



## Corporate Criminal Offence Policy

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## 1. Purpose

The purpose of this Corporate Criminal Offence Policy (the “**Policy**”) is to:

- (a) summarise the offences under Part 3 of the Criminal Finances Act 2017 (the “**Act**”);
- (b) set out your responsibilities in complying with this Policy in order to prevent the facilitation of tax evasion within the Eversholt UK Rails Group; and
- (c) provide information and guidance on how to recognise and deal with facilitation of tax evasion issues.

References in this Policy to:

“**Eversholt UK Rails Group**” or “**Group**” means Eversholt UK Rails Group Limited and all or any of its subsidiaries from time to time including, without limitation, Eversholt Rail Limited and Eversholt Rail Leasing Limited;

“**Relevant body**” means a body corporate or partnership (wherever incorporated or formed).

“**Third party**” or “**Third parties**” means any individual or organisation you come into contact with during the course of your work for the Eversholt UK Rails Group, including actual and potential clients, customers, suppliers, business contacts, agents, advisers, government and public bodies, including their advisers, representatives and officials, politicians and political parties.

A person is “**associated**” with a relevant body if that person is an employee, agent or other person who performs services for or on behalf of the relevant body. The associated person can be an individual or an incorporated body.

## 2. Introduction

This document outlines the Eversholt UK Rails Group’s zero tolerance approach to tax evasion or the facilitation of tax evasion, whether the tax evaded is owed in the UK or in a foreign country, by its employees, officers, agents or consultants or any persons or companies acting for it or on its behalf. It is published as part of the commitment of the Group’s senior management to implement and enforce effective systems throughout its business to monitor the risk of, prevent and eliminate tax evasion, in accordance with the Act. It should be read and understood by all employees, agents and contractors of the Eversholt UK Rails Group. This Policy is issued by the Eversholt UK Rails Group to you as an associated person for the purposes of the Act.

The facilitation of tax evasion is a criminal offence. If the Eversholt UK Rails Group is found to have taken part in the facilitation of tax evasion, the Group could face an unlimited fine, be excluded from tendering for public contracts and face significant damage to its reputation. The success of the Group’s anti-facilitation of tax evasion measures depends on everyone playing their part in continuing to help prevent tax evasion.

You are all required to familiarise yourselves and comply with this Policy, including any future updates that may be issued from time to time by the Eversholt UK Rails Group. You are also encouraged to report any suspected facilitation of tax evasion in

accordance with section 4.4 of this Policy. The Eversholt UK Rails Group will support any individuals who make such a report, provided that it is made in good faith.

The Eversholt UK Rails Group will regularly communicate its anti-facilitation of tax evasion measures to all its employees. Training on the Policy will form part of the induction programme for all new employees of the Group and any contractor who might be in a position to facilitate tax evasion. Training is provided annually for all employees and relevant contractors and may be provided on an ad hoc basis as required.

The Group will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

This Policy does not form part of employees' contracts of employment and the Eversholt UK Rails Group may amend it at any time.

### 3. Summary of the Act and Consequences of Breach

#### 3.1 Offences under the Act

The Act came into force on 30 September 2017. It creates the corporate offence of the facilitation of tax evasion, both UK and foreign tax. There are three stages that apply to both the domestic and foreign tax evasion facilitation offence:

- **Stage one:** the criminal tax evasion by a taxpayer (either an individual or a legal entity) under existing law (irrespective of whether there is a resultant conviction);
- **Stage two:** the criminal facilitation of that tax evasion by an "associated person" (i.e. someone acting for or on behalf of the relevant body, in this case the Eversholt UK Rails Group); and
- **Stage three:** the relevant body (Eversholt UK Rails Group) has failed to prevent its representative from committing the criminal facilitation act.

The UK offence occurs when the tax that is being evaded is UK tax, irrespective of where the facilitation takes place or the location of the entity on whose behalf the facilitator is acting.

The foreign offence covers tax evaded in a foreign jurisdiction.

If you have concerns that a UK or foreign offence might be/has been committed, you should contact your line manager, a Head of Department, the CFO or the Chairman of the Eversholt UK Rails Group.

Where the relevant body has put in place reasonable prevention procedures to prevent the criminal facilitation of tax evasion by an associated person (or where it is unreasonable to expect such procedures) the relevant body shall have a defence.

##### 3.1.1 The corporate offence

A criminal offence will be committed by the Eversholt UK Rails Group under the Act if:

- you, as an associated person acting for or on behalf of the Eversholt UK Rails Group, facilitate the evasion of a UK or foreign tax; and
- the Eversholt UK Rails Group does not have adequate procedures in place to prevent the facilitation of tax evasion.

### 3.2 Consequences of breach of the Act

A company found guilty of failing to prevent the facilitation of tax evasion could be liable to an unlimited fine and subject to ancillary orders such as confiscation orders or serious crime prevention orders.

A corporate criminal prosecution will also lead to significant reputational damage for the Group, as well as potentially affecting its ability to obtain Government contracts.

## 4. Responsibilities

The boards of directors of each of the Eversholt UK Rails Group companies have overall responsibility for ensuring that this policy complies with the Group's legal and ethical obligations, and that all those under their control comply with it.

Management at all levels are responsible for ensuring that their reports understand this Policy and that those determined to be at risk of facilitating tax evasion are given adequate training on it as regularly as they consider necessary.

You must ensure that you read, understand and comply with this policy.

### 4.1 Prohibition applicable to all associated persons

You are prohibited from facilitating any tax evasion, whether in respect of a UK or a foreign tax, whilst acting for or on behalf of the Eversholt UK Rails Group.

### 4.2 Due diligence

You should undertake due diligence, in accordance with the Eversholt UK Rails Group's procurement and risk management procedures, prior to entering into any contract, arrangement or relationship with a potential supplier of services or consultant.

The extent of the due diligence you need to carry out depends on the nature of the relationship and the risk of tax evasion occurring.

Before you enter into any contract, arrangement or relationship you must make sure that the Group's customary procedures have been complied with and that you have the approval of the business to proceed, where necessary, in accordance with the Governance Matrix and the Business Approvals document.

### 4.3 Record keeping

The Eversholt UK Rails Group must keep accurate and complete financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. No accounts must be kept "off book" to facilitate or conceal improper payments.

You must take particular care to ensure that all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

#### **4.4 Confidential reporting**

The Eversholt UK Rails Group depends on you to remain vigilant in preventing, detecting and reporting tax evasion in all aspects of the business that you are involved with or aware of.

You are encouraged to report any concerns that you may have, as soon as possible, either:

- in accordance with the Reporting Policy set out in section D of the Employee Handbook; or
- to your line manager, a Head of Department, the CFO or the Chairman of the Eversholt UK Rails Group, as soon as possible.

Issues that you should report include:

- any suspected or actual attempts to evade tax - it is important that you report your concerns as soon as possible if you: (i) are asked to facilitate tax evasion (or what you perceive to be tax evasion) by a third party, (ii) suspect that this may happen in the future, or (iii) believe that you or the Group are inadvertently party to another form of unlawful activity; or
- concerns that other employees or associated persons may be facilitating tax evasion.

Any such reports will be promptly and discretely investigated.

## **5. How to Recognise and Deal with Tax Evasion Issues**

### **5.1 Risk management**

In order to identify and prevent tax evasion risks, the Eversholt UK Rails Group will regularly conduct risk assessments for each of its key business activities. In particular, the Group will:

- provide annual training to all employees and relevant contractors on the Act and how to identify and combat tax evasion;
- regularly assess risk areas; and
- undertake appropriate due diligence on third parties and associated persons.

### **5.2 Your assistance**

Notwithstanding the Group's risk management processes, the Eversholt UK Rails Group relies on you to play your part in meeting all your responsibilities set out in section 4 of this Policy and thereby highlighting and reporting any concerns in accordance with section 4.4 of this Policy.

## 6. Breaches of the Policy

The Eversholt UK Rails Group will fully investigate any instances of alleged or suspected tax evasion. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

The Eversholt UK Rails Group may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

The Eversholt UK Rails Group may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. The Group will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

## 7. Revision Record

Date	Revision	Author
Jun 20	New document	H Ellis
November 2023	2023 update	L Warsop S Brunning K Arnold J Burkeman
January 2024	Updated to include Eversholt UK Rails Group Limited	K Arnold J Burkeman