

Pell Frischmann

CRIMINAL FACILITATION OF TAX EVASION POLICY

The Company's Policy on criminal facilitation of tax evasion applies to all companies in the Pell Frischmann Consulting Engineers Ltd Group including any subsidiaries.

The Company is dedicated to ensuring full compliance with all financial laws and regulations, including the Criminal Finances Act 2017. Its Criminal Facilitation of Tax Evasion Policy extends to all the Company's business dealings and transactions; in all countries in which it or its subsidiaries and associates operate. A business associate includes employees including retained consultants and agency staff; subcontractors and suppliers, joint venture partners, agents and the Company's subsidiary companies.

The Company Policy is that it prohibits any employee or business associate from tax evasion, nor do we or will we, help someone to do so.

The Company's Ethos and Values requires all employees to demonstrate honesty; integrity and fairness in all aspects of their business dealings and exercise appropriate standards of professionalism and ethical conduct in all their activities.

To use a third party as a conduit to tax evasion is a criminal offence. We do not; and will not, engage indirectly in or otherwise encourage tax evasion.

The Company takes tax evasion very seriously; and will not tolerate tax evasion in any form and has a 'zero tolerance' approach to any breach of this Policy. All directors and employees of the Company are required to comply with this Policy.

The Company encourages its employees to report any suspicious activity that may violate this Policy. There is a confidential and discrete way to report any violations or suspicious activity that is described below.

Tax Evasion

Tax evasion is the illegal evasion of taxes by individuals, corporations and trusts. It often entails tax payers deliberately misrepresenting the true state of their tax affairs, to the tax authority to reduce their tax liability and includes dishonest tax reporting such as declaring less turnover, profit or gains than the amounts earned or paid in taxes.

It is unacceptable to:

- Accept assets that appear to be disproportionate to their known income and if they are suspected of involvement in or association with serious criminal liability
- Give, promise to give, or offer a payment, to a government official, agent or representative to "facilitate" or expedite a routine procedure for private gain
- Retaliate against or threaten a person who has refused to commit tax evasion or who has raised concerns under this Policy
- Engage in activity in breach of this Policy

Objective of this Policy

This Policy provides a coherent and consistent framework to enable Company employees to understand and implement arrangements; enabling compliance. In conjunction with related policies and key documents; it will also enable employees to identify and effectively report a potential breach.

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We require that all employees, including those permanently employed; temporary agency staff, retained consultants and business associates to:

- Act honestly and with integrity at all times and to safeguard the organisation's resources for which they are responsible
- Comply with the spirit; as well as the letter, of the laws and regulations of all jurisdictions in which the Company operates, in respect of the lawful and responsible conduct of activities.

Scope of this Policy

This Policy applies to all of the Company's activities. For our business associates, we will seek to promote the adoption of policies consistent with the principles set out in this Policy.

Within the Company; the responsibility to control the risk of tax evasion occurring resides at all levels of the Company. It does not rest solely within assurance functions; but in all business units and corporate functions.

This Policy covers all employees; including all levels and grades, those permanently employed, temporary agency staff, retained consultants, agents, members (including independent members) and volunteers and all the Company's business associates.

Commitment to Action

The Company commits to:

- Setting out a clear Criminal Facilitation of Tax Evasion Policy and reviewing it annually or as required; to ensure it remains relevant and appropriate
- Maintaining a Financial Management System and associated business processes to assist in the detection of tax evasion
- Ensure a systematic approach to risk assessment of the nature and extent of tax evasion risk associated within the construction industry and global market
- Making all employees aware of their responsibilities to adhere strictly to this Policy at all times
- Training employees so that they can recognise and avoid the use of tax evasion by themselves and others
- Provide information to all employees; to report breaches and suspected breaches of this Policy
- Encouraging its employees to be vigilant and to report any suspicions of tax evasion; providing them with suitable channels of communication and ensuring sensitive information is treated appropriately in a confidential manner to a designated senior manager
- Ensure that our business associates are fully aware of their responsibility for and are committed to complying with our Criminal Facilitation of Tax Evasion Policy
- Taking firm and vigorous action against any individual(s) involved in tax evasion
- Include appropriate clauses in contracts to prevent tax evasion

Gifts, Hospitality and Expenses

The Company prohibits the offer or receipt of assets; gifts, hospitality or expenses whenever they are not reasonable, proportionate and bona fide as detailed in BW117 Expenses.

The Criminal Finances Act 2017 and this Policy does not prevent corporate hospitality. It requires a sensible approach to hospitality to be used to ensure that promotional business expenditure that seeks to improve the image, better presents services or establishes cordial relations is reasonable and proportionate.

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Charitable Donations

Charitable donations are permitted only to registered (non-profit) charities. No charitable donations may be given to any organisation which is not a registered charity. Charitable donations shall not be used as a substitute for political payments.

All charitable donations must be fully recorded and authorised by a Board Director before the donation is made.

Proof of receipt of all charitable donations must be obtained from the recipient charity. Under no circumstances may charitable donations be made in cash or cash equivalent such as gift vouchers.

No charitable donation may be made at the request of any party where that donation may result in improper conduct.

Political Donations

The Company does not make political donations and the Company is not affiliated with any political party, independent candidate, or with any other organisation whose activities are primarily political.

Employees and other associated parties are free to make personal donations provided such payments are not purported to be made on behalf of the Company and are not made to obtain any form of advantage in any business transaction.

Board of Director Responsibilities

The ultimate responsibility for the Financial Management System is with the Board of Directors and the Finance Director who provides the necessary financial and physical resources; and ensures the Policy is reviewed as required. The Criminal Facilitation and Tax Evasion Policy has the active commitment of our Leadership Team, who ensures it is communicated to all levels of the Company, monitor the effectiveness of our Financial Management System and drive initiatives for continuous improvement.

Staff Responsibilities

The prevention, detection and reporting of tax evasion and other forms of corruption are the responsibility of all those working for the Company or under its control. All staff are required to avoid activity that breaches this Policy.

You must:

- Ensure that you read, understand and comply with this Policy
- Raise concerns as soon as possible; if you believe or suspect that a conflict with this Policy has occurred, or may occur in the future

As well as the possibility of civil and criminal prosecution, employees that breach this Policy will face disciplinary action, which could result in summary dismissal for gross misconduct.

Raising a Concern

The Company is committed to ensuring that all of us have a safe; reliable, and confidential way of reporting any suspicious activity.

We all have a responsibility to help detect; prevent and report instances of tax evasion. If you have a concern regarding a suspected instance of tax evasion or corruption; please speak up – your information and assistance will help.

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If you have any concerns, please contact the Financial Director, Adam Lee via email (ALee@rsbginfrastructure.com) or if you would like to do it anonymously please send your letter to:

**Mr Adam Lee
Pell Frischmann
5 Manchester Square
London W1U 3PD**

In the event of any concern relating to the Financial Director or in his absence, please address your concern to a member of the Board of Directors.

If an incident of tax evasion is reported, we will act as soon as possible to evaluate the situation.

Staff who refuse to participate in any tax evasion; or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. The Company aims to encourage openness and will support anyone who raises a genuine concern in good faith under this Policy; even if they turn out to be mistaken. However, if after investigation it is found that any allegation has been falsely or maliciously made appropriate and proportionate disciplinary action will be taken if appropriate in accordance with the Company's Disciplinary Policy.

The Company is committed to ensuring nobody suffers detrimental treatment through refusing to take part in tax evasion, or because of reporting a concern in good faith.

If you have any questions about this Criminal Facilitation of Tax Evasion Policy, then please contact Adam Lee.

Iain Bisset

**Iain Bisset
Managing Director
1 March 2020**

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Appendix 1

The Criminal Finances Act 2017

The Act has two offences:

- Failure to prevent facilitation of UK tax evasion – aimed at catching UK corporations facilitating evasion of UK taxes
- Failure to prevent facilitation of foreign tax evasion – covering the evasion of foreign taxes facilitated by an entity that has some nexus with the UK (such as a UK-based office), and where there is dual criminality with the UK

These offences extend liability for tax evasion from the individual and any facilitators, to the corporation with the risk of criminal prosecution and unlimited fines.

The Act extends to all Pell Frischmann companies and its subsidiary companies UK and overseas offices, and anyone associated with our business activities (employees including retained consultants and agency staff; subcontractors and suppliers, joint venture partners and agents).

The criteria for failure to prevent criminal facilitation of tax evasion are as follows:

- There must be criminal tax evasion under either UK law or foreign law
- It must be enabled by the organisation's employee, agent or those performing services for, or on behalf of, the organisation
- The organisation must have failed to prevent that person from enabling the facilitation

Penalties

A company found guilty is potentially liable for an unlimited fine. Directors could face disqualification proceedings, meaning that they are effectively banned from holding any future office as a director.

Under the EU Public Sector Procurement Directive 2004, corporate bodies may be permanently disbarred from tendering for Government contracts.

Adequate Procedures

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of tax evasion schemes in the Company.

Proportionate Procedures

Proportionate to the tax evasion risks it faces and to the nature, scale and complexity of the activities. They should be clear, practical, accessible, effectively implemented and enforced.

Top Level Commitment

The top-level management are committed to preventing tax evasion by persons associated with it. They foster a culture within the organisation in which tax evasion is never acceptable.

Risk Assessment

The Company assesses the nature and extent of its exposure to potential external and internal risks of tax evasion on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

Due Diligence

The Company applies due diligence procedures; taking a proportionate and risk based

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approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified tax evasion risks.

Communication (including training)

Tax evasion prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication; including training that is proportionate to the risk.

Monitoring and Review

The Company monitors and reviews procedures designed to prevent tax evasion by persons associated with it and makes improvements where necessary.

The Company is committed to proportional implementation of these principles.

Examples of Tax Evasion.

Deliberately entering false or misleading information on employment status.

A retained consultant wishes to be treated as a self-employed contractor, so that payments made to them are gross and they can evade paying appropriate income tax and national insurance liabilities. By supplying false information in this way, an employee is committing a criminal offence as they have assisted a third party in criminal tax evasion.

Helping another employee claim a payment due to them as an expense rather than another type of payment which would be subject to tax.

When an employee assists another employee to make a false expenses claim knowing that the claim is avoiding tax which is properly due. By assisting an employee provide false information on their expenses claim, the employee is committing a criminal offence of assisting criminal tax evasion.