

# TAX EVASION AND FACILITATION OF TAX EVASION POLICY



This policy outlines the Ross-shire Engineering, RSE and Prime Pumps, PP, position in preventing and prohibiting tax evasion in accordance with the Criminal Finances Act 2017. RSE and PP will not tolerate any form of tax evasion or facilitation of tax evasion by its employees, agents, consultants or any person or body acting on its behalf in the UK or overseas.

There is a distinction between tax evasion and tax avoidance. Tax evasion takes place when individuals or businesses dishonestly omit, conceal or misrepresent information to reduce a tax liability. Tax avoidance is not a criminal offence but involves the exploitation of tax rules by the use of transactions designed to gain a tax advantage within the law.

RSE and PP will be deemed to have committed a criminal offence under the Criminal Finances Act 2017 if:

- ◆ A person evades tax of any kind (tax evasion being as defined in the UK); and
- ◆ An employee or other associated person of RSE and PP deliberately and dishonestly facilitates that evasion of tax while acting as an employee or other associated person (facilitation being as defined in the UK); and
- ◆ RSE or PP fails to prevent the employee or other associated person from facilitating that evasion of tax.

In addition, individual employees and associated persons may be criminally liable for tax evasion or the facilitation of tax evasion in their own right under existing legislation.

Employees or associated persons are prohibited from participating in tax evasion or the facilitation of tax evasion, either in the UK or abroad regardless of jurisdiction. This prohibition applies regardless of the manner or type of evasion or facilitation of evasion, and regardless of whether participation is direct or indirect, active or passive.

Employees and where applicable associated persons are to take particular care to ensure that all company records are accurately maintained, including financial invoices and all payment transactions with clients, suppliers and public officials.

Due diligence should be undertaken by employees and associated persons prior to entering any contract, arrangement or relationship with a potential customer and/or supplier of goods or services, agent, consultant or representative.

Employees and associated persons working outside of the UK may be at greater risk of being exposed to unethical business conduct than UK-based employees. Employees and associated persons are required to be extra vigilant when conducting international business.

Employees and associated persons are required to co-operate with this procedure and report suspicions of tax evasion or facilitation of tax evasion to the Commercial Director or Managing Director, issues that should be reported include:

- ◆ Any suspected or actual attempts at tax evasion;
- ◆ Concerns that other employees or associated persons may be facilitating tax evasion.

The procedure for Whistle Blowing is available in the company handbook and on the RSE and PP Intranet pages. The Directors of Prime Pumps and RSE will review this policy annually to ensure it continues to meet the requirement of the company, it will be updated and communicated to employees and third parties as necessary.

Ian Hart:-

A handwritten signature in black ink, appearing to read "Ian Hart".

Director

Prime Pumps Ltd