

POLICY NO. HFEG/CORP06

ANTI FACILITATION OF TAX EVASION
POLICY



HERO FUTURE ENERGIES GLOBAL LTD

ANTI FACILITATION OF TAX EVASION POLICY

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1.0 THE COMPANY'S COMMITMENT TO COUNTERING TAX EVASION FACILITATION

- 1.1** Hero Future Energies Global Limited (the "Company" or "we") is committed to carrying out business fairly, honestly and openly wherever we and other members of the Group carry on business in the world. All of our officers and employees are expected to reflect the same culture of professionalism and integrity in their dealings on behalf of the Group, and to assist the Company to implement and enforce systems to counter tax evasion facilitation across the Group's business.
- 1.2** We have a zero-tolerance approach towards facilitation of tax evasion and expect all staff and anyone else acting on behalf of the Group to comply with all laws relevant to countering tax evasion facilitation in all the jurisdictions in which the Group operates.
- 1.3** In the UK, 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.
- 1.4** It is therefore important that all staff and anyone else acting on behalf of the Group take responsibility for preventing tax evasion facilitation across the Group's business.

2.0 ABOUT THIS POLICY

- 2.1** The purpose of this Policy is to:
- 2.1.1** 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
- 2.1.2** provide information and guidance to those working for us on how to recognise and avoid tax evasion.
- 2.2** This Policy applies to all persons working for the Company of the group or anybody working on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.
- 2.3** You must ensure that you read, understand and comply with this Policy at all times.
- 2.4** The board of directors has approved and adopted this Policy and is committed to carrying out business fairly, honestly and openly with a zero tolerance approach towards facilitation of tax evasion.
- 2.5** Management at all levels are responsible for implementing this Policy, ensuring those reporting to them understand and comply with this Policy, and are given adequate and regular training on it.
- 2.6** The Risk Officer has primary and day-to-day responsibility for monitoring use of this Policy and its effectiveness, and auditing internal control systems and procedures to ensure they are effective in countering tax evasion facilitation. Any queries about tax evasion and the operation of this Policy may be referred to the Head-Finance & Accounts.
- 2.7** References in this Policy to a third party include any individual or organisation you come into contact with during the course of your work for us, including actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisors, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- 2.8** All employees are required to comply with this Policy and all other group compliance policies, but this Policy does not form part of any employee's contract of employment and we may amend it at any time.



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3.0 WHAT IS TAX EVASION FACILITATION?

3.1 For the purposes of this Policy:

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

3.1.2 **"Foreign tax evasion"** means evading tax in a country outside the UK, 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

3.1.3 **"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.

3.2 Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an "associated person" of that body. For the offence to be committed, 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.

3.3 Associated persons include employees and third parties who provide services for or on behalf of the group. Exactly who will be an associated person is uncertain but UK government guidance suggests that suppliers, eg, distributors, contractors and sub-contractors, advisors, introducers and consultants, whose activities involve interactions with a third party on behalf of the group will be considered to be associated persons.

3.4 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).

3.5 In this Policy, all references to tax include national insurance contributions (and their equivalents in any non-UK jurisdiction).

4.0 PROHIBITED ACTS

4.1 **It is not acceptable for you (or someone on your behalf) to:**

4.1.1 engage in any form of facilitating tax evasion or foreign tax evasion;

4.1.2 aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;

4.1.3 fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or non-UK tax) by another person, in accordance with this Policy;

4.1.4 engage in any other activity that might lead to a breach of this Policy; or

4.1.5 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.



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5.0 WHERE CAN RISKS ARISE**5.1 Situations which indicate that you should be on notice that there is a risk of tax evasion include but are not limited to:**

- 5.1.1 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;
- 5.1.2 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;
- 5.1.3 a third-party requests payment in cash and/or refuses to properly document a transaction, for example, a refusal to sign a formal commission or fee agreement, or a refusal to provide an invoice or receipt for a payment made;
- 5.1.4 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, but without any material changes to their working conditions;
- 5.1.5 a third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 5.1.6 a 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;
- 5.1.7 a third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- 5.1.8 you receive an invoice from a third party that appears to be non-standard or customised;
- 5.1.9 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;
- 5.1.10 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;
- 5.1.11 a 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;

5.2 If you encounter any of these situations while working for us, you must immediately inform the Risk Officer.**6.0 REPORTING ANYTHING SUSPICIOUS**

- 6.1** If you become aware of any evasion of tax (whether UK tax or tax in a country outside the UK) by another person in the course of your work, or you are asked to assist another person in their evasion of tax (whether directly or indirectly), or if you believe or suspect that any evasion of tax has occurred or may occur, whether in respect to UK tax or tax in a country outside the UK, you must report it immediately to the Risk Officer.
- 6.2** If you are unsure about whether a particular act constitutes tax evasion or non-UK tax evasion, raise it with your manager as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be committed. However, a deliberate failure



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to report suspected tax evasion or foreign tax evasion or ignoring suspicious activity could amount to criminal facilitation of tax evasion.

7.0 PROTECTION FROM RETALIATION

7.1 We want all of staff to feel that they can speak up without any fear of retaliation. You will not suffer any detrimental treatment arising out of you reporting your genuine suspicions in good faith, even if these suspicions turn out to be mistaken. If you are in any doubt about whether to report something, please report it. We encourage all staff to report any suspicion of failure to comply with this Policy by any member of staff. Please refer to the Whistleblower Policy (HFEG/CORP03) for details.

8.0 BREACHES OF THIS POLICY

8.1 Any employee who breaches this Policy will face disciplinary action (up to and including dismissal) and, where appropriate, legal action.

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

9.0 TRAINING AND COMMUNICATION

9.1 Training on this Policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

9.2 Our zero-tolerance approach to tax evasion and tax evasion facilitation must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter, in accordance with our procurement policies.