

To whom it may concern:

HepcoMotion, part of the Hepco Group of companies is a world-leading manufacturer of linear motion systems and automation components. HepcoMotion has been leading the development of V Guide technology since 1969 and continues to develop innovative linear products that offer new solutions to design engineers. HepcoMotion[®] is the trading name of Hepco Slide Systems Limited which develops and manufactures linear motion technology.

HepcoMotion is committed to sound ethical practices and full compliance with all applicable statutory and regulatory requirements in all countries where we operate.

“Our zero tolerance to tax evasion and facilitation of tax evasion”

Tax evasion is a serious criminal offence and increases the costs and compliance burdens of all taxpayers.

As an Organisation, we have a zero tolerance to any activity carried out by anyone in our business that results in evasion of tax or involves the facilitation of the evasion of tax by any person.

It does not matter whether the taxes are UK taxes or taxes due to any overseas fiscal authority.

We will not work with any third party (including those who contract with us or otherwise provide services to us) who does not have a similar policy.

If in any doubt please consult your manager, Director or H.R. department alternatively, use the Whistle blowing procedure as stipulated in the Employee Handbook.

Further information can be found in our corporate criminal Offences (‘CCO’) Internal Policy and our Employee Code of behaviour relating to tax evasion.

What are the 6 guiding principles of the Criminal Finances Act?

The Six Guiding Principles to Prevent Corporate Tax Evasion Offences include a risk assessment, proportional risk-based prevention procedures, top level commitment, due diligence, communication and monitoring and review.

Employee code of behaviour

“Our zero tolerance to tax evasion and facilitation of tax evasion”

The Corporate Criminal Offences (‘CCO’) legislation was introduced in the Criminal Finances Act 2017.

As an organisation, we are required to ensure that we have procedures in place to prevent the facilitation of tax evasion.

As part of this process, we need to ensure that all our employees and other ‘associated persons’ who provide services for or on our behalf are aware of the new legislation.

This policy sets out our “zero-tolerance approach” to tax evasion and the prevention procedures we have in place. It also sets out our expectations on you as an individual in adhering to our CCO policy.

As an organisation, we have a zero tolerance to tax evasion or facilitation of tax evasion, either by our own employees and also all others that provide services for or on our behalf.

This extends to the requirement on individuals in our business to escalate any knowledge or suspicion of where there could be facilitation of tax evasion within our organisation or by a third party who provides services to your business.

The Corporate Criminal Offences

On 30 September 2017, the UK introduces two new corporate criminal offences (“CCOs”) under the Criminal Finances Act 2017. These Offences will make a company or partnership (“relevant body”) criminally liable for the acts of an “associated person” who engages in facilitation of tax evasion (both tax in the UK and outside) whilst performing services for that relevant body.

Associated persons include employees, agents or any other person providing services ‘for or on behalf’ of relevant body. As such, it could extend to suppliers, intermediaries, advisers, contractors, joint venture partners and other third parties.

A company or any partnership will have a defence if it can prove that it has reasonable procedures in place to prevent the facilitation of tax evasion, or that it was not reasonable in all the circumstances to have procedures in place.

Tax Evasion

The CCOs will only apply when there has been fraudulent tax evasion. Fraudulent tax evasion is a crime and involves dishonest behaviour. A person behaves dishonestly if they know (or turn a ‘blind eye’ to whether) they have a liability to pay tax but decide not to pay it/declare it. Dishonest behaviour may involve a person simply deciding not to declare money they make. It may involve someone deliberately trying to hide the source of money, or even intentionally misrepresenting (or turning a blind eye) where money came from. In most countries, including the UK, such dishonest tax evasion will be considered illegal and therefore a crime.

The CCOs do not apply to tax tolerance avoidance. Tax avoidance (which may be referred to as being 'aggressive' or 'abusive') will usually involve arrangements to move assets from one place to another to secure a better tax treatment. These arrangements may be often complicated and artificial and designed to exploit gaps in the rules of the tax system.

Even if the tax authority successfully challenges a tax avoidance arrangement and the taxpayer is required to additional tax, the tax payer will not necessarily have acted dishonestly if they held a reasonable belief that the tax was not due when he entered into the arrangement. Tax avoidance would only become evasion if the taxpayer dishonestly withheld or misrepresented information to try to make the planning appear effective when it is not in fact effective.

Our Policy

We operate a zero tolerance approach to tax evasion.

This means we expect businesses and people that we engage with to comply with their own tax obligations and correctly account for all taxes that they may owe. We will not tolerate any of our employees, agents contractors or other business partners knowingly assisting or encouraging tax fraud by any of our customers, suppliers or others that we do business with anywhere in the world.

Our Expectations on You

It is very important that you are aware of the triggers and behaviours which could indicate that there may be facilitation of tax evasion.

If you have any knowledge or suspicion of where there could be facilitation of tax evasion within our organisation or by a third party who provides services to our business, you will need to raise this with your manager, Director or H.R. Department.

Don't expect people to tell you that they are evading tax.

Any unethical, irregular or suspicious behaviour that may lead you to suspect the facilitation of tax evasion should be reported.

What are possible trigger events to look out for?

Examples could include, but are not restricted to the following:

- A supplier, contractor or anyone connected with our business asking you to do something that does not match up with official documentation or seems unusual – for example, asking you to update paperwork so that it does not reflect business reality or the 'true picture'- such as changing an address or a date that you know is wrong;
- You are feeling under pressure to process or approve an invoice (or make changes to our contractual terms) that you don't feel makes sense , for example in terms of changing the payment details or VAT amount;
- You receive an invoice from a third party that appears to be non-standard or customised or is different to what you expected

- Contrasts where invoices are not exchanges for the face value or services/good exchanged;
- You are aware of any short cuts in our supplier or customer take on procedures (e.g. someone you know circumventing the suppliers set-up and P2P process which means that there are no checks on the company/person they were purchased from or contract in place);
- Someone who works for a third party supplier offering you what seems like a discount e.g. because they tell you they don't need to charge you VAT – without giving a reason;
- Being concerned about the set up and/or supporting paperwork of a particular transaction that you think may not reflect the true commercial reality or fact pattern;
- Someone at work (for example an employee or a contractor) claiming to have found a 'short cut' in how much tax they pay or you are aware that tax is not being declared;
- Someone at work (for example an employee or a contractor) claiming illegitimate expenses;
- Someone asking for a favour that is not in line with your company policy;
- Any other knowledge or suspicion that anyone in our business, either in the UK or any other country, is evading or facilitating tax evasion.

You do not need to be certain that tax evasion is taking place to make a report.

If you do suspect that a colleague is facilitating tax evasion, you should contact your company's manager Director or HR Department that will then deal with this matter.

Remember, turning a blind eye could be considered an act of deliberate facilitation.

Suppliers Code of Conduct

1. You, the Supplier company(s), your personnel and any authorised Sub-Contractors shall:

1.1. Not engage in any activity, practice or conduct which would constitute either:

- a. a UK tax evasion offence within the meaning of section 45(4) of the CFA 2017 ("UK Tax Evasion Offence");
- b. a foreign tax evasion offence within the meaning of section 46(5) of the CFA 2017 ("Foreign Tax Evasion Offence"); or
- c. a facilitation of the UK Tax Evasion Offence within the meaning of section 45(5)n if the CFA 2017; or
- d. or facilitation of the Foreign Tax Evasion Offence within the meaning of section 46(6) of the CFA 2017; or
- e. Failure to prevent a Facilitation Offence within the meaning of sections 45 or 46 of the CFA 2017.

1.2. Comply with our company's policies in relation to the criminal facilitation of the tax evasion as set out within the Criminal Finance Act 2017.

1.3. Have and shall maintain in place such policies and procedures as are both reasonable to prevent the facilitation of tax evasion by another person (including employees of the Supplier Company(s), and authorised Sub Contractor and any associated Persons as defined with in the Criminal Finances

Act 2017) and to ensure compliances with paragraph 1.1. of this Suppliers Code of Conduct agreement;

2. A breach of this code of conduct shall be deemed a material breach of the Agreement.

3. For the purpose of this Code of Conduct, the meaning of reasonable prevention procedure shall be determined in accordance with any guidance issued under section 47 of the Criminal Finances Act 2017 and a person associated with you, the Supplier Company(s), any authorised Sub-Contractors and any associated Persons as defined within the Criminal Finance Act 2017.

If you have any further questions, please do not hesitate to contact us.

For and on behalf of Hepco Group.

Chris Reed

Group Financial Director

20.1.2025