ANTI-FACILITATION OF TAX EVASION POLICY

1. INTRODUCTION

1.1 It is Thales UK’s (“Thales”) policy to conduct business in an honest and ethical manner. Thales takes a zero-tolerance approach to the facilitation of tax evasion anywhere in the world. It is committed to acting professionally, fairly and with integrity in all business dealings and relationships, wherever it operates. Thales implements, enforces and monitors effective systems and controls to counter and prevent the facilitation of tax evasion.

1.2 For any questions about this policy or your responsibilities under it, please contact Michael Murray, UK Tax Director.

2. WHO MUST COMPLY WITH THIS POLICY?

2.1 This policy applies to all persons working for Thales and its subsidiary companies in any capacity, including all employees, directors, officers, temporary workers, agency workers, seconded workers, interns, agents, contractors, external consultants, third-party representatives and business partners, or any other person associated with Thales, wherever located.

3. WHAT IS FACILITATION OF TAX EVASION?

3.1 Under the Criminal Finances Act 2017 (“the Act”), it is a criminal offence for a corporate entity to fail to prevent the facilitation of tax evasion (whether in relation to UK tax or foreign taxes). For the offence to occur an “associated person”, providing services for and on behalf of Thales must deliberately and dishonestly take action to facilitate criminal tax evasion by a taxpayer. The definition of “associated person” is broad and includes, but is not limited to, those listed in clause 2.1 of this policy. If Thales were found guilty of this criminal offence, it would receive a criminal conviction and would be subject to an unlimited fine, confiscation orders and significant reputational damage.

3.2 The facilitation of tax evasion means being knowingly involved in, or taking steps with a view to, the fraudulent evasion of tax by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is already a criminal offence for the individual involved, where it is done deliberately and dishonestly under existing law. Convictions of the tax evader and/or facilitator are not required for a successful prosecution to be brought against Thales for the failure to prevent the facilitation of tax evasion under the Act.

3.3 Thales will be guilty of an offence under the Act if:

a. There is criminal tax evasion by a taxpayer (either an individual or legal entity) under the existing criminal law;
b. An associated person of Thales has criminally facilitated that tax evasion; and
c. Thales failed to prevent its associated person from committing the criminal facilitation.
3.4 The only defence available to Thales under the Act is that it had “reasonable procedures” in place to prevent the facilitation of tax evasion. As such, it is imperative that all those listed in clause 2.1 are aware of and comply with this policy.

4. INDIVIDUAL RESPONSIBILITIES

4.1 All persons working for Thales must ensure they have read, understand and comply with this policy.

4.2 The prevention, detection and reporting of tax evasion are the responsibility of all those working for Thales or under its control. They are required to avoid any activity that might lead to, or suggest, a breach of this policy.

4.3 All persons must notify their line manager or the UK Ethics team immediately if they believe or suspect that a contravention of this policy has occurred, or may occur in the future.

4.4 It is not acceptable to:
   a. engage in any form of facilitation of tax evasion (whether in the UK or abroad);
   b. aid, abet, counsel or procure the commission of a tax evasion offence by another person;
   c. fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax, or any suspected fraudulent evasion of tax by another person, in accordance with this policy; or
   d. 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.

5. TRAINING AND COMMUNICATION

5.1 Training on this policy will be provided on an ongoing basis by the Tax department as part of their tax risk awareness training.

5.2 Thales’ zero tolerance approach to tax evasion and foreign tax evasion must be communicated to all agents, contractors, external consultants, third-party representatives and business partners at the outset of our business relationship with them and periodically thereafter.

6. BREACHES OF THIS POLICY

6.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct.

6.2 We may terminate our relationship with other individuals and organisations working for us or on our behalf if they breach this policy.

Date: 30th June 2021