Information
on the implemented tax strategy
for the fiscal year
1 January to 31 December 2022

TPV Displays Polska sp. z o.o.

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1. *Description of the business activities*

TPV Displays Polska sp. z o.o. (hereinafter: "TPVD PL" or "Company") conducts business activity in the field of assembly and sale of television sets.

The activity is carried out in the Kostrzyn-Słubice Special Economic Zone. TPVD PL is one of the largest entities in Europe involved in the assembly of TV sets in Poland.

As part of its activities, TPVD PL accepts that the correct performance of tax obligations is one of its fundamental areas of responsibility as an entity operating in the territory of Poland.

At TPVD PL tax issues are treated as a corporate responsibility issue and paying taxes in the right amount and at the right time is treated as a due return of part of the profit to the society in which the entity operates and uses its resources.

The Company also seeks to eliminate the tax risks associated with its business transactions.

The realisation of the above assumptions is possible thanks to the implementation of tools and procedures aimed at ensuring compliance of the conducted transactions with all statutory obligations, tax risk management in order to minimise it and the most effective identification and immediate removal of all irregularities.

2. About information on the tax strategy

This document contains information about the tax strategy implemented for the year 2022 and is the execution of the obligation imposed on TPVD PL, resulting from Article 27c of the Corporate Income Tax Act of 15 February 1992 on CIT (hereinafter: "the CIT Act").

In order to properly perform its obligations as a taxpayer and payer, the Company has a written tax strategy. In accordance with its provisions, it is subject to regular reviews and is adjusted to changes.

3. *Information on the processes and procedures in place to manage and ensure the proper performance of tax law obligations*

The Company's aim is to ensure reliable, correct and timely performance of its obligations in accordance with the current provisions of tax law, as well as timely detection and elimination of irregularities.

In order to achieve the above assumptions, TPVD PL has implemented a number of processes and rules of conduct that regulate the Company's performance of its obligations in the sphere of its taxation.

These processes/procedures concern, inter alia:

- cooperation with related parties;
- conducting settlements with entities from countries and territories applying harmful tax competition
- division of tasks, authority and responsibility within the scope of performing tax obligations and supervision over the correctness of settlements;
- management of personnel and tax knowledge, including permanent supervision of the amendment of tax law provisions and principles of implementation of new statutory obligations;
- verification of factual and legal circumstances concerning the conclusion of business transactions;
- settlement of fixed assets, reporting, circulation of foreign and domestic invoices;
- drafting contracts and assessing transactions from a tax point of view;
- supervision over the correctness of tax settlements;
- cooperation with tax advisors;
- internal tax supervision;
- rules for applying for individual interpretations;
- cooperation with tax authorities, including participation in tax proceedings, including the principles of cooperation with the tax authority in the case of checking activities or tax inspection.

If reliable fulfilment of the Company's obligations in the sphere of taxation requires it, TPVD PL regulates the operating principles in a formal manner, i.e. prepares documents of an official nature, such as procedures.

Tax obligations are fulfilled by designated employees of the Company, who ensure both the correct fulfillment of these obligations and the transfer of knowledge within the Company (including by exercising control, setting guidelines or organizing training on tax issues).

The implementation of the Company's tax obligations is carried out with the involvement of TPVD PL employees and associates, regardless of their functions in the organizational structures. Responsibility for their implementation depends on the nature of the activities undertaken by the Company and the functions of the people

participating in them. The Company's overall tax strategy is the responsibility of its Management Board, which, with the participation of the Director of the Financial Division, appoints and supervises organizational units responsible for the implementation of individual tax functions.

The Company has a tax unit dedicated to handling the Company's tax obligations. Tasks related to the settlement of personal income tax are performed by the Department responsible for human resources management in the Company.

The Company's tax policy includes permanent cooperation with an external Tax Advisor.

The processes and rules of conduct used by the Company take into account the specific nature of the company's operation and ensure reliable and timely fulfillment of tax obligations, as well as minimize the risk of tax irregularities.

The formal letters in question constitute internal documents of the Company and are not subject to publication.

TPVD PL has a low tendency to take risks in the area of taxes. Systems and controls, as well as tax management tasks, are designed to enable compliance with tax laws and regulations. The company identifies potential tax risks on an ongoing basis.

Any doubts regarding tax issues are resolved taking into account the provisions of tax law and exercising due diligence in such a way that tax obligations are fulfilled with due diligence in a correct and reliable manner.

Tax risk is regularly analyzed and limited using appropriate measures specified by law.

The company has a tax unit responsible for matters related to the implementation of tax law obligations and tax settlement. This unit performs its tasks based on internal procedures and instructions, ensuring uniformity of operation and appropriate verification of undertaken activities. The Company ensures appropriate financial and human resources and ensures that persons employed in the organizational unit responsible for matters related to the implementation of tax law obligations and tax settlement have appropriate qualifications and experience adequate to the level of tasks entrusted to them within the unit's operations.

As part of the performance of control tasks, the tax specialist, with the participation of external advisors, performs ongoing verification of the correctness of tax liability calculations, prepared declarations, information, notices, statements and other documents required by tax law.

At the same time, TPVD PL constantly monitors changes in tax regulations, assesses tax risk and takes actions aimed at managing and minimizing this risk.

The Management Board of TPVD PL supervises the implementation of the tax strategy, corporate governance and the tax risk management process. The Board understands the importance of tax compliance and how this goal is achieved through internal processes, procedures and best practices.

Tax planning measures are always compliant with tax law, with a low risk of non-acceptance by tax authorities. In case of uncertainty, TPVD PL seeks advice from external advisors.

In terms of tax planning, TPVD PL is guided by the following rules:

1) compliance with all regulations in force in Poland and settlement of due tax liabilities;

2) carefully analyzing legislative changes;

3) not concluding artificial agreements in order to reduce liability towards tax authorities.

4. Information on voluntary forms of cooperation with the National Tax Administration (hereinafter: 'KAS')

In the tax year 2022, the Company did not undertake formal voluntary forms of cooperation with the authorities of the National Revenue Administration (i.e. it did not participate in the Cooperation Programme).

The Company responds in an appropriate and timely manner to all calls, questions or requests from tax authorities in order to duly fulfil its obligations under tax law. The Company aims to maintain good and long-term relations with the National Tax Administration authorities based on trust and transparency.

The Company received from the Head of the National Tax Administration a decision dated 26 February 2020 on the agreement - unilateral agreement (hereinafter: "APA"; advance pricing arrangement), issued on the basis of the Act of 16 October 2019 on the resolution of double taxation disputes and conclusion of advance pricing agreements (Journal of Laws of 2019, item 2200). The APA is effective for a period of 5 years from 1 January 2019. The APA confirms that the Company's transactions in 2020 were arm's length.

5. Information on the execution of tax obligations by the taxpayer on the territory of the Republic of Poland, together with information on the number of information on tax schemes provided to the Head of KAS, broken down by taxes to which they relate

The Company strives to fulfil the tax obligations imposed on it in the territory of the Republic of Poland in a correct, timely manner and in accordance with the valid regulations.

In the tax year 2022, the Company fulfilled its tax obligations in relation to, among others: to the following taxes and fees:

- Corporate tax,
- Income tax from individuals,
- tax on goods and services,
- Property tax,
- custom duty.

The company regulates its tax liabilities and submits the necessary tax returns within statutory deadlines.

The Company operates in the Kostrzyn-Słubice Special Economic Zone. Part of the Company's income is subject to exemption from corporate income tax (CIT) on the basis of a decision to support investments.

Due to the scale of activity of TPVD PL, data on corporate income tax are published on the website of the Ministry of Finance:

https://www.gov.pl/web/finanse/indywidualne-dane-podatnikow-cit

In 2022, TPVD PL did not submit information on tax schemes, due to the absence of an event that would meet the conditions for recognition as a tax scheme with the obligation to report in 2022 to the Head of KAS.

6. *Information on transactions with related parties whose value exceeds 5% of the balance sheet total of assets within the meaning of accounting regulations, determined on the basis of the last approved financial statement of the Company, including entities which are not tax residents of the Republic of Poland*

In its transactions with related parties, the Company applies such principles as unrelated parties would apply (the so-called market principles). If tax regulations impose such an obligation, the Company prepares transfer pricing documentation and performs relevant reporting obligations in this respect.

In 2022, TPVD PL concluded the following transactions with related parties, including entities that are not tax residents of the Republic of Poland, the value of which exceeded 5% of the balance sheet total of assets within the meaning of accounting regulations, determined on the basis of the Company's approved financial statements for 2022:

- liabilities to related parties for the purchase of raw materials/elements/parts for the production of television sets.
- receivables from the sale of television sets.

7. Information on restructuring activities planned or undertaken by the Company which may affect the tax liability of the taxpayer or related parties

TPVD PL does not undertake restructuring activities with the aim of obtaining a tax advantage contrary to the purpose and object of tax law.

Any reorganisations carried out must have an economic and business justification. The Company ensures that they are accounted for in a correct and reliable manner, and achieving this effect is possible through cooperation with professional tax advisors.

In 2022, the Company did not undertake restructuring activities that could affect the tax liabilities of TPVD PL or its related entities. By restructuring activities, the Company understands the merger of companies, the transformation of a company into another company, the contribution to the company in the form of the company's enterprise or its organised part (including as part of the division of the company) and the exchange of shares, as well as debt restructuring.

TPVD PL has also not planned such restructuring activities in 2022 for the coming fiscal years.

8. Information on requests made by the taxpayer for official binding rulings

In 2022, the Company did not submit requests for individual tax law interpretations or requests for binding rate information.

In 2022, the Company did not submit any applications for the issuance of:

☐ general tax interpretation referred to in Art. 14a § 1 of the Tax Ordinance,

☐ interpretation of tax law provisions referred to in Art. 14b of the Tax Ordinance;

☐ binding rate information referred to in Art. 42a of the Act on tax on goods and services and

☐ binding excise information referred to in Art. 7d section 1 of the Act of December 6, 2008 on excise duty (Journal of Laws of 2020, item 722, as amended).

9. Information on tax settlements in territories or countries applying harmful tax competition

In 2022, the Company did not make tax settlements in the territories or countries applying harmful tax competition indicated in the executive acts issued pursuant to Article 11j(2) of the CIT Act and in the announcement of the minister responsible for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance Act of August 29, 1997.