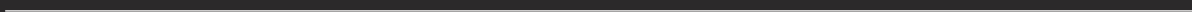




WATCHES OF SWITZERLAND GROUP PLC

CORPORATE CRIMINAL OFFENCE POLICY

FEBRUARY 2025



WATCHES OF SWITZERLAND GROUP

CORPORATE CRIMINAL OFFENCE POLICY

1. PURPOSE

The purpose of this Corporate Criminal Offence Policy (the “Policy”) is to:

- i. summarise the offences under Part 3 of the Criminal Finances Act 2017 (the “Act”)
- ii. set out our responsibilities in complying with the Policy in order to prevent the facilitation of tax evasion within the Watches of Switzerland Group
- iii. provide information and guidance on how to recognise and deal with facilitation of tax evasion issues.

References in this policy to:

“**Watches of Switzerland Group**”, “WOSG” means Watches of Switzerland Group PLC and its subsidiaries.

“**associated persons**” includes employees, contractors, sub-contractors, suppliers and agents, and their employees, agents, or service providers. An associated person can be an individual or an incorporated body.

“**third party**” or “**third parties**” means any individual or organisation that you come into contact with during the course of your work for the Watches of Switzerland Group, including actual and potential clients, customers, suppliers, business contacts, agents, advisers, government and public bodies, including their advisers, representatives and officials, politicians, and political parties.

2. INTRODUCTION

This document outlines WOSG's zero tolerance approach to tax evasion and the facilitation of tax evasion, whether the tax evaded is owed in the UK or in a foreign country, by all associated persons and third parties acting for it or on its behalf.

The Policy is published as part of the commitment of WOSG's senior management to implement and enforce effective systems throughout its business to monitor the risk of and to prevent and eliminate tax evasion, in accordance with the Act.

The facilitation of tax evasion is a criminal offence. If WOSG is found to have taken part in the facilitation of tax evasion, WOSG could face an unlimited fine and significant damage to its reputation. The success of WOSG's anti-facilitation of tax evasion measures depends on all associated persons and third parties helping to prevent tax evasion.

Associated persons of WOSG, are required to familiarise themselves and comply with the Policy, including any future updates that may be issued from time to time by WOSG. Associated persons are obliged to report any suspected facilitation of tax evasion in accordance with section 4.4 of this Policy. WOSG will support any associated person that makes such a report, provided it is made in good faith.

WOSG will regularly communicate its anti-facilitation of tax evasion measures to all its employees. Training on the Policy will form part of the induction programme of any new employee or contractor of WOSG who might be in a position to facilitate tax evasion. Training is provided annually for relevant employees or contractors and may be provided on an ad hoc basis as required.

WOSG will monitor the effectiveness and review the implementation of this Policy, on an annual basis to consider its suitability, adequacy, and effectiveness.

3. SUMMARY OF THE ACT AND CONSEQUENCES OF BREACH

3.1 Offences under the Act

The Act came into force on 30 September 2017. It creates the corporate offence of the facilitation of tax evasion (the “offence”), in respect of both UK and foreign tax. There are three elements that apply to the offence:

1. criminal tax evasion by a taxpayer (either an individual or a legal entity)
2. criminal facilitation of the offence by an “associated person” acting in that capacity; and
3. WOSG fails to prevent an associated person from committing the act/facilitating the offence.

A criminal offence will be committed by WOSG under the Act if:

1. criminal tax evasion has been committed;
2. this was facilitated by an associated person; and
3. WOSG does not have adequate procedures in place to prevent the facilitation of tax evasion.

3.2 Consequences of breach of the Act

A company found guilty of failing to prevent the facilitation of tax evasion could be liable to an unlimited fine and subject to ancillary orders such as confiscation orders or serious crime prevention orders.

4. RESPONSIBILITIES

The directors of each of the WOSG companies have overall responsibility for ensuring that the Policy complies with WOSG’s legal and ethical obligations, and that all associated persons under their control comply with it.

Management at all levels are responsible for ensuring that those reporting to them understand the Policy and that those considered to be at risk of facilitating tax evasion are given adequate training as regularly as they consider necessary.

4.1 Prohibition applicable to all associated persons

Associated Persons are prohibited from facilitating any tax evasion, whether in respect of a UK or a foreign tax, whilst acting for or on behalf of WOSG.

Where there is a UK tax evasion facilitation offence it does not matter whether the company is UK-based or established under the law of another country, or whether the associated person who performs the criminal act of facilitation is in the UK or overseas. In such cases the offence will have been committed and can be tried by the courts of the United Kingdom.

4.2 Due Diligence

Due diligence should be undertaken, in accordance with WOSG’s procurement and risk management procedures, prior to entering into any contract, arrangement or relationship with a third party.

The extent of the due diligence carried out depends on the nature of the relationship and the risk of tax evasion occurring. Before entering into any contract, arrangement, or relationship you must make sure that appropriate personnel within WOSG have been consulted and you have the approval of the business to proceed.

4.3 Record keeping

WOSG must keep accurate and complete financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. No accounts must be kept “off book” to facilitate or conceal improper payments.

Particular care must be taken to ensure all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with associated persons.

4.4 Confidential reporting

WOSG requires that associated persons remain vigilant in preventing, detecting, and reporting tax evasion in all aspects of the business.

Any issues or concerns should be reported, as soon as possible to the Head of Risk, or Head of Tax or, if preferred, to a senior member of staff of your choosing, or through the independent Safecall procedures detailed in the WOSG Whistleblowing policy. Any such reports will be promptly and discreetly investigated.

Issues or concerns that you should report include:

- any suspected or actual attempts to evade tax – particularly if you:
 - (i) are asked to facilitate tax evasion (or what you perceive to be tax evasion) by a third party,
 - (ii) suspect that this may happen in the future, or
 - (iii) believe that you or WOSG are inadvertently party to another form of unlawful activity; or
- concerns that other colleagues or associated persons may be facilitating tax evasion.

5. HOW TO RECOGNISE AND DEAL WITH TAX EVASION ISSUES

5.1 Risk Management

In order to identify and prevent tax evasion risks, WOSG will regularly conduct risk assessments for each of its key business activities. In particular, WOSG will:

- provide annual training to 'at risk' employees on the Act and how to identify and combat tax evasion;
- regularly assess risk areas, for example tenders submitted by suppliers for work; and
- undertake appropriate due diligence on third parties and associated persons.

5.2 Your Assistance

Notwithstanding WOSG's risk management processes, WOSG relies on all associated persons to play a part in meeting all the responsibilities set out in section 4 of this Policy and thereby highlighting and reporting any concerns in accordance with section 4.4 of this Policy.

6. BREACHES OF THE POLICY

WOSG will fully investigate any instances of alleged or suspected tax evasion. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

WOSG may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

WOSG may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, HMRC Prosecutions Office and the police.

WOSG will provide all necessary assistance to the relevant authorities in any subsequent prosecution.