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Tax Evasion

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1 Introduction

This guideline is intended to ensure that our employees, agents and business partners do not engage in the facilitation of tax evasion anywhere in the world. We will uphold all laws relevant to countering tax evasion in all the jurisdictions in which we operate. This includes abiding by the Criminal Finances Act 2017 ("the Act") which came into force in the UK on 30 September 2017.

The Anti-Bribery & Corruption Policy (which contains the Anti-Facilitation of Tax Evasion Policy) & Tax Evasion Guidelines (the "**Policy**") apply to our directors; officers; and employees (referred to as "Employees"). We expect the highest standards from our Employees and will not tolerate anyone engaging in tax evasion or helping another person to do so.

We will also endeavour to ensure that people and businesses who perform services for us, for example, agents, advisers, consultants, contractors, and freight forwarders (referred to as "Business Partners") do not facilitate tax evasion whilst performing those services.

We also expect all companies or entities with whom we enter into a joint venture, consortium or similar relationship (referred to as "Joint Venture Partners") to comply with our Anti-Facilitation of Tax Evasion principles.

2 Field of Application

<i>Organisation</i>	All Dana Employees
<i>Country</i>	Corporate
<i>Asset(s)</i>	Corporate
<i>ODMS part(s)</i>	Legal, Ethics and Compliance
<i>Dana Standard(s)</i>	Anti-Bribery & Corruption Policy
	ISO-4.2, 4.3.2, 4.5.2
<i>Requirement(s)</i>	ISO-4.2 Policy
	ISO-4.3.2 Legal and other Requirements
	ISO-4.5.2 Compliance Measurement
	UK Bribery Act
	Criminal Finances Act 2017

3 Guideline

This guideline applies irrespective of the country in which business is being conducted. Where there are differences between the local law and these guidelines, you must apply whichever sets the highest standard of behaviour.

3.1 What is Tax Evasion?

Tax evasion is when a person knows he or she has an obligation to account for tax but dishonestly does not do so.

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That person may try to take steps to disguise or misrepresent what they are doing in order to conceal the liability but this is not essential. They may expressly know they have a liability or they may deliberately 'turn a blind eye' or kid themselves that they do not owe any tax.

Tax evasion has to be contrasted with what is sometimes known as tax 'avoidance'. Avoidance is where a person, usually acting on professional advice, has entered into arrangements designed to minimise his or her tax liabilities. In many cases, the tax authorities accept that the arrangements are effective, but in many other cases they challenge the structure and may be successful in showing that tax is actually due. The attempt to avoid the tax liability is unsuccessful but provided the person had an honest belief that the planning was going to be effective, even if proved wrong, it does not amount to evasion.

3.2 What is facilitation of tax evasion?

In many cases, it is possible to evade taxes without involving another person. However, in many other 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 that have been rendered to our business which generate the tax liability. This could involve mis-describing what the services were, the country in which they took place, or the person or entity which carried them out. If someone in our business were to accept or not challenge the mis-description that person may be 'facilitating' the 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.

It is also important to bear in mind that the criminal law may treat a person as having knowledge if they 'turn a blind eye', particularly if there is an upside for them in doing so. If you suspect someone to be engaged in tax evasion you must report your suspicions to the ethics and compliance committee (ethics.compliance@dana-petroleum.com). If you don't, and it transpires that evasion was taking place, it may look like you were turning a blind eye.

3.3 Why are the Policy and Guidelines important?

Facilitation of tax evasion is a criminal offence in most countries in which we operate, and the penalties can be severe. In many countries the penalty includes imprisonment, often with maximum sentences of 7, 10 or more years.

Equally, a business which employs or engages the facilitator of tax evasion may itself commit an offence under the Act where it fails to have reasonable procedures in place to prevent the facilitation of tax evasion. A business may face serious criminal penalties including prosecution and have to pay significant fines. Having a criminal record may also bar it from operating in certain sectors or doing certain kinds of work or mean that other businesses will not work with it anymore. The overall effect would be very damaging to the strength or viability of that business.

Tax authorities around the world are working together to clampdown on evasion. We wish to ensure that our business does what it can to support this and guards itself from deliberate breaches of anti-facilitation of tax evasion laws.

Expectations

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All **Employees** must read and observe the requirements of the Policy. Employees must also act with honesty and integrity and comply with all applicable laws, whether or not specifically covered by the Policy, the Business Principles or any of our other policies.

The Ethics & Compliance Committee is responsible for the day-to-day oversight of the Policy.

Managers should work to create an environment that encourages compliance with the Policy. Supervision of responsible business practices is as important as supervision of performance. You should encourage those you manage to report any concerns and to ask any questions they have regarding facilitation of tax evasion issues.

Business Partners and Joint Venture Partners - we expect and encourage our Business Partners and Joint Venture Partners to adhere to the Policy. Business Partners and Joint Venture Partners must also act with honesty and integrity and comply with all applicable laws, whether or not specifically covered by the Policy, the Business Principles or any of our other policies.

The Policy cannot address every conceivable situation. In many circumstances, the law or the Policy will clearly dictate what you should do, but on other occasions the situation will require you to exercise judgement. Always err on the side of caution.

3.4 Customer and Supplier Tax Risks

Although the business may not have a legal obligation to ensure that our customers and suppliers are correctly accounting for their true tax liabilities, we have decided that we want to do what is reasonable to remind our customers and suppliers of their responsibility to account properly for tax.

We will improve our guidelines by reserving the right to conduct additional due diligence checks, which may include the following:

- making it a condition of doing business with us that they will act diligently to correctly account for any taxes they may owe under the law.
- undertaking additional checks on their ownership structure or on where their business is managed so that we understand the country or countries in which they should be paying tax.
- asking them to prove they are registered for tax by asking for details of their tax registrations.
- when we buy goods or products, undertaking additional checks to ensure that tax has been paid on those goods as appropriate, in particular when the goods have been imported or are subject to internal excise taxes.
- when we sell goods or products, undertaking additional checks to make sure that tax is being paid on those goods as appropriate and that the goods are not being used for the purposes of carrying out fraud.
- any other procedures which we consider it to be reasonable in the circumstances to undertake.

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3.4.1 Red Flags

Employees should look out for facilitation of tax evasion "red flags" (see below). Any red flags should be reported immediately to the ethics and compliance committee (ethics.compliance@dana-petroleum.com). The red flags include:

- the customer or supplier refuses or fails to confirm that it will comply with our additional due diligence checks;
- the customer or supplier operates or is resident in a market or country where there is a high risk of tax evasion;
- uncertainties exist about why the customer or supplier is buying our goods or services, or the price which they are prepared to pay;
- the customer or supplier has unusual invoicing or documentation practices;
- the customer or supplier refuses to give us access to its books and records when this is reasonably requested and required by us; or
- the customer or supplier requests for payments to be:
 - o made in cash;
 - o paid to or through another entity;
 - o paid to bank accounts in countries other than the country where services are performed;
 - o paid to offshore bank accounts;
 - o paid in a currency other than the local currency; or
 - o paid in advance of the services being performed.

3.5 Business Partners

We expect the same standards from our external Business Partners as we do from our Employees.

Business Partners are people and businesses who perform services for us, for example agents, outsourcers, contractors, consultants, and advisers.

Our business could be criminally liable if a Business Partner engages in facilitation of tax evasion when delivering those services.

Business Partners must be carefully selected, subject to a written contract and monitored.

3.5.1 Informing Business Partners about our Anti-Facilitation of Tax Evasion Policy & Guidelines

All Business Partners (whether individuals or companies) should be given a copy of the Policy. We will ask all Business Partners to confirm that they will apply our principles and that, in so far as they employ their

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own Employees, they will confirm they have similar Policies and Procedures in place. We will reserve the right to inspect those Policies and Procedures.

3.5.2 Contractual Controls for Business Partners

All new Business Partners should enter into a written agreement with us which contains appropriate Anti-Facilitation of Tax Evasion wording. You should contact a member of the Legal Team if you need help with this.

There may be Business Partners who are already engaged under contracts which do not include Anti-Facilitation of Tax Evasion clauses. At the next opportunity to review or break our contract with the Business Partner, or earlier if possible, the Business Partner should be informed that they will need to enter a new form of contract containing Anti-Facilitation of Tax Evasion wording.

3.5.3 Monitoring of Business Partners

Red Flags

Employees should look out for facilitation of tax evasion "red flags" (see 3.5.4 below). Any red flags should be reported immediately to the ethics and compliance committee (ethics.compliance@dana-petroleum.com).

Reviews

Higher risk Business Partners (not just those which have been red flagged) will be reviewed for Anti-Facilitation of Tax Evasion compliance on a regular basis and lower risk Business Partners will be reviewed not less than every 3 years by the contract owner.

Audits

The internal Auditor will carry out Anti-Facilitation of Tax Evasion audits on a periodic basis. The due diligence information gathered for Business Partners will be sampled during these audits.

3.5.4 Red Flags

There are certain things which you may discover while gathering information on a current or prospective Business Partner, or which you may come across in the course of working with a Business Partner, which are recognised warning signs of facilitation of tax evasion. These are called "red flags". Red flags may in themselves not be sufficient grounds for suspicion of wrongful activities but must be investigated further.

Any "red flags" should be reported immediately to the ethics and compliance committee (ethics.compliance@dana-petroleum.com).

Red flags include:

- the Business Partner refuses or fails to confirm that it will comply with our Anti-Facilitation of Tax Evasion Policy & Guidelines or refuses to accept an Anti-Facilitation of Tax Evasion clause in its contract with us;
- the Business Partner operates in jurisdictions or markets where tax evasion is considered to be a high risk;

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- the Business Partner acts as an agent or intermediary but we know little about their customer or supplier or what we do know includes that their customer or supplier is located in a high risk jurisdiction or a high risk market;
- the Business Partner engages subcontractors to perform their services and those subcontractors operate in high risk markets or countries;
- the remuneration of a Business Partner that is substantially in excess of the going market rate, or not justifiable or commensurate with the work done;
- the Business Partner requests for payments to be:
 - in cash;
 - paid to or through another entity;
 - paid to bank accounts in countries other than the country where services are performed;
 - paid to offshore bank accounts;
 - paid in a currency other than the local currency; or
 - paid in advance of the services being performed.
- the Business Partner is considered to present a high risk of Bribery or Corruption, since tax evasion is often related to such activity.

3.6 Joint Venture Partners

- Joint Venture Partners are all companies or entities which we enter into a joint venture, consortium or similar relationship with.
- We could be criminally liable if a Joint Venture Partner engages in the facilitation of tax evasion.
- Joint Venture Partners must be carefully selected, subject to contractual controls and monitored.
- All Joint Venture Partners should be provided with a copy of the Policy and asked to confirm in writing that they will comply with them.
- It is important that we only work with Joint Venture Partners who we are confident will not engage in facilitation of tax evasion.

Before entering into a Joint Venture, thorough due diligence should be conducted on any prospective partner. A risk assessment should be conducted first to determine the appropriate level of due diligence.

Any agreement entered into with a Joint Venture Partner must contain Anti-Facilitation of Tax Evasion wording. You should contact the Legal Department if you need help with this.

All existing and new Joint Venture Partners should be provided with a copy of the Policy and asked to confirm in writing that they will comply with them.

Consideration should be given to providing Anti-Facilitation of Tax Evasion training to joint venture partners.

3.7 Bookkeeping and Accounting

Books, records and accounts must be kept which accurately and fairly reflect all transactions.

Employees and Business Partners must not make, approve, or process any payment which relates to our business with the intention, understanding or suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No "off the books" or unrecorded funds or accounts are permitted.

Examples of prohibited record keeping activities include:

- making records appearing to show a payment to one person when, in fact the payment was made to, or intended for, someone else;
- submitting inaccurate expenses;
- records that inaccurately characterise or inaccurately describe the true nature of transactions or payments;
- claims for services, products or equipment not received; and
- creating or maintaining any unrecorded funds or assets of the company, including unrecorded "petty cash".

3.8 Reporting Suspected Non-Compliance

Employees must report any breaches or potential breaches of the Policy as soon as possible. You can report your concerns to the ethics and compliance committee (ethics.compliance@dana-petroleum.com), or in accordance with the steps outlined in our Integrity Policy.

Any Business Partner or Joint Venture Partner who suspects or is aware of any breaches of the Policy must immediately notify their contact at the company or the ethics and compliance committee (ethics.compliance@dana-petroleum.com).

We will take all reported concerns seriously and will confidentially investigate to determine if the law or the Policy has been contravened.

3.9 Consequences of Non-Compliance

We may take appropriate disciplinary action, up to and including termination of employment, against any Employee who fails to comply with the Policy, or applicable laws. In addition, any Employee who breaks the law may be reported to the police and may face criminal proceedings, fines or imprisonment.

For Business Partners and Joint Venture Partners, non-compliance with the Policy and any applicable laws will be considered to be a material breach of contract and may result in the termination of any relationship with us and the matter being reported to the police.

3.10 Effective Monitoring

Each of the countries in which we operate must establish and maintain an effective system for monitoring compliance with the Policy. We will set an annual monitoring plan to ensure that this is done.

3.11 E:Learning

Training on Tax Evasion is provided within the mandatory Code of Conduct training that all employees are required to complete. Failure to complete this mandatory training within 30 days will result in the employee's Line Manager being informed.

All new employees are responsible for ensuring that the mandatory Code of Conduct training is completed as outlined above. Our Code of Conduct underpins how we do business. It is a guide to help each of us when making day-to-day business decisions on behalf of Dana and to help us "Do the Right Thing". It is a central part of our commitment to conducting all our business to the very highest ethical standards.

The Code of Conduct training is required to be completed every year and employees will receive a link to the computer based training and upon completion of the course and reading our Code of Conduct, a Certificate will be issued.

For queries regarding the Code of Conduct training please contact the ethics & compliance committee (ethics.compliance@dana-petroleum.com).

3.12 Who can I contact if I have any questions?

If you have any questions about anything in the Policy or about any facilitation of tax evasion or corruption issue which is not covered in such Policy, please contact the ethics and compliance committee (ethics.compliance@dana-petroleum.com).

4 Related documents

4.1 Internal References

<i>Document Title</i>		<i>Document Number</i>
1	Anti-Bribery & Corruption Policy	DP-DP-LE-LEG-POL-0003
2	Business Principles	DP-DP-LG-LEG-STD-0002
3	Integrity Policy	DP-DP-LG-LEG-POL-0008

4.2 External References

<i>Document Title</i>		<i>Reference Number</i>
1	Bribery Act 2010 - https://www.legislation.gov.uk/ukpga/2010/23/contents	N/A
2	Criminal Finances Act 2017 http://www.legislation.gov.uk/ukpga/2017/22/contents/enacted	N/A

Appendices

<i>Appendix Title</i>	
-	N/A