

Company regulation
F-01-13
Anti-tax Evasion Policy

Created by
Eva Tříšková
Financial Analyst

Approved by
Tomáš Klíma
CFO



Validity from
19.03.2020

Revision no. 1 valid from
15.03.2021

Amendments

Date of change	Processed by	Characteristics
11.3.2021	Anna Kopková	Annual update

Content

Amendments.....	2
Content.....	3
List of annexes.....	3
Introduction.....	4
Anti-tax evasion value statement	4
Who must comply with the Policy	4
Who is responsible for the Policy.....	4
What is the facilitation of tax evasion?	5
Sipral responsibilities	5
What team members and associates must not do?	5
Prevention through vigilance	6
How to raise a concern	6
What happens if the employee prefers, for commercial reasons, not to report their suspicions?	7
Breaches of this Policy	7
Potential risk scenarios:” RED FLAGS”	7
Familiarizing employees with this Policy.....	8
The Policy for third party	8
Appendix no. 1 of Anti-tax Evasion Policy.....	9

List of annexes

Appendix no. 1 – The Policy for third party associates

Appendix no. 2 – Risk Assessment (separate document)

Introduction

In the light of Criminal Finances Act 2017, SIPRAL a.s. and Sipral UK Ltd. (hereinafter “Sipral” or “the Company”) adopted a statement of our corporate value on anti-facilitation of tax evasion. It is our policy to conduct all of our business dealings in an honest and ethical manner. The value statement governs all our business dealings and the conduct of all persons or organisations who are appointed to act on our behalf.

We request all our employees and all who have, or seek to have, a business relationship with Sipral and/or any member of our Group, to familiarise themselves with our anti-tax evasion value statement and to act at all times in a way which is consistent with our anti-tax evasion value statement.

Anti-tax evasion value statement

Sipral has a zero tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Employees and Associates of Sipral must not undertake any transactions which:

- ▣ Cause the Company to commit a tax evasion offence; or.
- ▣ Facilitate a tax evasion offence by a third party who is not an associate of the Company.

We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation. At all times, business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.

Who must comply with the Policy

This Policy applies to all persons working for the Company or any subsidiary company or on our behalf in any capacity, including employees at all levels, directors, officers and Associates (as defined below), including but not limited to agency workers, seconded workers, volunteers, interns, contractors, external consultants, third-party representatives and business partners, sponsors or any other person associated with us, wherever located.

Who is responsible for the Policy

The Board of Directors of the Company has overall responsibility for ensuring that this Policy complies with our legal obligations, and our employees and associates comply with it. This Policy is adopted by the Company.

Employees in leadership positions are responsible for ensuring those reporting to them understand and comply with this Policy and are given adequate and regular training on it. The compliance manager, which is a role undertaken in Sipral by the CFO and has day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with

any queries about it, and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of tax evasion.

All employees are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the compliance manager.

What is the facilitation of tax evasion?

For the purposes of this Policy:

Tax Evasion means an 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 the 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.

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.

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).

Tax means all forms taxation, including but not limited to corporation tax, income tax, value added tax, stamp duty, stamp duty land tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation.

Sipral responsibilities

The Company has completed a risk assessment and has established procedures governing certain transactions with third parties designed to prevent specific areas of possible tax evasion by a third party.

The Company is responsible for offering employees appropriate training to understand tax evasion, and actions to take to prevent tax evasion.

What team members and associates must not do?

Employees and Associates must at all times adhere to the SIPRAL anti-tax evasion value statement and must ensure that they read, understand and comply with this Policy.

It is not acceptable for team members and Associates to:

- ▮ 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.
- ▮ Fail to promptly report any request or demand from any third party to facilitate the fraudulent Evasion of Tax by another person, in accordance with this Policy; or
- ▮ Engage in any other activity that might lead to a breach of this Policy; or
- ▮ Threaten 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.

Prevention through vigilance

There is not an exhaustive list of Tax Evasion opportunities. At a more general level, the best defence against Tax Evasion and facilitation of Tax Evasion remains the vigilance of our employees and Associates and the adoption of a common-sense approach supported by our clear whistleblowing procedure. In applying common sense, team members must be aware of the following:

- ▮ Is there anything unusual about the manner in which an Associate of the Company is conducting their relationship with the Company or the third party (usually a customer)?
- ▮ Is there anything unusual about the customer's or Associate's conduct or behaviour in your dealings with them?
- ▮ Are there unusual payment methods?

Unusual payment methods and unusual conduct of third parties with Company Associates can be indicative that a transaction may not be as it seems.

How to raise a concern

Our employees have a responsibility to take reasonable action to prevent harm to Sipral and we hold our employees accountable for their actions and omissions. Any actions that breach the Criminal Finances Act and the tax laws of wherever we operate brings harm to Sipral and will not be tolerated.

You are responsible for properly following Sipral policies and procedures. These should generally ensure that all taxes are properly paid. If you are ever asked by anyone either inside or outside our company to go outside our standard procedures, this should be reported without delay, as someone may be attempting to evade tax.

If at any time you are concerned about whether a particular transaction or activity may amount to tax evasion, criminal facilitation of tax evasion or a breach of this Policy, you should raise any question or concern at the earliest possible opportunity with your line manager and with the Finance Director (CFO), or via the Group's usual whistleblowing procedure. All matters raised will be dealt with in strict confidence and you will not suffer any adverse consequence for refusing to engage in the facilitation of tax evasion or for reporting instances in which you

suspect that this Policy has been breached, even if this may result in the Sipral losing business.

What happens if the employee prefers, for commercial reasons, not to report their suspicions?

This should never happen. If there is any suspicion of any intention to evade tax and the transaction if nevertheless finalised, Sipral can be criminally prosecuted and subject to a large fine.

Breaches of this Policy

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

Sipral may terminate its relationship with other individuals and organisations working on our behalf if they breach this Policy.

Potential risk scenarios:” RED FLAGS”

The following is a list of possible “red flags” that may arise while you work for us and which may raise concerns related to Tax Evasion or Foreign Tax Evasion. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these “red flags” while working for us, you must report them promptly to your manager:

- ▣ 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 tax authorities, 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 or VAT or failed to account for VAT.
- ▣ Third party requests payment in cash and/or refuses to provide an invoice or receipt for a payment made.
- ▣ You become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor without any material changes to their working conditions.
- ▣ Third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- ▣ Third party to whom we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly.
- ▣ 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.
- ▣ Third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.

Familiarizing employees with this Policy

All Sipral employees are familiarized with the Policy through e-learning tool. Certificate confirming their understanding of this Policy is part of their personal file.

If employee has any additional questions or miscomprehension, they should turn to the Financial Director (CFO) to clarify it.

The Policy for third party

An Associate other than an employee must read and understand the Policy. To confirm that, they must sign and return the acknowledgement set in the Appendix no. 1. Signed confirmation is a part of tender documentation.

Appendix no. 1 of Anti-tax Evasion Policy

The Policy for third party associates

1. Key principle

Sipral is committed to the prevention of the criminal facilitation of tax evasion in the workplace and in all its business dealings. Sipral will not tolerate any form of criminal facilitation of tax evasion by any director, employee or third party dealing with Sipral, including contractors, consultants, agency workers, agents and service providers. This Policy applies in relation to business dealings and transactions in all jurisdictions in which Sipral operates.

No employee or other Associate of the Company should feel pressured into offering or agreeing to provide assistance to enable another person to unlawfully evade tax in order to secure business on behalf of or with the Company and no employee or other Associate will suffer adverse consequences in their dealings with Sipral for refusing to agree to facilitate tax evasion or for taking steps to report any concerns that an offence has been committed.

All employees and other Associates must ensure that they are familiar with the aims and objectives of the Policy and must act in accordance with it.

2. Application of the Policy to third party associates

The Company recognises that it will have a wide range of different business relationships with associates who are not its own employees or directors. Whatever those relationships, however, Sipral is committed to acting in accordance with the key principle outlined above and will therefore take appropriate steps in each case to ensure that it has assessed any risk inherent in the relationship and has addressed that risk.

Whilst this Policy cannot be prescriptive about how such risks will be addressed in any particular case, you will be asked to co-operate with Sipral in putting in place appropriate measures to address risk.

These may include:

- ▣ You confirming that you have received and read this Policy and this Appendix.
- ▣ You confirming that you have in place equivalent policies to prevent the facilitation of tax evasion by your Associates and will comply with these when acting for or on behalf of Sipral.
- ▣ You providing information or assistance to enable Sipral to assess any risk in relation. You entering into contractual provisions to provide assurance to Sipral that you will act in accordance with the law or the terms of this Policy.

ACKNOWLEDGEMENT

By signing this form I hereby declare that I have read and understood the Siprals prevention of the criminal facilitation of tax evasion policy (the L-01-10 Anti-tax Evasion Policy) and I will provide such information and take such actions as Sipral may request in order to enable it to comply with the Policy.

NAME: _____

(for and on behalf of.....)

SIGNATURE: _____

DATE: _____