



PACCOR UK LIMITED

ANTI-FACILITATION OF TAX EVASION POLICY & GUIDELINES

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Owner: Legal Affairs department

Public: all persons working for PACCOR UK Ltd or on our behalf in any capacity, including (but not limited to) directors, employees at all levels, agency workers, agents, consultants and service providers (including professional services firms)

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I. INTRODUCTION

It is the policy of PACCOR UK Limited ("PACCOR UK") to conduct all of our business in an honest and ethical manner, and in compliance with all applicable laws, including those relating to tax evasion.

II. CRIMINAL FINANCE ACT 2017

The Criminal Finance Act ("CFA") created two new offences for companies of failing to prevent facilitation of tax evasion, both in the UK and overseas.

The CFA makes a company criminally liable for the actions of its staff, agents or other persons associated with it where the company fails to prevent those who act for, or on its behalf, from criminally facilitating tax evasion.

The company will, however, have a defence if it can demonstrate it had reasonable "prevention procedures" in place to prevent the offences. This Policy and the training referenced in paragraph 6 form a key part of those procedures.

III. ABOUT THIS POLICY

The purpose of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on preventing the criminal facilitation of tax evasion; and
- provide information and guidance to those working for us on how to recognise and avoid tax evasion.

If we fail to prevent our employees, workers, agents or service providers facilitating tax evasion, we can face criminal sanctions, including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation. We therefore take our legal responsibilities seriously.

This policy does not form part of any employee's contract of employment and we may amend it at any time.

IV. WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all persons working for PACCOR UK or on our behalf in any capacity, including (but not limited to) directors, employees at all levels, agency workers, agents, consultants and service providers (including professional services firms).

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

V. WHO IS RESPONSIBLE FOR THE POLICY?

The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy.

The Policy, its implementation and effectiveness will be kept under review by the UK Managing Director, UK Finance Manager and Human Resources Manager.

VI. TRAINING

Training on this policy will be provided as necessary, in particular to those employees whose role has been identified as being at risk of exposure to criminal tax evasion.

VII. WHAT IS TAX EVASION FACILITATION?

For the purposes of this policy:

Tax evasion means the offence of cheating the public revenue or fraudulently evading UK tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent;

Foreign tax evasion means evading tax in a foreign country, provided that conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent; and

Tax evasion facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

Under the CFA, a criminal offence is automatically committed by a company where the tax evasion is facilitated by a person acting in the capacity of an "associated person" to that company. The associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. The company does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for the company.

Note that tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

In this policy, references to tax are to all taxes, including all corporate and personal taxes, national insurance contributions, stamp duty and VAT.

VIII. WHAT YOU MUST DO

You (or someone on your behalf) should never:

- Engage in any form of facilitating tax evasion or foreign tax evasion.
- Aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person.
- Engage in any other activity that might lead to a breach of this policy.
- Threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

IX. YOUR RESPONSIBILITIES

You must ensure that you read, understand and comply with this policy.

You must comply with all company procedures and controls relevant to your role, in particular those which concern payments made by or to PACCOR UK.

The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must promptly report any request or demand from any person or company to facilitate the fraudulent evasion of tax, or any suspected fraudulent evasion of tax by another person or company, in accordance with this policy.

X. POTENTIAL RISK SCENARIOS: „RED FLAGS“

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns related to tax evasion or foreign tax evasion that merit further investigation. The list is not intended to be exhaustive. If it doesn't feel right, it probably isn't.

- You become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax, has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction), has delivered or intends to deliver a false document relating to tax, or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
- You become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT.
- A third party requests payment in cash or refuses to provide an invoice for a payment due or receipt for a payment made.
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- A third party requests that payment is made to an offshore bank account without good reason.
- You receive an invoice from a third party that appears to be non-standard or customised.
- A third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated.
- You notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided.
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not known to or typically used by PACCOR UK.

A **'third party'** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

XI. PROTECTION

We encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of:

- refusing to take part in, be concerned in, or facilitate tax evasion or foreign tax evasion by another person;
- refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform HR immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our grievance procedure.

XII. HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage in order that the company can properly investigate and deal with them.

If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your manager or HR as soon as possible. A deliberate failure to report suspected tax evasion or foreign tax evasion, or "turning a blind eye" to suspicious activity could amount to criminal facilitation of tax evasion. It is better to be safe than sorry.

If you do become aware of any fraudulent evasion of tax by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax, or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a foreign country, you must notify your manager or HR without delay.

To report a concern, there is a dedicated and secured reporting tool available called PACethics Helpline (www.convercent.com) that may be used. This reporting tool can be used anonymously.

CONTACT

Department	Contact info
PacEthics Helpline	PACethics Helpline - Powered by Convercent www.convercent.com (Submit or Check a Report, then type PACCOR in the „Find your organisation“ box and „enter“)
Legal Affairs	Cecile Desvignes, VP Legal Affairs +33 (0)6 08 72 37 28 cecile.desvignes@paccor.com or legal@paccor.com Lydia Kokoska, Legal & HR Specialist +49 (0) 175 9026 079 Lydia.kokoska@paccor.com

ABBREVIATIONS

CFA Criminal Finance Act