



MARSHALL CONSTRUCTION

ANTI-FACILITATION OF TAX EVASION POLICY

May 2023

FOREWORD

Foreword A good reputation is a hard-won asset which we must protect. Our ability to tender for new business and our relationship with the full range of our stakeholders depends a great deal upon the good reputation that we have established. This means all of us acting to the highest personal, ethical and corporate standards in everything we do. It means making sure all our actions and decisions support the company's vision and values.

This policy is designed to help you understand not just the legislation relevant to tax evasion or its facilitation but also to provide you with details of further help and training which you may need. I encourage you to seek further guidance or assistance if feel you need it in any way. Your personal contribution to protecting and enhancing our reputation by complying with this policy is important to Marshall Construction Ltd.

I am committed to this policy and would ask you to show your commitment too by reading it and, if you have any queries or concerns at all, getting in touch as set out at the end of the policy.

ANTI – FACILITATION OF TAX EVASION POLICY

Our vision is “to be the most highly respected company in the industry”, and our success in this endeavour is dependent upon how all employees behave. It is also our policy to comply with the law wherever we operate.

In many countries (including the UK), it is a criminal offence to dishonestly evade tax or to assist others to do so. This can deprive governments of the revenues needed to fund vital public services. We expect the businesses and people we engage with to comply with their tax obligations. Tax evasion or its facilitation has no place at Marshall Construction and we do not tolerate any of our Directors, Officers or employees (together “Colleagues”), agents or business partners knowingly assisting or encouraging tax fraud by any of our customers, suppliers or others that we do business with.

We are committed to the following principles:

- We will carry out business fairly, honestly and openly.
- We will not provide services or sell to parties where we know or suspect that the services or the items sold will be misused or abused by a customer for the purposes of fraudulent tax evasion.
- We will not buy services or goods from any supplier where we know or reasonably suspect them not to be properly declaring their income and any relevant tax and duties in connection with those activities.
- Any colleague found to be in breach of these principles will face disciplinary action up to and including dismissal.
- No colleague will suffer demotion, penalty, or other adverse consequence for refusing to engage in the sale or purchase of services and goods where they reasonably suspect or know tax evasion to be taking place. Our clear policy is not to engage in transactions where tax evasion is present or suspected to be present, even if it may result in us losing business.
- We expect our agents and others who represent us also to commit to these principles.
- We are committed to a programme to counter the risk of our being involved in the facilitation of tax evasion.

Any concerns relating to a breach of this policy should be reported in accordance with the procedures highlighted within the information below.

1. Introduction

This policy is intended to ensure that our colleagues, agents and business partners do not engage in the facilitation of tax evasion anywhere in the world.

We expect high standards from our colleagues and do not tolerate anyone engaging in tax evasion or helping others to do so. We will endeavour to ensure that others who perform services for or with us, for example, agents, advisers, consultants, etc. (referred to as "Business Partners") do not facilitate tax evasion whilst performing those services. This Policy applies irrespective of where business is being conducted, regardless of jurisdiction. Where there are differences between the local law and this Policy, you must apply the highest standard of behaviour.

2. What is Tax Evasion and how could you facilitate it?

Tax evasion occurs when a person knows they have an obligation to account for tax but dishonestly does not do so.

They may or may not try to take steps to disguise or misrepresent what they are doing. The key is that they know tax is due and deliberately do not pay it. It is possible to evade tax without involving others, but in many cases, others will be involved.

Examples include misrepresenting the services rendered or the location in which they took place, or who carried them out. If we were to accept and not challenge this, we could be 'facilitating' tax evasion and committing a criminal offence. Simply ignoring what is occurring or not reporting suspicions to your Manager, or the Compliance Director is not acceptable.

Tax evasion is not the same as tax 'avoidance'. Tax avoidance is where a person, often acting on professional advice, has entered into arrangements designed to legally minimise their tax liabilities.

3. Why is this Policy Important?

Facilitation of tax evasion is a criminal offence and the penalties can be severe including fines or imprisonment. Marshall Construction Ltd itself can also be guilty of an offence and may face prosecution. Having a conviction may bar Marshall Construction Ltd from operating in certain sectors or bidding for certain work. Marshall Construction Ltd could also have to pay a significant fine. This could be very damaging to the company.

4. What is expected of you?

All colleagues must read and observe this Policy, act with integrity and comply with applicable laws. Managers should create an environment that encourages compliance with this Policy. You should encourage others to report concerns and to ask questions regarding these issues.

Business Partners and Joint Venture Partners - we expect our Business Partners and Joint Venture Partners to adhere to this Policy.

We will improve our procedures and due diligence checks, to include the following:

- making it a condition of doing business with us that they will act diligently to account for any taxes owed.
- undertaking additional checks on their ownership structure or on where their business is managed.
- asking them to prove they are registered for tax.
- when we buy or sell goods or products, undertake appropriate checks to ensure that tax has been paid.
- any other procedures we consider to be reasonable.

5. Dealings with & Monitoring of Business Partners

5.1 - Dealings

Business Partners should be told where to access this Policy and asked to confirm they have understood it. We will ask all Business Partners to confirm they will apply our principles and that they have similar Policies. We reserve the right to inspect them.

New Business Partners should have an agreement that contains appropriate wording to address this risk. Contact Group Legal if you need help with this. For existing Business Partners, the wording will be updated at the next renewal.

5.2 – Monitoring

Red flags - Colleagues should look out for "red flags" (see above). Any red flags should be reported immediately.

Reviews - Higher risk Business Partners will be reviewed for compliance periodically and lower risk Business Partners will be reviewed not less than every 3 years.

Audits - We will carry out appropriate periodic audits. Due diligence gathered will be sampled during audits.

Business Units must keep a record of all their Business Partners and any due diligence conducted

6. Joint Venture Partners

- Joint Venture Partners are all parties with whom we enter into a joint venture, consortium or similar relationship.
- We could be liable if a Joint Venture Partner engages in the facilitation of tax evasion.
- Joint Venture Partners must be carefully selected, appointed and monitored.
- Joint Venture Partners should be provided with a copy of this Policy and asked to confirm they will comply with it or that the JV will follow similar rules to those set out in this policy.

7. Bookkeeping and Accounting

Books, records and accounts must be kept accurately and fairly reflect all transactions.

No payments should be made, approved, or processed where there is any suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No "off the books" or unrecorded funds or accounts are permitted.

Examples of prohibited record-keeping activities include:

- making records showing a payment to one person when, in fact, it was made to someone else
- submitting inaccurate expenses
- records that inaccurately characterise/describe the true nature of transactions or payments
- claims for services, products or equipment not received
- creating or maintaining unrecorded funds or assets of the company (including unrecorded "petty cash").

8. Disciplinary Action

Tax evasion and its facilitation is a serious criminal offence. You have a duty to Marshall Construction Ltd and breaches of this policy will result in disciplinary action, up to and including dismissal/termination of the contract. In addition, a colleague who breaks the law may face criminal proceedings, fines or imprisonment.

For Business Partners, non-compliance with this Policy and any applicable laws will be considered to be a material breach of contract and may result in the termination of any relationship with us and the matter being reported to the police.

9. Statement of commitment

We will not tolerate any form of tax evasion or its facilitation. This policy demonstrates Marshall Construction's no-tolerance approach to tax evasion or its facilitation. It will be regularly reviewed and updated if necessary as new threats appear. This policy applies to the whole of Marshall Construction Ltd and as such should be seen as setting broad rules and guidance for all.

10. Effective Monitoring

Our businesses must establish and maintain an effective system for monitoring compliance with this policy. We will set a monitoring plan to ensure that this is done.

11. Who Can I Contact if I Have Any Questions?

If you have a concern or suspect a violation of this policy we want you to speak up immediately. Speaking up can be a difficult thing to do, so be reassured that all information received will be treated seriously and investigated appropriately. If you act in good faith, believing your information is accurate, we will protect you even if you are wrong. Some concerns can be addressed by speaking to the person whose conduct is the cause for concern. We understand that this is not always possible, so we suggest that you speak to your line manager. If, for whatever reason, you do not feel comfortable doing this, you can contact the Chairman.

How can you raise a concern?

Robert Marshall, Chairman
Marshall Construction Ltd, The Whins, Alloa, FK10 3TA
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B McDermott
Managing Director
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(Review May 2024)

