

GLOBAL TAX CODE OF CONDUCT

We believe in the following general principles:

- Governments need to impose and collect taxes in order to function effectively.
- Taxpayers have the right to manage their tax affairs provided they act within applicable law.
- A taxpayer should be able to access independent advice on their tax position.

This document sets out clear principles to assist partners and employees of Harneys and Harneys Fiduciary in the judgments they make in relation to advice given and services provided with respect to our clients' affairs which have or may have tax consequences. Governments enact laws and enter into treaties with other jurisdictions so as to determine how taxpayers should be taxed. These laws are then interpreted by tax payers, authorities and ultimately the Courts.

However, many of our clients have complex affairs across multiple jurisdictions and in the context of conflicting and competing laws, it can be increasingly challenging to know where lines should be drawn. We consider the evasion of tax to be unlawful wherever it occurs and with respect to any jurisdiction. Further, tax crimes are a designated category of predicate offences under the FATF Recommendations on Combatting Money Laundering and the Financing of Terrorism and proliferation. This Code of Conduct is one of a number of measures Harneys takes to mitigate against the risks of Harneys or any of its partners or employees inadvertently facilitating tax evasion by third parties including our clients.

The use of the expression "tax avoidance" has widened considerably and as a result use of the term is more likely to give rise to confusion than clarity. In addition, legitimate tax planning is, increasingly, assessed in the public eye on being "fair" or "unfair" rather than what is or is not lawful. We recognise and accept that reputations, including our own, can be seriously harmed without there being any breach of law. Whether or not we consider that to be reasonable is irrelevant.

Our Roles

We Harneys advises only on the laws of Anguilla, Bermuda¹, British Virgin Islands, Cayman Islands and Cyprus. In addition, Harneys Fiduciary provides corporate and trust services to structures formed under the laws of Barbados, Bermuda, British Virgin Islands, Cayman Islands, Cyprus and Hong Kong. The nature of our business means that the advice we give and the services we provide may have tax consequences outside of these jurisdictions. While we cannot reasonably be expected to be experts in the tax laws and practice in every jurisdiction in which our clients operate we must not and cannot ignore those tax consequences.

Our Approach

We will not act for any person² who deliberately breaches applicable tax law in any jurisdiction or wilfully or recklessly presents a false position to a tax authority. Where we become aware of such behaviour by an existing client we will seek to terminate the engagement as soon as practicable. Further, we will make any appropriate reports required under compulsory disclosure legislation.

We reserve the right to cease to act for clients who we consider act in a way which conflicts with this Code of Conduct. In certain cases we are under obligations to report conduct that we become aware of to the relevant authorities.

We will not knowingly act, advise, condone or support our clients to act (and will take reasonable measures to prevent our clients acting) in any of the following ways:

- To engage in or facilitate any conduct with respect to tax matters which is not in accordance with applicable law and regulatory requirements.
- To take a position with respect to tax affairs which is not supported by a credible basis in tax law. In

¹ Bermuda legal services are provided through an exclusive association with Zuill & Co which is an independently owned and controlled Bermudian law firm.

² Although only a small part of our practice, this policy does not prevent Harneys providing criminal defence advice to a person accused of such tax offences.

particular, we will be cautious of any artificial commercial transactions which might be considered a “sham”, or for which the only apparent objective is to disguise or re-characterise the real ownership or control of an entity or arrangement.

- To evade or hinder the collection of any taxes which are lawfully imposed in any jurisdiction.
- To evade or frustrate any mandatory reporting obligations to any tax authority or under an applicable information exchange regime.
- To misreport any asset, income or other particulars to any tax authority (including by omission).
- To fail to report or to seek clearance for any tax scheme or proposed tax scheme where required to do so under any applicable legal system.
- To make any statement or filing to any tax authority which is untrue or materially misleading in connection with tax matters.
- To conduct any tax affairs in a manner which relies for their effectiveness on any tax authority having less than the relevant facts including the identity of the ultimate beneficial owners of any assets or income streams.

For the avoidance of doubt, the above principles apply to both a structure or a transaction as a whole as well as its constituent parts.

We will be alert to the possibility of clients and other third parties acting in a manner which conflicts with the above principles and, in any such circumstances, will consider whether we should continue to act and whether we are subject to any mandatory reporting obligations. We may ask clients to provide us with additional clarification and, in appropriate cases, seek independent advice as to what is acceptable in a particular jurisdiction.

Harneys may provide tax advice in relation to Bermuda, the British Virgin Islands, the Cayman Islands and Cyprus only. We will apply the following additional principles when giving tax advice:

- Provide advice in the context of specific facts and circumstances as provided by the client and which is appropriate to those facts and circumstances.
- Involve discussion of the wider considerations applicable to the circumstances including economic,

commercial and reputational risks and consequences arising from the way other stakeholders might view a particular course of action.

Limitations

It is not our role³:

- To make determinations or judgements on the proper interpretation of foreign tax rules or guidelines.
- To investigate the affairs of each of our clients in the absence of any indication of impropriety.
- To assume that any of our clients are not telling us the truth in the absence of any indication of falsehood or impropriety.
- To make determinations as to the reasonableness of valuations, deductions or charges on books of account.
- To judge the morality or legality of foreign tax laws. The fact that a foreign tax law may be alleged to abuse individuals' rights because it is confiscatory, or retroactive, or has a disproportionate or discriminatory effect on a particular segment of society, are not of themselves grounds for unilaterally breaking such laws.

Our Expectations

We expect all of our clients:

- To comply with applicable tax laws and regulations in jurisdictions relevant to them (including any disclosure or reporting requirements).
- To consider and understand the tax consequences of their affairs and, where appropriate, to take tax advice from advisers with the relevant skills and experience.
- To disclose to us all relevant facts and circumstances on an open and transparent basis in order that we can provide advice and services in accordance with this Code of Conduct.

³ When Harneys Fiduciary provides fiduciary services to a client, certain of these limitations may not apply.

Tax Disputes

It is inevitable that from time to time disputes will arise between taxpayers on the one hand and tax authorities on the other. Our policy as well as our duty is always to comply with any lawful orders of any Court having jurisdiction (foreign or domestic) in relation to the production of documents and records.

If any client wishes to challenge any such order for production then we will consider providing advice and otherwise supporting them to do so. However, our own obligations may take precedence, and we will comply with lawful orders of any applicable Court or competent authority unless there is a valid stay or appeal process that extends to the obligations of Harneys. In appropriate

cases we may seek legal advice as to the effect of any order for production (or any appeal against such an order) and act upon that advice.

Reporting Concerns or irregularities

If a Harneys employee or partner becomes aware of or suspects conduct which is in breach of this Code he or she must act to make an appropriate person aware. That will ordinarily be either his or her line manager who will escalate it as appropriate or, if the employee is uncomfortable raising an issue with their line manager or he or she is unsatisfied with the response that has been received then he or she must raise it with either the local compliance officer or the Global Compliance Officer.

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Harneys is a leading international offshore law firm. From more than 12 offices around the globe, Harneys advises the world's top law firms, financial institutions and corporations on the laws of Bermuda, British Virgin Islands, Cayman Islands, Cyprus and Anguilla. For more information about Harneys please visit www.harneys.com or contact us at marketing@harneys.com.

The foregoing is for general information only and not intended to be relied upon for legal advice in any specific or individual situation. Bermuda legal services are provided through an exclusive association with Zuill & Co which is an independently owned and controlled Bermudian law firm.