

**Information on
implemented tax strategy
in
Deutsche Leasing
Polska S.A.
for the fiscal year
2022/2023**

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I. Introduction

The purpose of this document is for the implementation by Deutsche Leasing Polska S.A. (hereinafter: „**the Company**”) of this obligations under Article 27c of the Corporate Income Tax Act¹ of February 15, 1992 for the fiscal year beginning October 1, 2022 and ending September 30, 2023 (2022/2023).

The methodology for creating the structure of the document is based on indicating information in accordance in accordance with the order of the requirements provided for in Article 27c of the CIT Law and, additionally, information appropriate to the scope of the Company's activities.

This document contains information on:

- the Company (i.e. registration data, subject of activity, information on the amount of share capital);
- the Company's tax objectives and strategy;
- the Company's tax risk management methodology;
- the Company's processes and procedures for managing the performance of tax law obligations;
- the voluntary forms of cooperation applied by the Company with the authorities of the National Tax Administration (hereinafter: "**KAS authorities**");
- the Company's performance of tax obligations in the territory of the Republic of Poland, together with information on the number of information on tax schemes provided to the Head of the National Tax Administration (hereinafter: "**Head of KAS**"), with a breakdown by the taxes to which they relate;
- transactions with related parties within the meaning of Article 11a Paragraph 1 Point 4 of the CIT Act, the value of which exceeds 5% of the balance sheet 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;
- planned or undertaken restructuring activities that may affect the amount of tax liabilities of the taxpayer or related parties within the meaning of Article 11a paragraph 1 point 4 of the CIT Act;
- filed applications for general tax interpretations referred to in Article 14a § 1 of the Tax Ordinance²;
- filed applications for the issuance of tax law interpretations referred to in Article 14b of the Tax Ordinance;
- filed applications for the issuance of binding rate information referred to in Article 42a of the Law on Goods and Services Tax³;
- filed applications for the issuance of binding excise information referred to in Article 7d paragraph 1 of the Excise Tax Law⁴;
- relating to making tax settlements in countries with harmful tax competition.

¹ The Law on Corporate Income Tax of February 15, 1992 (Journal of Laws of 2021, item 1800, as amended, hereinafter: "**CIT Act**").

² The Tax Ordinance Act of August 29, 1997 (Journal of Laws of 2021, item 1540, as amended, hereinafter: the "**Tax Ordinance**").

³ Law of March 11, 2004 on Value Added Tax (Journal of Laws of 2022, item 931, as amended, hereinafter: the "**VAT Act**").

⁴ Law of December 6, 2008 on Excise Tax (Journal of Laws of 2020, item 722, as amended).

II. General information

1. Basic information about the Company

The Company is registered in the National Court Register kept by the District Court for the Capital City of Warsaw, 19th Commercial Department of the National Court Register, under National Court Register number 0000010251 and conducts business activity at the following address: street Wybrzeże Gdyńskie 6a, 01-531 Warszawa, REGON: 01244024400000, NIP: 5212209405, share capital of 43 600 000,00 PLN.

The Company's main business is to offer financial services such as financial and operating leasing, loans or sales financing.

The Company offers its customers operating and financial leases, among others: agricultural machinery, metalworking equipment, forklifts, machinery for the food industry, as well as construction machinery, used cars, vans and trucks, IT equipment and software.

In addition, the Company offers loans to customers as part of its operations.

The Company's services are used by businesses, institutions and individual customers as part of their sole proprietorships/agricultural activities (so-called flat-rate farmers under the VAT Act).

2. Tax objectives of the Company's strategy

The purpose of the Company's tax strategy is to comply with its obligations under tax law. Fulfillment of public law obligations and the need to pay dues, in the correct amount, on this account to the State Treasury is treated by the Company's authorities as an obligation of the Company arising from its activities in the territory of the Republic of Poland.

To this purpose, the Company has a number of procedures and processes in place, implemented comprehensively, documented and updated periodically.

The Board of Directors and the Company's management ensure effective and adequate control of the organization from the perspective of fulfilling the obligations imposed on the Company by tax law, in particular:

- exercises due diligence to ensure the accuracy of the Company's tax accounts,
- insists on providing quality and competent information to public authorities, both when requested by tax authorities and at the Company's initiative,
- demonstrates a proactive attitude in pointing out values and building the organization's culture - including tax transparency,
- emphasizes verification of its contractors and business partners;
- particularly in terms of where they are based and where they do business,
- invests in expanding the knowledge of its staff, so that its staff
- properly perform their tax law obligations,
- makes decisions to mitigate tax risks by minimizing threats from the external and internal environment,
- develops awareness of the importance of the internal control system and risk management from the perspective of the tax function,
- monitors draft amendments to the tax law and adapts to these amendments on an ongoing basis, which is reflected in the Company's tax procedures.

The Company's strategy in the above area is being adapted to changes in the environment and within the organization, as well as to identified new risks arising from the conducting business in the sector in which the Company operates.

III. Information on the taxpayer's processes and procedures for managing the performance of obligations under tax law and the voluntary forms of cooperation with the National Tax Administration authorities used by the taxpayer

1. Company's tax risk management

a) Communication

The Company has internal rules for communication (exchange of information) in the identification of tax risks. The most important principles of tax risk management and their potential modifications are communicated on an ongoing basis, there are adequate information channels in the Company to ensure the availability of information to the right people at the right time, as well as to provide an opportunity for consultation with various participants in the risk management system inside the Company.

In the above regard, there are developed mechanisms and internal procedures in force in the Company.

In particular, the Company has established ways of managing tax and criminal tax risks, which regulate the Company's communication process in a situation of possible tax risk. In addition, the Company has procedures in place to ensure proper internal and external communication channels in various areas of the Company's operations, as well as procedures summarizing the most important areas in the Company that are subject to special diligence in tax risk monitoring.

b) Control and monitoring

All types of risks (including tax risks) are monitored in the Company through control systems understood as a set of activities carried out by individual departments of the Company, managers of individual departments and other employees of the Company in order to mitigate the risks associated with its operations, including tax risks (supervision and control). Control activities are an integral part of the Company's daily operations.

Also helpful in reducing tax risks (and potential mistakes) are the Company's IT systems in place to support accounting and tax settlements.

The Company controls and monitors possible (potential) tax risks as follows:

- through the internal control function and support of tax settlements and associated obligations,
- by following up and regular review of tax settlements and processes related to tax matters,
- through the use of an external tax advisor as support for the Company's adaptation to changes in the tax environment and support for the implementation of some of the obligations under the tax laws,
- by monitoring incidents, transactions and other cases on a daily basis for potential tax risks,
- for certain non-standard transactions of high value or with a high degree of complexity, the Company may request a tax interpretation to confirm tax settlements,

- by keeping up to date with changes in tax laws and their interpretations.

The Company's employees have the necessary knowledge and skills to ensure that the Company correctly performs its obligations under the tax law. In addition, the Company's employees monitor changes in tax law regulations and the interpretative and adjudicative practice of tax authorities and courts to ensure proper performance of obligations under tax law. The Company's employees participate in training courses on tax law.

Employees of the Company's operating departments exercise due diligence in the efficient and complete communication of information that may have an impact on the Company's tax accounts, so as to facilitate potential verification of incidents and processes.

c) Response to potential risks

Any doubts related to the tax qualification of accounting events and documents are, as a rule, clarified on an ongoing basis. In the event of their occurrence, each employee of the Company, responsible for activities aimed at calculating the liability for a given tax, informs the person responsible for supervising tax settlements in this regard. In the course of the decision-making process, those making the clarification of doubts may, if necessary, use the assistance of an external tax advisor.

The company is taking a number of measures to mitigate tax risks, in particular, however:

- the Company has procedures, policies and measures in place to verify the correctness of tax processes in order to prevent errors and irregularities in tax settlements and to improve the Company's operations,
- the Company shall exercise due diligence to potentially detect and disclose irregularities,
- in the event that an irregularity is identified, the Company takes immediate action.

In addition, minimizing tax risks is also supported by meticulous archiving of all relevant documents related to the performance of tax obligations.

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

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

a) Policies and procedures used

The Company has procedures and policies in place to ensure the proper discharge of Company's compliance with its obligations under the tax law in a manner that takes into account the Company's organizational structure.

The procedures apply to situations in which the Company acts as a taxpayer, payer or otherwise fulfills tax obligations.

The Company's internal best practices include, among others, the following procedures and processes, which cover tax areas that may generate risk at the Company:

- procedure for settlement of corporate income tax,
- procedure for settlement of tax on goods and services,
- procedure for settlement of withholding tax,
- procedure for settlement of taxes on means of transport,
- procedure for settlement for corporate income tax purposes of releasing agreements,

- procedure for collecting and verifying documentation on loans to farmers,
- procedure for settlement for tax purposes of the acquisition of an object of pledge,
- procedure on the implementation of obligations under the Law on Corporate Income Tax in the field of transfer pricing,
- the procedure for settlement of installed and assembled goods,
- procedure for issuing corrective invoices reducing the tax base
- procedure for identifying the tax scheme in the case of supportive.

3. Information on the voluntary forms of cooperation with the National Tax Administration authorities used by the taxpayer

The Company shall, as necessary and possible, undertake the necessary forms of cooperation with the tax authorities in order to duly fulfill its obligations under the under the tax law.

The Company has not entered into a cooperation agreement with the Head of KAS, as referred to in Article 20s of the Tax Ordinance.

IV. Information on the taxpayer's implementation of tax obligations on the territory of the Republic of Poland, including information on the number of information on tax schemes provided to the Head of the national Tax Administration, broken down by the taxes to which they relate

The Company shall take the necessary measures to properly and timely fulfill its obligations under the tax law in the territory of the Republic of Poland, in particular:

- identifies incidents that result in tax obligations,
- calculates and timely pays the tax due to the account of the competent tax office,
- submits to the tax authorities the relevant returns, lists, statements, reports and information that the Company is obliged to submit under the tax law,
- prepares transfer pricing documentation,
- monitors concluded transactions from the perspective of the provisions of the Tax Ordinance on tax schemes,
- archives documents related to tax obligations in an orderly manner in either electronic or paper form.

In 2022/2023, the Company realized tax obligations as a taxpayer for the following taxes:

- CIT,
- VAT,
- Tax on means of transport.

In the year 2022/2023, the Company fulfilled its tax payer obligations arising from the following taxes:

- PIT tax - from the salaries of employees and contracts of mandate,
- WHT tax.

In 2022/2023, the Company did not submit any information on tax schemes to the Head of KAS.

V. Information on transactions with related parties or restructuring activities undertaken by the taxpayer

- 1. Information on transactions with related parties within the meaning of Article 11a (1) (4), the value of which exceeds 5% of the total balance sheet assets within the meaning of accounting regulations, determined on the basis of the last approved financial statements of the company, including those who are not Polish tax residents**

According to the Company's financial statements for 2022/2023, total assets amounted to PLN 2.513.578.000,00.

In 2022/2023, the Company has not entered into transactions with related parties whose value exceeds 5% of total balance sheet assets (PLN 125.678.900,00).

- 2. Information on restructuring activities planned or undertaken by the taxpayer that may affect the amount of tax liabilities of the taxpayer or related parties within the meaning of Article 11a (1) (4)**

The Company did not take any restructuring actions in 2022/2023. No other restructuring activities are currently planned.

VI. Information on applications filed

- 1. Applications for issuance of general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance**

The Company did not apply for a general tax interpretation in 2022/2023.

- 2. Applications for issuance of tax law interpretation referred to in Article 14b of the Tax Ordinance**

In 2022/2023, the Company did not apply for individual tax interpretations.

- 3. Applications for the issuance of binding rate information referred to in Article 42a of the Value Added Tax Law**

In 2022/2023, the Company did not apply for binding rate information.

- 4. Applications for the issuance of binding excise information referred to in Article 7d, paragraph 1 of the Law on Excise Tax**

In 2022/2023, the Company did not apply for binding excise information.

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

In 2022/2023, the Company did not make tax settlements in countries with harmful tax competition.