



GKN AEROSPACE
ANTI-FACILITATION OF TAX EVASION SUMMARY POLICY

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1. POLICY STATEMENT

- 1.1 Dishonest tax evasion deprives governments of the revenues they need to provide vital public services. GKN Aerospace expects the businesses and people it engages with to comply with their tax obligations.
- 1.2 GKN Aerospace will not tolerate any of its employees, or third parties with which it engages, including its contractors, suppliers, agents or business partners facilitating tax evasion.
- 1.3 GKN Aerospace operates a strict Anti-Facilitation of Tax Evasion Policy (“**the AFTE Policy**”). This Summary Policy is a summary of the key provisions of GKN Aerospace’s AFTE Policy.

2. APPLICATION

- 2.1 The AFTE Policy and the Summary Policy apply to all individuals working at all levels of GKN Aerospace, including officers, directors, senior managers, employees (whether permanent, fixed-term, or temporary), contractors, trainees, casual workers/agency staff, or any other person working for GKN Aerospace throughout the world (collectively referred to as “**Company Employees**”).
- 2.2 GKN Aerospace expects any suppliers and those who perform services for or on behalf of GKN Aerospace, for example, agents, advisers, consultants, contractors, and freight forwarders (referred to as “**External Associates**”) and persons, companies or entities with whom we enter into a joint venture, consortium or similar relationship) (referred to as “**Relevant Joint Venture Partners**”) to comply with the AFTE Policy and the Summary Policy and to not facilitate tax evasion.

3. WHAT IS TAX EVASION/FACILITATION OF TAX EVASION?

- 3.1 Tax evasion is when a person or business knows they have an obligation to account for any tax or duty but dishonestly does not do so.
- 3.2 That person or business may try to take steps to disguise or misrepresent what they are doing to conceal a tax liability. They may expressly know they have a tax liability or they may deliberately 'turn a blind eye' to the fact that tax is due.
- 3.3 It is possible to evade taxes without involving another person. However, in many cases it is inevitable that other people may be involved. For example, the evasion may involve trying to go undetected by mis-describing the services or goods that have been provided to our business which generate the tax liability. This could involve mis-describing what the services or goods were; misdescribing the country in which the services took place or where the goods were provided; misdescribing the value of the goods or services (or, because import duty is payable on goods, apportioning greater value to the services component of a package of services and goods to artificially reduce the value of the goods); or misdescribing the person or entity which delivered the services or goods. If someone in GKN Aerospace were to accept or not challenge the mis-description that person may be 'facilitating' tax evasion. If that person knew it was a mis-description, that would be criminal facilitation and that person is likely to be committing a criminal offence. In addition, GKN Aerospace risks committing a criminal offence of failing to prevent the facilitation of tax evasion.

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4. **COMPLIANCE MEASURES**

- 4.1 GKN Aerospace has in place a compliance programme which includes top-level commitment; policies and processes; risk assessments; third party due diligence; communication and training; and risk reviews and monitoring.
- 4.2 GKN Aerospace expects its External Associates and Relevant Joint Venture Partners to have in place comparable compliance measures and to support GKN Aerospace’s compliance programme

5. **BOOKKEEPING AND ACCOUNTING**

- 5.1 Books, records and accounts must be kept which accurately and fairly reflect all transactions. Purchase orders, shipping documents, invoices for goods or services, and all related accounting, tax and duty records must be accurate and reflect the cost of the goods and services, the parties, the place of delivery, and any VAT or other taxes or duties accurately and fully.

6. **CONSEQUENCES OF NON-COMPLIANCE**

- 6.1 The dishonest facilitation of tax evasion is illegal in most countries we operate in and is punishable by serious fines and imprisonment. GKN Aerospace would also suffer from serious reputational damage as a further consequence.
- 6.2 We may take appropriate disciplinary action, up to and including termination of employment, against any Company Employee who fails to comply with the AFTE Policy and this Summary Policy.
- 6.3 GKN Aerospace may cease to continue working with an External Associate who it believes to have breached the AFTE Policy and this Summary Policy.
- 6.4 In addition, a Company Employee or External Associate who breaks the law may be reported to the police and/or relevant tax authorities.

7. **HOW TO RAISE A CONCERN**

- 7.1 If Company Employees suspect that the AFTE Policy or this Summary Policy has been breached, please speak to VP Finance Governance.
- 7.2 Company Employees can also make a disclosure through the GKN Aerospace Disclosure Hotline.
- 7.3 External Associates should speak to their GKN Aerospace contact or the VP Finance Governance of GKN Aerospace to raise concerns.
- 7.4 GKN Aerospace encourages openness and will support anyone who raises genuine concerns, even if they turn out to be mistaken. GKN Aerospace is committed to ensuring that no Company Employee suffers any detrimental treatment as a result of refusing to take part in the facilitation of tax evasion and/or for raising a concern.

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