



The Edinburgh Woollen Mill Group of Companies

This document refers to the “the EWM Group of Companies”, which for the time being are the following trading entities and any holding, subsidiary or associate companies from time to time within the larger group of companies;

The Edinburgh Woollen Mill Limited, registered number: SC024081
Duvetco Limited (trading as Ponden Home), registered number: SC346445
Proquip Limited, registered number: SC241464
Peacocks Stores Limited, registered number: SC285031
Jane Norman International Limited, registered number: SC473798

All registered in Scotland at registered office; Waverley Mills, Langholm, Dumfriesshire, DG13 0EB.

Hayton Leisure Limited, registered number 09217618
Austin Reed Limited, registered number 10200901
Days Department Store Limited, registered number 10679677
Jaeger Retail Limited, registered number 10689343
Formal Tailors 1885 Limited, registered number 10821128
Hayton Game Limited, registered number 07687988

All registered in England and Wales at registered office; Unit A, Kingmoor Park South Industrial Estate, Queens Drive, Carlisle, CA6 4SB.

Anti- Tax Evasion Policy, September 2018
Policies and Practices Manual: PPM 7.8
Author: Group Company Secretary

ANTI TAX EVASION POLICY

In the light of Criminal Finances Act 2017 the EWM Group of Companies has adopted a statement of our corporate values on anti-facilitation of tax evasion.

It is our policy to conduct all of our business dealings in an honest and ethical manner. This value statement governs all our business dealings and the conduct of all persons or organisations who are appointed to act on our behalf.

We require all our employees and all who have, or seek to have, a business relationship with the EWM Group of Companies to familiarise themselves with our anti-tax evasion value statement and to act at all times in a way that is consistent with it.

For the purposes of this policy:

Associates includes any person, wherever located, who is an employee at any level (including directors and officers), agency workers, seconded workers, volunteers, interns, contractors, subcontractors, external consultants, third party representatives, business partners, sponsors, shareholders or any other person associated with the Company, or any other similar person who performs services for and on behalf of the Company and who is acting in the capacity of a person or on behalf of a corporate entity contracted to perform such services.

The concept of a person who “performs services for or on behalf of” the Company is intended to be broad in scope, to embrace the whole range of people who might be capable of facilitating Tax Evasion whilst acting on behalf of the Company.

Tax means all forms of UK taxation, including but not limited to corporation tax, income tax, value added tax, stamp duty, stamp duty land tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation (however described).

Tax Evasion means an offence of cheating the public revenue or fraudulently evading UK Tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent.

Foreign Tax Evasion means evading Tax in a foreign country, provided that the conduct is an offence in that country and would be a criminal offence if committed in the UK. As with **Tax Evasion**, the requirement for there to be an element of fraud means there must be deliberate action, or omission with dishonest intent.

Tax Evasion Facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of Tax (whether UK Tax or Tax in a foreign country by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

Tax Evasion is not the same as tax avoidance or tax planning. Tax Evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

ANTI-TAX EVASION VALUE STATEMENT

The Edinburgh Woollen Mill (Group) Limited and its subsidiary and associate companies (the “Company”) has a zero tolerance approach to all forms of Tax Evasion, whether under UK law or under the law of any foreign country.

Associates of the Company must not undertake any transactions which:

- (a) May cause the Company to commit a Tax Evasion offence; or
- (b) Facilitate a Tax Evasion offence by another employee or third party who is an Associate of the Company.

We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate, and implementing and enforcing effective systems to counter Tax Evasion Facilitation.

At all times, business should be conducted in a manner such that the opportunity for, and incidence of, Tax Evasion is minimized.

WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all Associates working for the Company, or on our behalf, in any capacity, wherever located.

WHO IS RESPONSIBLE FOR THIS POLICY?

The Group Board of Directors of the Company has overall responsibility for ensuring that this policy complies with our legal obligations, and Associates comply with it.

This policy is adopted by the Company.

It may be varied or withdrawn at any time, in the Company's absolute discretion. Employees in leadership positions are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it. Employees who do not comply with this policy may be subject to disciplinary action.

WHAT IS THE FACILITATION OF TAX EVASION?

COMPANY RESPONSIBILITIES

The Company has completed a risk assessment and has established procedures governing certain transactions with third parties designed to prevent specific areas of possible tax evasion by a third party.

The Company has included within its standard trading terms and conditions the contractual requirement for third parties not to engage in Tax Evasion or practices designed to facilitate Tax Evasion, whether by themselves or others.

The Company is responsible for offering appropriate employees training to understand Tax Evasion.

EMPLOYEE RESPONSIBILITIES

Our employees have a responsibility to take reasonable action to prevent harm to the Company and we hold our employees accountable for their actions and omissions. Any actions that breach the Criminal Finances Act 2017 and the Tax laws of wherever we operate brings harm to the Company and will not be tolerated.

You are responsible for properly following the Company's policies and procedures. These should generally ensure that all Taxes are properly paid. In the event that you come across a circumstance where you are not clear of the action required to ensure that Tax is properly paid then you are responsible for raising this with an appropriate member of senior management (usually a director) to ensure the correct actions are taken.

If you are ever asked by anyone either inside or outside our company to go outside our standard procedures, this should be raised as a Concern immediately as someone may be attempting to evade Tax.

If you observe any behaviours that lead you to suspect that Tax Evasion may be planned or taking place then you should report these immediately as a Concern

WHAT ASSOCIATES MUST NOT DO

Associates must at all times adhere to the Company anti-tax evasion value statement and must ensure that they read, understand and comply with this policy.

It is not acceptable for Associates to:

- a) Engage in any form of facilitating Tax Evasion or Foreign Tax Evasion

- b) Aid, abet, counsel or procure the commission of a Tax Evasion offence or Foreign 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 by another person, in accordance with this policy; or
- d) Engage in any other activity that might lead to a breach of this policy; or
- f) Commit an offence under the law of any part of the UK consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of Tax.

PREVENTION THROUGH VIGILANCE

There is not an exhaustive list of Tax Evasion opportunities. At a more general level, the best defense against Tax Evasion and facilitation of Tax Evasion remains the vigilance of our Associates and the adoption of a common-sense approach supported by our clear whistleblowing procedure. In applying common sense, employees must be aware of the following:

- Is there anything unusual about the manner in which an Associate of the Company is conducting their relationship with the Company or the third party?
- Is there anything unusual about the ~~customer's or~~ Associate's conduct or behaviour in your dealings with them?
- Are there unusual payment methods?

Unusual payment methods and unusual conduct of third parties with Company Associates can be indicative that a transaction may not be as it seems.

HOW TO RAISE A CONCERN

Concerns should be raised immediately with the Group Company Secretary who is based at the Group Head Office.

WHAT HAPPENS IF THE EMPLOYEE PREFERS, FOR COMMERCIAL REASONS, NOT TO REPORT THEIR SUSPICIONS?

This should never happen. If there is any suspicion of any intention to evade Tax, even where the transaction has already been finalised, then this must be reported. Failure by the Company to report or act in the face of evidence of Tax Evasion can result in the Company being criminally prosecuted, subjected to an unlimited fine, and be publicly named and shamed.