



**Corporate Criminal Offence (“CCO”) relating to the Facilitation of
Tax Evasion Policy**

Criminal Finances Act 2017 (“CFA”)

1. Overview and Purpose of Policy

Summary

Tyman does not tolerate tax evasion or the facilitation of tax evasion in its dealings with customers, suppliers or other associated parties whether in the UK or in overseas jurisdictions. This policy:

- provides an overview of what constitutes the offence of facilitating tax evasion
- sets out who the policy applies to
- sets out Tyman's position on tax evasion and the facilitation of tax evasion
- provides guidance on how the Group will minimise scope for facilitating tax evasion and enable employees to report suspicious behaviour

Overview of CFA and tax evasion

Under the CFA, if an individual evades tax and this was facilitated by the advice or actions of other individuals in a corporation:

- (a) the individuals will have committed a crime; and
- (b) the corporation may also be prosecuted for failing to prevent the facilitation of UK and/or foreign tax evasion

Notably, the corporation 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 corporation.

This means that, as an employer, if Tyman fails to prevent its employees, workers, agents or service providers facilitating tax evasion, it can face criminal sanctions including an unlimited fine as well as exclusion from tendering for public contracts and damage to its reputation.

However, it is a defence for a corporation to demonstrate that it has taken reasonable measures (or is able to demonstrate why it was unnecessary for it to have done so) to prevent the facilitation of tax evasion by its associated persons.

Scope of policy

The policy applies to all third-party facing employees and associated persons that represent the Group and are involved with agreeing and defining trading arrangements and commercial terms and conditions with such third parties.

Global application

The measures also apply to foreign tax evasion. Whilst a UK offence can apply to UK or non UK entities and the offence can take place in the UK or overseas, the offence would be triggered if there is a loss of UK tax. To trigger a foreign tax offence it must:

- result in the loss of overseas tax; AND
- be a facilitation offence under the domestic law of the UK and be an equivalent offence within the law of the overseas country where the loss of tax applies; AND
- be committed by a UK company or branch OR the facilitation offence must take place in the UK if the associated person is employed by an overseas entity.

Policy responsibilities

The Group has carried out a risk assessment to understand its level of exposure to this legislation and to understand who could be acting for, or on behalf of, the Group and potentially expose the Group by facilitating tax evasion. The risk assessment and this policy document will be reviewed and updated annually and this policy and the training requirements, which employees will be required to undertake to raise awareness and understanding in the Group, are key parts of the Group's reasonable preventative procedures.

The Head of Tax & Treasury is responsible for continually monitoring and updating the risk assessment and reviewing the Group policy every two years.

The Group Chief Financial Officer is ultimately responsible for ensuring that preventative measures and procedures to prevent facilitation of tax evasion are in place in the trading and holding company entities in the Group.

Divisional Chief Financial Officers are responsible for ensuring compliance with this policy within their respective divisions.

Responsibilities of "associated persons"

All senior finance and high risk "associated persons" (as defined below) should understand their responsibilities upon reading this policy and to personally ensure that they have read, understood and complied with the policy and undertaken the mandatory training requirements. In addition, divisional CFOs must ensure that individuals who have the ability to negotiate and agree commercial and settlement terms with third parties have undertaken the CCO training for their corporate entities. Divisional CFOs must also ensure that such training is updated and revisited by associated persons in line with the CCO policy requirements to ensure that compliance with this policy is part of a regular program of training and compliance awareness.

2. Key Definitions

Tax Evasion

"Tax evasion" refers to *'any deliberate omission, concealment, or the false or deceptive presentation of information in order to gain a tax advantage.'*

Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax planning is not illegal and involves taking reasonable and acceptable steps, within the law, to structure transactions in order to minimise tax payable (or maximise tax reliefs) and ensure that a company's tax affairs are structured efficiently.

Facilitation of Tax Evasion

The facilitation of tax evasion 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. It is a criminal offence where it is done deliberately and dishonestly. It does not include accidental, ignorant or negligent facilitation but deliberate misrepresentation of facts that assists somebody to evade tax (even if they did not know that tax evasion was the motive) could be caught.

Associated person

An "associated person" of a business is defined as an employee, agent or other person who performs services for or on behalf of the company.

An associated person may also include suppliers, contractors, sub-contractors and intermediaries. An associated person can only implicate a firm if they facilitate tax evasion by a third party whilst performing services for the firm.

3. Tax Evasion CCO Policy

Tyman expects its staff and associated persons to maintain the highest standards of integrity, honesty and respect. Tyman promotes a culture where activity or practices to facilitate tax evasion are never acceptable.

Having carried out a risk assessment of potential exposures in the Group to CCO risks, the Group will facilitate training for relevant individuals in the organisation which will: (i) raise awareness and understanding of CCO; (ii) help individuals to understand how to handle commercial negotiations and discussions with third parties to ensure that their actions do not constitute an offence under the Act and to understand when to raise questions with and clearance from line managers in terms of what is being requested of them by third parties to the Group; and (iii) set out the mechanisms for reporting concerns in this area or potential breaches by colleagues either by discussion with line managers or by raising the matter under the Group's speak up policy.

A breach of this policy may result in disciplinary action being taken against an individual believed to be facilitating tax evasion which may lead to the dismissal of the individual under the terms of their employment contract.

4. Identified risks and prevention procedures

- A CCO policy should be prepared and approved by the Board for cascading to employees by senior management
- The business should nominate someone in the Group with overall accountability and responsibility for CCO response and compliance
- CCO training should be provided to associated persons at the onboarding stage and on a regular recurring basis
- High risk individuals in the organisation are individuals that can alter supplier and employee information, are involved in making payments or approving invoices, are involved in procurement and management of supplier relationships, have access to cash, credit cards and company bank accounts and/or conclude contracts on behalf of the Group and should be subject to a more exacting training standard than low risk individuals
- Related internal control documents should make reference to the CCO policy and disclosure of concerns around facilitation of tax evasion should be accommodated within the whistle blowing policy
- Employment contracts and CCO internal control documents should make clear that breaches under CCO rules will lead to disciplinary action being taken against the responsible employee
- Supplier and customer contract terms and conditions should refer to zero tolerance for facilitation of tax evasion

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- A risk based assessment should be undertaken to assess scope for the facilitation of tax evasion for distributors and other third parties and checks should be documented and refreshed on a regular and recurring basis and documentation with the parties updated accordingly

5. Training

Tyman will provide ongoing training for relevant individuals in the organisation using e learning modules and participation in the training will be monitored to ensure all associated persons have undertaken the training. All new joiners who are classified as associated persons should undertake the training as part of their induction process. Refresher training on CCO principles for all low risk associated persons should be undertaken biennially whilst high risk associated persons should undertake annual refresher courses.

6. Raising a concern

Where an employee has concerns that one or more associated persons are potentially acting in contravention of the CCO policy, concerns can be raised through normal line manager interactions or through the whistle blowing helpline under the terms of the Speak Up policy.

7. Further information

The CCO policy is contained within the Group Controls Framework which is updated on an ongoing basis in line with the requirements of the business. Other Group internal control policies and documentation will be reviewed and updated to make reference to the CCO policy and where appropriate make clear that facilitating tax evasion will be a disciplinary matter for the employee concerned.

The Head of Tax & Treasury will maintain a record of the organisation's reasonable preventative procedures implemented in line with this policy and will assess compliance with the training requirements. Reports by exception against the policy will form part of the annual Controls Self-Assessment validation and attestation exercise ordinarily undertaken by the businesses.