Compliance Policy
Corporate Criminal Offences

Effective Date	Author	Owner	Approval	Last Review	Revise Date
Jan 2022	S Hough	S Hough	UK Management Team		Jan 2024

Corporate Criminal Offences Compliance Policy

This Policy has been adopted by the Partners and Board of Husco International Partners LLP ("HIL") and applies to everybody who works for HIL.

The Policy is obligatory and sets out those compliance processes in respect of potential tax evasion offences and the facilitation of them which must be implemented and followed by HIL. This Policy is to be read alongside:

- Husco International's Code of Ethics and Conduct Policy
- HIL's Anti-Bribery and Anti-Corruption Policy

(the "CCO Policies")

These Policies will be assessed annually for any required changes and any changes will be put to the HIL Board, for approval. Each member of the UK Management Team and any other direct report of the HIL General Manager is tasked with making sure that all personnel for whom they are responsible are compliant with this Policy.

As at the date of this Policy the UK Management Team comprises the Finance and Commercial Director, the Operations Director. the HR Director, the Global Quality Director, the European Sales & Marketing Director, the Director of Business Development & Corporate Marketing and the Supplier Development Director.

1. *Risk Procedures*

1.1 As part of their ongoing risk assessment processes, each member of the UK Management Team must assess and identify those areas of business for which they are responsible where there is a risk that they or those associated with them might facilitate tax evasion in their day-to-day operations. This will be carried out (as appropriate) in conjunction with the Finance and Commercial Director and will include an assessment of the level of risk associated with the countries in which they operate, including considering whether associated persons have motive, opportunity and means to facilitate tax evasion and how that risk might be removed or mitigated.

1.2 The results of these risk assessments must be documented and must be reviewed by the HIL General Manager at least every two years, to see if any processes or procedures need to be amended or improved, or enhanced training given in order to better counter any tax evasion risks faced by such business.

2. *Board Commitment to the Policy*

2.1 The Policy is issued by and may only be amended with the agreement of the Partners and the Board of Directors of HIL as part of their commitment of non-tolerance for breaches of CCO legislation within HIL.

2.2 The Policy will be posted on the Husco website, so that it is available to Husco employees, customers and stakeholders. The accompanying wording will be reviewed periodically.

3. *Procedures*

3.1 Checking of compliance with the Policy will be conducted by the Finance and Commercial Director once a year. This will include sign off by each member of the UK Management Team of the Policy, confirming that they have been cascaded down to their direct reports and that they are not aware of any breach of the Policy.

4. *Due Diligence*

4.1 In respect of CCO risk, the Finance and Commercial Director must carry out effective due diligence into the background of new customers and suppliers and enhanced due diligence must be carried out if the country in which they operate has an enhanced country risk of CCO type evasion or a specific counterparty risk is identified. Higher risk countries include (a) those deemed to be "non-compliant" for the purposes of tax transparency by the OECD; and (b) a country in the bottom 20 of the Corruption Perceptions Index published by Transparency International. A list of such countries at the date of this Policy is included at Schedule 1.

Examples of increased counterparty risk include prosecutions for or accusations in relation to tax evasion or other criminal conduct (e.g. corruption) and in such instances increased background checks should be carried out, including through third parties if appropriate.

4.2 The Policy must be communicated to suppliers and customers. Suppliers will be expected to confirm and undertake their compliance with the Policy and other applicable CCO Policies in their contracts, given the possible liability of HIL under relevant legislation for those who provide services for it or on its behalf. This must take place at the outset of the contract and then be refreshed every two years. Suppliers should be asked to adopt a similar CCO approach with any suppliers down the chain from them.

4.3 Due diligence for mergers and acquisitions must include a review of the CCO culture and compliance of the target. This will include background due diligence and appropriate representations and warranties in any sale documentation. If a joint venture is being contemplated, then the shareholders agreement should contain provisions under which the shareholders agree to comply with the applicable law and the CCO Policies in carrying on the joint venture business.

4.4 Please note that even where only assets are acquired as part of an acquisition or merger, if prior practices of the acquired business which conflict with relevant laws are continued, then these will quickly become misconduct on the part of the HIL.

5. Ongoing Assessment

5.1 In recognition of the ever-changing nature of counterparties and transactions and in addition to the diligence outlined in section 4, the business and employees must be vigilant and monitor and assess on a regular basis whether risks around transactions or arrangements with associated persons that they have previously assessed have changed. These will include the occurrence of or changes to the "red flags" set out in Schedule 2.

6. Training

6.1 Face to face training on the Policy will take place with relevant management and personnel of HIL at least once every 2 years and on the acquisition of new businesses. New employees to whom Policy training is relevant will also be given training after joining.

6.2 A record of training undertaken together with materials presented will be kept by the HR Director.

7. Monitoring and Review

7.1 The monitoring and review of compliance with the Policy will be carried out as set out above in this Policy.

8. Amendments

8.1 This Policy and compliance with it will be the subject of review every 2 years by the UK Management Team.

HUSCO

Schedule 1

Higher Risk Countries

Cambodia	Libya
Democratic Republic of Congo	Equatorial Guinea
Turkmenistan	Sudan
Burundi	Comoros
Guinea Bissau	
Chad	
Haiti	
Republic of Congo	
Afghanistan	
Eritrea	
Iraq	
Venezuela	
Syria	
Korea (North)	
South Sudan	
Somalia	
Yemen	

Schedule 2

Red Flags

1. Payments are requested to be made to a bank account located in a territory in which the associated person or third party is not located or performing services from.
2. A request for payment in cash.
3. Asking for payments to be made to an entity that is not the contracting entity (or for payments in a different currency or at a different time to that expected or specified in the invoice).
4. Asking for payment arrangements to be made in any other way which is different to prior custom and practice or which otherwise raises suspicion.
5. A request to use a different customs code to that expected.
6. An associated person proposing a transaction which involves routing goods through countries or companies where there is no clear reason for this.
7. If there is a particularly complex supply chain that was not expected and there is no obvious reason for this.