

Information on the implemented tax strategy for the fiscal year ended December 31, 2023

Megatech Industries Tomaszów sp. z o.o.

December 2024

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1.0 Introduction

This information is intended for the implementation by Megatech Industries Tomaszów sp. z o.o. (hereinafter: the "**Company**") obligations under Article 27c of the Law on Corporate Income Tax of February 15, 1992 (consolidated text Dz. U. of 2023, item 2805, as amended, hereinafter also as: "**CIT Law**").

This information relates to the tax strategy implemented by the Company for the fiscal year beginning January 1, 2023 and ending December 31, 2023.

2.0 Tax objectives of the Company's strategy

The goal of the tax strategy is to comply with all obligations under the tax law. The fulfillment of public-law tasks and the timely payment of receivables to the Treasury is a fundamental aspect of the Company's operations.

Due to the nature, type and scope of the activities carried out by the Company, this document contains the information required by applicable laws with respect to:

- processes and procedures for managing the performance of tax law obligations and ensuring their proper execution,
- voluntary forms of cooperation with the authorities of the National Tax Administration,
- taxpayer's performance of tax obligations on the territory of the Republic of Poland, together with information on the number of information provided to the Head of the National Tax Administration on tax schemes, as referred to in Article 86a § 1 item 10 of the Tax Ordinance Act of August 29, 1997 (consolidated text, Journal of Laws of 2023, item 2383, hereinafter: "**Tax Ordinance**"), broken down by the taxes to which they relate,
- transactions with related parties within the meaning of Article 11a (1) (4) of the CIT Act, the value of which exceeds 5% of total assets within the meaning of the accounting regulations, as determined on the basis of the Company's last approved financial statements, including entities that are not tax residents of the Republic of Poland,
- restructuring activities planned or undertaken by the taxpayer that may affect the tax liability of the taxpayer or related parties within the meaning of Article 11a (1)(4) of the CIT Act,
- Information about the taxpayer's applications for issuance:
 - general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance,
 - interpretations of the tax law provisions referred to in Article 14b of the Tax Ordinance,
 - Binding rate information referred to in Article 42a of the Law of March 11, 2004 on tax on goods and services (unified text Dz. U. of 2024, item 361, as amended, hereinafter as: "the **Law on Goods and Services Tax**"),
 - binding excise tax information referred to in Article 7d paragraph 1 of the Excise Tax Act of December 6, 2008 (unified text Dz. U. of 2023, item 1542, hereinafter the "**Excise Tax Law**"),
- Information on making tax settlements of the taxpayer in territories or countries applying harmful tax competition indicated in the executive acts issued on the basis of Article 11j paragraph 2 of the CIT Act and on the basis of Article 23v paragraph 2 of the Personal Income Tax Act of July 26, 1991, and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance.

for the fiscal year beginning January 1, 2023 and ending December 31, 2023.

3.0 Information about the Company

Megatech Industries Tomaszów sp. z o.o. a limited liability company with its registered office in Tomaszów Mazowiecki, 120 Piaskowa St., 97-200 Tomaszów Mazowiecki, registered in the National Court Register kept by the District Court for Łódź-Centre in Łódź, XX Economic Department of the National Court Register, under the KRS number 0000019720. Its identification numbers are: NIP 7731591947, REGON 590460799. The Company's share capital is PLN 28,117,260.00.

The Company is part of the Megatech Group ("**Megatech Group**"). In fiscal 2023, the Company was a taxpayer of corporate income tax ("**CIT**"), value added tax ("**VAT**") and payer of personal income tax ("**PIT**") and social security ("**ZUS**") contributions due in Poland.

This information on the implemented tax strategy applies to all Polish taxes applicable to the Company for the fiscal year ending December 31, 2023.

The Company's business activities primarily involve the manufacturing of auto parts.

The Company's objects as indicated in the KRS include:

The subject of the predominant activity	
29, 32, Z	Manufacture of other parts and accessories for motor vehicles, except motorcycles
The subject of other activities of the entrepreneur	
73, 20, Z	Market and public opinion research
74, 90, Z	Other professional, scientific and technical activities not elsewhere classified
74, 10, Z	Specialized design activities
82, 99, Z	Other business support activities business, not elsewhere classified
69, 20, Z	Accounting and bookkeeping activities; tax consultancy, excluding activities reserved for auditors and tax consultancy

As previously indicated, the Company has been part of the Megatech Group since June 2016. Megatech is a leading international automotive supplier, a partner in the development and production of systems, modules and personalized plastic interior and exterior trim for passenger and commercial vehicles.

Currently, the Megatech Industries Group includes 9 manufacturing plants, 2 research and development centers located in 6 countries around the world.

Megatech Industries employs about 2,200 people and generated a consolidated annual turnover of about €306,260,000.00 in fiscal year 2023.

Megatech Group supplies its products to major automakers such as Audi, Bentley, BMW, Citroen, Honda, Hyundai, Jaguar, Kia, Land Rover, Mini, Opel, Peugeot, Porsche, Renault, Rolls Royce, Seat, Skoda, Smart and Volkswagen and Others.

The sole shareholder of the Company is Megatech Industries GmbH, a company based in Vienna (Austria), which directly holds 100% of shares (52,069 shares with a total nominal value of PLN 28,117,260.00) in the share capital and all voting rights at the meeting of shareholders of Megatech Industries Tomaszów sp. z o.o. Megatech Industries GmbH acquired the Company's shares on the basis of a non-cash contribution agreement (in-kind contribution), concluded on November 25, 2022, while the entry of the change of shareholder in the National Court Register was made on February 2, 2023. According to the in-kind contribution agreement, the agreement takes effect on March 31, 2023. Previously, i.e. until March 30, 2023, the sole legal shareholder holding 100% of the Company's shares was Megatech Industries Aktiengesellschaft, based in Vaduz, Principality of Liechtenstein, respectively Megatech MIFL AG Zweigniederlassung Wien, a branch based in Vienna, Austria (economic owner of 100% of the Company's shares) where 100% of the Shares were contributed early.

4.0 Fulfillment of obligations with respect to tax liabilities and risks Information about the Company

The Company, together with its related parties in the tax area, operates in accordance with the following principles:

- Payment of taxes is an important element for the economy and society in which we operate. The Company assumes that it is its obligation to reliably pay the tax due on time, in accordance with the applicable provisions of Polish tax law and in any other country where there is such an obligation,
- The company is exercising due diligence to ensure the accuracy of its tax settlements,
- The Company complies with all laws, taking into account the intent of the policy,
- The Company ensures that its systems, processes and controls enable it to correctly meet its tax obligations,
- The company is making efforts to establish good relations with tax authorities,
- In its dealings with tax authorities, the Company acts in a transparent, reliable and timely manner and cooperates to resolve any problems and/or disputes,
- The Company takes into account the context of this Tax Strategy and weighs the interests of stakeholders when making tax decisions,
- where necessary, the Company makes decisions regarding the performance of its tax obligations that are properly documented, carried out by its qualified tax professionals and supported by external tax advisors when necessary,
- The Company instructs internal and external tax advisors acting on behalf of the Company or on our behalf to act in accordance and fulfill their tax obligations in a manner consistent with this Strategy,
- The Company supports initiatives to increase public trust and transparency in domestic and international tax systems, which is in line with the Company's core values of honesty, transparency and integrity,
- The company does not engage in transactions of an artificial nature aimed at obtaining tax benefits,
- The company establishes and maintains a clear division of the responsibilities and competencies of the various bodies, including creating scopes of duties for individual positions, as well as creating divisions of competencies of organizational units,
- The company has been proactive in pointing out values and building the organization's culture - including tax transparency,

- The Company places emphasis on verifying the Company's contractors and business partners both in terms of their economic credibility and where they are based and conduct business,
- The company is committed to adequately safeguarding the performance of its tax obligations by creating formalized procedures (both strictly tax and those related to the tax function), as well as shaping practical processes that constitute a standard model of conduct,
- The company is expanding its staff's knowledge of tax law by investing resources in employee education,
- The Company makes decisions to mitigate tax risks by minimizing risks in this area arising from the external environment.

The Company's books of accounts are kept in-house. 2023. The Company used tax consulting services purchased from established professional tax consulting service providers.

5.0 Information on the taxpayer's processes and procedures for managing the performance of its obligations under the tax law and ensuring their proper implementation

The Company shall take all necessary measures for the proper determination and timely payment of public receivables.

The Company has procedures in place to ensure that the Company properly meets its obligations under tax laws in a manner that takes into account the Company's organizational structure. The Company implements (either formally implemented or in the form of practical handling processes) the following procedures and control processes to identify, assess, monitor and internally report tax problems and risks, regulating in detail the performance of accounting and tax tasks:

- formally implemented accounting policy,
- Formally implemented Group Transfer Pricing Guidelines 2023-2024 (TP Group Guidelines), including TP annual adjustments to certain inter-company transfer prices
- Procedures to ensure compliance with transfer pricing obligations under the TP Group Guidelines,
- The procedure to ensure the performance of obligations imposed by the regulations on reporting of tax schemes (MDR),
- VAT due diligence procedures and verification of contractors,
- Procedures for clearing intra-Community, export and import transactions,
- Withholding tax (WHT) settlement procedures,
- procedures for preparing, verifying and approving tax returns and information.

6.0 Information on the voluntary forms of cooperation with the National Tax Administration authorities applied by the taxpayer

In the fiscal year 01.01.2023-31.12.2023, the Company did not engage in cooperation with tax authorities beyond activities aimed at fulfilling its obligations under the tax law, in particular, regarding prior pricing agreements and tax cooperation agreements referred to in Article 20zb of the Tax Ordinance.

7.0 Information regarding the taxpayer's execution of tax obligations on the territory of the Republic of Poland, together with information on the number of information provided to the Head of the National Tax Administration on tax schemes, referred to in Article 86a § 1 item 10 of the Tax Ordinance, broken down by the taxes to which they relate

In the fiscal year 01.01.2023-31.12.2023, the Company did not submit any information on tax schemes to the Head of the National Tax Administration.

8.0 Information on transactions with related parties within the meaning of Article 11a (1) (4) of the CIT Act, the value of which exceeds 5% of total assets within the meaning of the accounting regulations, determined on the basis of the Company's last approved financial statements, including those that are not Polish tax residents

According to the Company's financial statements for the fiscal year 1.01.2023-31.12.2023, total assets as of December 31, 2023 amounted to PLN 235,141,102.10. 5% of this total is 11,757,055.10 which is the threshold of reported transactions.

In the year 01.01.2023-31.12.2023, the Company entered into the following transactions with related parties, where the value of the transaction exceeds 5% of total assets:

No.	Designation (company) of the entity / State of domicile	Description of the transaction	Value (PLN)
1	Megatech Industries Deutschland GmbH/ Germany Megatech Industries GmbH/ Austria	Purchase of financial and administrative services	152 832 200,00
2	Megatech Industries Plzen s.r.o./ Czech Republic Megatech Industries Technical Center, S.L./ Spain Megatech Engineering Munich GmbH/ Germany Megatech Industries Deutschland GmbH/ Germany Megatech Industries Ebersdorf GmbH & Co.KG/ Germany	Sales of finished goods and merchandise	33 223 619,00
3	Megatech Engineering Munich GmbH/ Germany Megatech Industries Deutschland GmbH/ Germany Megatech Industries Czech Republic s.r.o./ Czech Republic	Purchase of support services	20 031 157,00

	Megatech Industries GmbH/Austria Megatech MIFL AG Zweigniederlassung Wien (Branch) / Austria		
4	Megatech Engineering Munich GmbH/ Germany Megatech Industries Technical Center, S.L./ Spain	Purchase of production tools and development (development) type services	24 179 980,00
5	Megatech Industries Aktiengesellschaft / Principality of Liechtenstein	Bank loan surety	21 145 740,00

9.0 Information on restructuring activities planned or undertaken by the taxpayer that may affect the tax liability of the taxpayer or related parties, as defined in Article 11a (1) (4).

In the year 01.01.2023-31.12.2023, the Company has not planned or undertaken restructuring activities. To the Company's knowledge, such activities are not planned in 2024.

10.0 Information on applications submitted by the Company for general tax interpretation, tax law interpretation, binding rate information or binding excise information

In fiscal 2023, the Company has not applied for or been issued to it:

- general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance,
- Interpretation of the tax law provisions referred to in Article 14b of the Tax Ordinance,
- Binding rate information referred to in Article 42a of the Value Added Tax Law,
- Binding excise information referred to in Article 7d paragraph 1 of the Excise Tax Law.

11.0 Information on making tax settlements of the taxpayer in countries with harmful tax competition

In fiscal year 2023 (01.01.2023-31.12.2023) , the Company did not make any tax settlements or transactions in territories or countries practicing harmful tax competition as indicated in the executive acts issued on the basis of Article 11j(2) of the CIT Act and on the basis of Article 23v(2) of the Personal Income Tax Act of July 26, 1991, and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance.