



## Corporate Criminal Offence Policy (tax evasion)

Compressed Air Solutions is dedicated to conducting all of its operations in a law-abiding and ethical manner and will not tolerate acts of criminal facilitation of tax evasion by its employees, agents or those providing services for or on behalf of Compressed Air Solutions.

The purpose of this policy is to set out the responsibilities of Compressed Air Solutions and of those working for it whether an employee, agent or in any other capacity, in observing and upholding the company's position on criminal facilitation of tax evasion.

This policy applies alongside the company's Corporate Social Responsibility Policy and the Anti-bribery and Corruption Policy.

The Criminal Finance Act (CFA 2017):

Part 3 of the CFA 2017 introduced a new corporate criminal offence of 'failure to prevent the facilitation of tax evasion'. This offence becomes applicable to Compressed Air Solutions, as the relevant body, if the company fails to prevent an 'associated person' (an individual that acts for, or on behalf of Compressed Air Solutions) from criminally facilitating tax evasion (deliberate and dishonest actions). An associated person can be an individual or an incorporated body (company) e.g. employee, sub-contractor or agent.

The legislation aims to tackle crimes committed by those who act for or on behalf of a relevant body; it does not hold the relevant body to account for the crimes of their customers, nor does it require the relevant body to prevent their customers from committing tax evasion.

Where legitimate products and services are provided to customers in good faith and where it was unknown that they were intended to be used for tax evasion purposes; the legislation does not look to capture this misuse of these provisions.

Regardless of whether the relevant body is UK or established under law in another country, or whether the associated person that performs the criminal act of facilitation is in the UK or overseas; where there is a UK offence, it can be tried by the courts in the UK. There are three stages that apply to both UK and foreign tax evasion facilitation offences:

Stage 1 – The criminal tax evasion by a taxpayer (individual or a legal entity) under existing law

Stage 2 - The criminal facilitation of the tax evasion by an 'associated person' of the relevant body acting in that capacity

Stage 3 – The relevant body failed to prevent its representative (associated person) from committing the criminal facilitation act.

All forms of tax are including (but not limited to) payroll taxes, stamp duty, corporation tax, VAT, customs duty and social security.

As well as damage to the reputation of Compressed Air Solutions, the penalties that can be imposed for such offences are:

- Unlimited financial penalties
- Ancillary orders such as confiscation orders or serious crime prevention orders

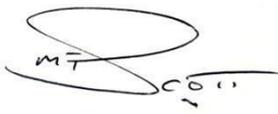
The Directors of Compressed Air Solutions will:

- Look to determine the nature and extent of exposure to the risk of facilitating tax evasion, reviewing and amending as the effectiveness of procedures is determined.
- Monitor and enforce compliance with company procedures
- Identify a clear pathway for reporting any wrongdoings by persons associated with Compressed Air Solutions (the relevant body)
- Commit to compliance over profit or bonuses
- Communicate this policy to all persons associated with it on an annual basis (e.g. employees, sub-contractors, business partners)
- Disclose client information in line with existing legal requirements e.g. under the Common Reporting Standard and the Proceeds of Crime Act.
- Not recommend services of others who do not have reasonable prevention procedures in place.
- Consider research of a third party, prior to entering into a contract, to ensure that they are not engaging in the facilitation of tax evasion or putting the company at risk of engaging in evasion.

Employees will:

- Not make payments into a bank account in a different name or location to that of the recipient in the knowledge that the intention of the recipient is not to declare receipt of the funds.
- Not accept an invoice that includes an inaccurate description of goods and services to be provided in the knowledge that the mis-description is a mechanism in which the supplier intends to evade tax.
- Not falsify any documentation so that a customer can evade tax e.g. falsifying the amount paid so the supplier can evade income/corporate taxes.
- Not conspire with suppliers to conceal the source country of goods to evade custom duties.
- Not engage in any activity that might lead to or suggest a breach of this policy.
- Report any concerns to the Managing Director, concerns will be treated in line with the whistleblowing procedure as outlined in the employee's handbook.
- Notify the Managing Director of any suggestions that may improve this policy and the procedures in place.

Signed



Mark Scott  
Managing Director  
3<sup>rd</sup> June 2025