

	<p style="text-align: center;">BRUSH Group Corporate Criminal Offence of Tax Evasion Policy</p>		Document Number	BRUSH-LE/BPL/0007
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Department	Legal	Approver	D Jordan	Signature		Date	14/11/2022
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BRUSH Group

Corporate Criminal Offence (CCO) of Tax Evasion Policy

The **BRUSH Anti-Tax Evasion Policy** must be followed by anyone who works for or represents BRUSH, including directors, officers, employees, agents, distributors, and business associates working for or on behalf of any BRUSH entity, including, but not limited to:

BRUSH Group Ltd., BRUSH Transformers Ltd., Hawker Siddeley Switchgear Ltd., Aprenda Ltd., Kirkman Utility Services Ltd., Eta Projects Ltd. and Hawker Siddeley Switchgear Pty Ltd.

Employees must gain an understanding of the **Anti-Tax Evasion Policy** and ensure that its principles are fully applied in relevant areas of their job role.

Policy statement

One of the fundamental principles of the BRUSH Group (“Group”) is to conduct all its business in an open, honest, and ethical manner. The Group takes a zero-tolerance approach to acts which enable the Corporate Criminal Offence (“CCO”) of tax evasion to take place. The Group’s reputation for lawful and ethical business relations is important and all employees and other business associates, are required to act professionally and with integrity.

The prevention of the facilitation of tax evasion (“tax evasion”) is the responsibility of all employees across the Group; each employee is required to both personally avoid any activity that might constitute, lead to, or suggest, the facilitation of tax evasion and to ensure, so far as reasonably practicable, that third parties do not themselves facilitate tax evasion whilst undertaking work for the Group.

Tax evasion is an offence within most countries around the world and penalties can be severe. Within the UK, the Criminal Finance Act 2017 (the “Act”) is one of the laws which makes facilitating tax evasion illegal; the Act also holds UK companies liable for failing to have in place reasonable procedures to prevent such acts committed by employees or associated persons providing services to the Group. This includes, for example, agents, distributors, third parties and joint venture parties, no matter where in the world it takes place. Although this policy emphasises the Group’s compliance with the Act, it must take care to comply as well with any other relevant laws regarding tax evasion applicable to the countries the Group does business in.

Any employee who is aware of possible activities designed to facilitate tax evasion should disclose such details using the appropriate whistleblowing process, which is designed to ensure that employees feel comfortable about raising concerns. Further information about the disclosure process can be found within the Group’s whistleblowing policy.

Who is covered by this policy?

This policy applies to all individuals working at all levels, including senior managers, officers, directors, employees (whether permanent, fixed term, or temporary), contractors, trainees, casual workers/agency staff, volunteers, or any other person working for the Group (“Group Associates”)

This policy also applies to any person, or any organisation, working for or performing a service for or on behalf of the Group, e.g., pension trustees, consultants, lawyers, accountants, other business advisers, suppliers, agents, distributors, joint venture partners or other persons whilst they are working for or performing a service for or on behalf of the Group (“External Associates”). Group Associates and External Associates are together referred to as “Associates”.

What is the Corporate Offence of the Facilitation of Tax Evasion?

For the facilitation of tax evasion to take place, tax evasion must have taken place. By “tax evasion”, the Group means (a) fraudulently evading the payment of tax in the UK, or (b) activity which is a breach of a duty in relation to tax outside the UK, is an offence outside the UK, and would be regarded as fraudulent tax evasion in the UK. In the UK, “tax evasion” also includes the offence of “cheating the public revenue”. The Group strongly condemns any form of tax evasion.

Group Associates must not intentionally or knowingly facilitate the evasion of tax by others. If any Group Associates were to do so, they (as well as the person evading tax) would also be committing an existing criminal offence in their own right.

Tax evasion is facilitated if:

1. is knowingly involved in, or takes steps with a view to the evasion of tax;
2. aids, abets, counsels, or procures the commission of a UK tax evasion offence; or
3. is involved in an offence which itself involves knowingly evading tax.

Where does the risk of facilitating tax evasion typically arise?

The Group will carry out various risk assessments to determine where there may be higher risks of facilitating tax evasion to be aware of and what actions can be taken to reduce them. Remedial actions required to reduce these risks are stated below. The principal risks of tax evasion being facilitated vary from one business to another and the remedial actions stated below may need to be adapted to the circumstances of each business unit.

- the business relationship is conducted in unusual circumstances;
- non-resident customers;
- legal persons or arrangements that are personal asset holding vehicles;
- companies that have nominee shareholders or shares in bearer form;
- doing business with businesses that are cash intensive or where the ownership structure of the company appears unusual or excessively complex;
- country or geographic risk factors;
- countries identified by credible sources as not having adequate Anti-Money Laundering and Counter-Terrorism Financing approaches;
- countries subject to sanctions, embargoes, or similar measures issued by, for example, the UN;
- countries identified by credible sources as providing support for terrorist activities, or that have designated terrorist organisations operating within their country;
- business relationships with individuals who use private banking;
- anonymous transactions (which may include cash);
- non face-to-face business relationships or transactions; and
- payment received from unknown or un-associated third parties

Examples of situations which would constitute the facilitation of tax evasion are as follows:

- a business unit enters into a sub-contracting arrangement with a distributor. An employee of the business unit is aware that the distributor has created a false invoicing scheme with the assistance of a purchaser, allowing the purchaser to evade UK taxes due on its purchase of the products. The employee has knowingly failed to prevent the facilitation by the distributor of tax evasion by the purchaser and – unless the business unit can show that it has taken appropriate steps to stop this from happening – so has the business unit.
- employee A of a business unit agrees to arrange that employee B's salary will be paid to an offshore bank account which is not in employee B's name for employee B not to have to declare the bank account to the tax authorities in the country where employee B is resident. Employee B may have evaded tax and Employee A may have facilitated tax evasion. Again, unless the business unit can show that it also took appropriate steps to prevent employee A's facilitation of the evasion from occurring, the business unit has failed to prevent the facilitation of tax evasion.
- employee C of a business unit agrees to arrange that fees of supplier D Inc. will be to supplier D's related company Z for D not to have to declare the fees to the tax authorities. Employee C has facilitated tax evasion. Again, unless the business unit can show that it took appropriate steps to prevent the facilitation by employee C of tax evasion by supplier D from occurring, the business unit has failed to prevent the facilitation of tax evasion.

In all these examples, a healthy scepticism should be maintained. If an External Associate requests payments, invoices, or deliveries to a place other than their regular place of business, ask "why?"

What are the potential penalties for violations of this policy?

Facilitating tax evasion or failing to prevent the facilitation of tax evasion could have serious consequences for individual directors, Associates, or the Group and include:

- criminal sanctions including severe fines and imprisonment or civil fines;

- blacklisting of the Group (or its businesses units) from both future public and private tendering opportunities;
- the possibility of the termination of certain business contracts by competitors/counterparties, loss of licenses or rights granted by the government; and confiscation of assets.
- The Group would also suffer from serious reputational damage
- Any breach of this policy may lead to disciplinary action being taken up to and including termination of employment.

Employee responsibilities

- All employees are responsible for ensuring they read, understand, and comply with this policy.
- Employees must participate in training. Furthermore, to prevent the facilitation of tax evasion by External Associates, Group Associates are required to maintain a level of awareness of the activities of External Associates engaged in work for the Group.
- The Group will fully cooperate with the police or other enforcement authorities for the proper investigation into breaches of this policy. Legal proceedings (and/or disciplinary action in relation to the Group's employees, which could result in dismissal for gross misconduct) may be made against any Group Associates who breach this policy, where it is deemed by the Group's board of directors to be appropriate. The Group may also cease to continue working with Associates (acting for or on its behalf) who the Group believes to have breached this policy.
- The Group's executive team has appointed a Group Compliance Manager and a Group Tax Director to ensure day to day responsibility for implementing this policy, monitoring its effectiveness, and dealing with any employee queries. Any such queries should be directed to the Group Tax Director huw.ellis@brush.eu or the Group Compliance Manager debra.jordan@brush.eu
- All existing External Associates (in all countries) should be made aware of the change in the UK law and of Group policy.
- Each business unit is required to undertake a risk assessment regarding the facilitation of tax evasion prior to entering a new business relationship (e.g., suppliers, consultants, or distributors). Appropriate due diligence should be undertaken based on the risks associated with the transaction. Employees are required to adapt their customer, supplier, agents, and other external associates onboarding processes to incorporate CCO due diligence
- Appropriate clauses should be inserted into all new relevant contracts. Examples of appropriate clauses can be obtained from the Legal & Compliance department.

What behaviour is not acceptable?

It is not acceptable for an employee (or someone else on their behalf) to directly or indirectly:

- a) facilitate, be knowingly concerned in, or take steps with a view to tax evasion by another person;
- b) aid, abet, counsel, or procure tax evasion;
- c) take part in any other offence which concerns tax evasion;
- d) threaten or retaliate against another worker who has refused to facilitate tax evasion, or has raised a concern under this policy;
- e) engage in any activity that might otherwise lead to a breach of this policy; or
- f) fail to report, if an employee becomes aware, that Group Associates or External Associates are facilitating the evasion of tax.

What behaviour is not acceptable?

If an employee receives a request to engage in activity which they suspect would allow a person to evade tax, or if anyone offers to do anything which would allow them or the Group to evade tax, they must politely decline to take the steps they have been asked to take explaining that they are prohibited by this policy. Employees should

report all such requests to compliance@brush.eu or via the Whistleblowing policy. Nothing in this policy means that they should do anything which puts them or those they are working with in physical danger. However, except where such danger is immediate, any activity that is being considered to secure physical safety must be authorised in advance by the Group General Counsel, ben.hewitson@brush.eu and even in an emergency such activity must be reported immediately after the fact.

What should an employee do if they are aware of the facilitation of tax evasion taking place?

It is important that Group Associates follow the procedure outlined within the Group's Whistleblowing policy as soon as possible if they are asked to facilitate tax evasion (or suspect that they may be expected to do so in future) or are otherwise aware of potential violations of this policy.

By declaring the situation quickly Group Associates will help to ensure they are excluded from possible future suspicion. It will also allow the Group to investigate such claims without delay.