprive governments of the revenues needed to fund vital public services. We expect the businesses and people we engage with to comply with their tax obligations. Tax evasion or its facilitation has no place at Roger Hyde Limited ('RHL') and we do not tolerate any of our Directors, Officers or employees (together 'Colleagues'), agents/subcontractors or business partners knowingly assisting or encouraging tax fraud by any of our customers, suppliers or others that we do business with.

We are committed to the following principles:

- We will carry out business fairly, honestly and openly;
- We will not provide services or sell to parties where we know or suspect that the services or the items sold will be misused or abused by a customer for the purposes of fraudulent tax evasion;
- We will not buy services or goods from any supplier where we know or reasonably suspect them not to be properly declaring their income and any relevant tax and duties in connection with those activities;
- Any Colleague found to be in breach of these principles will face disciplinary action up to and including dismissal;
- No Colleague will suffer demotion, penalty or other adverse consequence for refusing to engage in the sale or purchase of services and goods where they reasonably suspect or know tax evasion to be taking place. Our clear policy is not to engage in transactions where tax evasion is present or suspected to be present, even if it may result in us losing business;
- We expect our agents/subcontractors and others who represent us also to commit to these principles;
- We are committed to a programme to counter the risk of our being involved in the facilitation of tax evasion.

Any concerns relating to a breach of this policy should be reported in accordance with the procedures set out further in this document and directly to the Managing Director.

1. Introduction

This policy is intended to ensure that our Colleagues, agents/subcontractors and business partners do not engage in the facilitation of tax evasion anywhere in the world.

We expect high standards from our Colleagues and do not tolerate anyone engaging in tax evasion or helping others to do so. We will endeavour to ensure that others who perform services for or with us, for example, agents/subcontractors, advisers, consultants (referred to as '**Business Partners**') do not facilitate tax evasion whilst performing those services. This policy applies irrespective of where business is being conducted and regardless of jurisdiction. Where there are differences between the local law and this policy, you must apply the highest standard of behaviour.

2. What is Tax Evasion and how could you facilitate it?

Tax evasion occurs when a person knows they have an obligation to account for tax but dishonestly does not do so. They may or may not try to take steps to disguise or misrepresent what they are doing. The key is that they know tax is due and deliberately do not pay it. It is possible to evade tax without involving others but in many cases others will be involved.

Examples include misrepresenting the services rendered or the location in which they took place, or who carried them out. If we were to accept and not challenge this, we could be 'facilitating' the tax evasion and committing a criminal offence. Simply ignoring what is occurring or not reporting suspicions to the Managing Director is not acceptable.

Tax evasion is not the same as tax avoidance. Tax avoidance is where a person, often acting on professional advice, has entered into arrangements designed to legally minimise their tax liabilities.

3. Why is this Policy important?

Facilitation of tax evasion is a criminal offence and the penalties can be severe including fines or imprisonment. RHL itself can also be guilty of an offence and may face prosecution. Having a conviction may bar RHL from operating in certain sectors or bidding for certain work. RHL could also have to pay a significant fine. This could be extremely damaging for RHL.



4. What is expected of you?

All colleagues must read and observe this policy, act with integrity and comply with applicable laws.

Managers should create an environment that encourages compliance with this policy. You should encourage others to report concerns and to ask questions regarding these issues.

We expect our Business Partners to also adhere to this policy.

RHL will improve its procedures and due diligence checks, to include the following:

- making it a condition of doing business with RHL that Business Partners will act diligently to account for any taxes owed;
- RHL will undertake additional checks on the ownership structure of Business Partners or on where their business is managed;
- ask Business Partners to prove that they are registered for tax;
- when RHL buys or sells goods/products, to undertake the appropriate checks to ensure that tax has been paid
- any other procedures RHL considers to be reasonable.

Colleagues should look out for potential '**Red Flags**' with any Red Flags reported immediately to RHL's Managing Director. Red Flags include:

- If a customer or supplier refuses or fails to confirm that it will comply with our additional due diligence checks;
- The customer or supplier operates or is resident in a country where tax evasion is more prevalent;
- The customer or supplier has unusual invoicing or documentation practices for example invoicing a different company to the one receiving the service;
- The customer or supplier requests for payments to be:
 - made in cash
 - paid to or through another entity
 - paid to bank accounts in another country
 - paid in another currency; or
 - paid in advance where that is not accepted practice for that to occur

5. Dealings with Business Partners

Business Partners should be given a copy or informed of where to access this policy and asked to confirm they have understood it. RHL will ask all Business Partners to confirm they will apply with our principles and that they have similar policies. We reserve the right to inspect their policy.

New Business Partners should have an agreement that contains appropriate wording to address this risk.



6. Bookkeeping and Accounting

Books, records and accounts must be kept which accurately and fairly reflect all transactions.

No payments should be made, approved or processed where there is any suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No 'off the books' or unrecorded funds or accounts are permitted.

Examples of prohibited record keeping activities include:

- making records showing a payment to one person when, in fact, it was made to someone else
- submitting inaccurate expenses
- records that inaccurately characterise/describe the true nature of transactions or payments
- claims for services, products or equipment not received
- creating or maintaining unrecorded funds or assets of the company (including unrecorded 'petty cash')

7. Disciplinary Action

Tax evasion and its facilitation is a serious criminal offence. Breaches of this policy could result in disciplinary action being taken, up to and including dismissal/termination of contract. In addition, a Colleague who breaks the law may themselves face criminal proceedings, fines or imprisonment.

For Business Partners, non-compliance with this policy and any applicable laws will be considered to be a material breach of contract and may result in the termination of any relationship with us and the matter being reported to the police.

8. Statement of Commitment

RHL will not tolerate any form of tax evasion or its facilitation. This policy will be reviewed on a 6 monthly basis and updated if necessary, as new threats appear. Our accountants will also undertake a 6 monthly audit.

9. Who to contact if I have any questions?

If you have a concern or suspect a violation of this policy, please speak up immediately. Please be reassured that all information received will be treated seriously and investigated appropriately.

If you have any concerns, please speak directly to James Hyde, Managing Director. Tax evasion can also be reported direct to the www.gov.uk website.