



**Information on the implemented tax strategy for the fiscal year 2020
prepared pursuant to art. 27c of the Corporate Income Tax Act**

**Prochem S.A.
ul. Łopuszańska 95
02-457 Warszawa
NIP 113 00 10 523, KRS 0000019753**

PROCHEM S.A.
Information on the implemented tax strategy for the fiscal year 2020

1. General information

Prepared by the company Prochem S.A. information on the implemented tax strategy for the tax year lasting from January 1, 2020 to December 31, 2020 (hereinafter referred to as "Information") is intended to fulfill the obligation imposed on the Company, according to which taxpayers whose revenues in the previous tax year exceeded 50 million euro, are required to prepare this Information.

Information on the implemented tax strategy for the tax year lasting from January 1, 2020 to December 31, 2020 was prepared in accordance with the requirements of Art. 27c of the Act of February 15, 1992 on corporate income tax (Journal of Laws of 2020, item 1406, as amended).

2. Information on the implemented tax strategy

Tax processes and procedures

Company Prochem S.A. complies with the provisions of tax law and with due diligence fulfills the obligations imposed on the Company by the provisions of the tax law.

Tax obligations are fulfilled by designated employees of the Company who have the necessary knowledge and skills to ensure the proper fulfillment of obligations under the tax law. These persons monitor changes in tax law on an ongoing basis, they also familiarize themselves with the jurisprudence of tax authorities and courts in order to ensure the proper performance of obligations under the provisions of tax law.

Management Board and managing staff of Prochem S.A. ensure effective and adequate control of the organization from the point of view of meeting the obligations imposed by tax law through the use of internal processes and procedures for controlling transactions, in particular:

- while exercising due diligence to ensure the correctness of tax settlements;
- while putting emphasis on the verification of its contractors and business partners in terms of the place of seat and business;
- while making decisions to reduce tax risk by minimizing threats from the external and internal environment;
- while organizing ongoing staff training in the field of tax law, conducted by specialists;
- while taking all necessary steps to correctly determine and timely pay tax due.

The submitted tax declarations, tax information and tax settlements fully reflect the Company's business activities in the territory of the Republic of Poland.

PROCHEM S.A.

Information on the implemented tax strategy for the fiscal year 2020

Processes related to the determination of taxes and their payment carried out by the Company include, among others:

- collecting documents on the basis of which the tax base is calculated;
- calculation of the tax base;
- tax calculation;
- declaring a tax liability in the form of submitting an appropriate tax declaration or payment of the advance payment due;
- timely payment of the tax due.

Voluntary forms of cooperation with the bodies of the National Revenue Administration

In contacts with the bodies of the National Revenue Administration, the Company is open and willing to cooperate, provides all explanations and required information on time.

In 2020, the Company did not undertake formal voluntary forms of cooperation with the bodies of the National Revenue Administration, i.e. it did not participate in the Cooperation Program.

Fulfillment of tax obligations, including information on tax schemes

In 2020, the Company fulfilled its tax obligations as a taxpayer or payer, among others, with regard to the following taxes:

- corporate tax;
- income tax from individuals;
- tax on goods and services.

The company takes all necessary steps to correctly determine and timely pay public law liabilities, i.e.:

- pays monthly due advances on corporate income tax;
- submits monthly JPK-VDEK files and regulates the tax liability due to tax on goods and services, or applies for the transfer of the VAT surplus to subsequent settlement periods;
- acts as a payer of income tax from individuals, pays the due liability on this account within the statutory deadlines and sends information and declarations to the relevant tax offices within the statutory deadlines;
- on on-going base verifies the obligations related to the possible payment of remuneration to non-residents;

PROCHEM S.A.

Information on the implemented tax strategy for the fiscal year 2020

- prepares local tax documentation;

- monitors the occurrence of tax schemes and, if such an obligation arises, reports transactions on appropriate forms.

In 2020, the Company did not identify any tax scheme referred to in Art. 86a § 1 item 10 of the Tax Ordinance, therefore, it did not provide any information on tax schemes to the Head of the National Revenue Administration.

In 2020, the Company did not apply for a general tax interpretation, individual interpretation of tax law, binding rate or excise information.

Transactions concluded with related entities

In 2020, the Company carried out the following transactions with related entities, the value of which exceeds 5% of the balance sheet total of assets, determined on the basis of the last approved financial statements of the Company:

Elektromontaż Kraków S.A. seated in Krakow

Purchase of goods and services – PLN 12 357.3 thousand

Restructuring activities planned or undertaken

In the fiscal year 2020, the Company did not undertake any restructuring activities that could affect the amount of the tax liabilities of the Company or related entities, and does not plan to take such measures in the future.

Tax settlements in tax havens

In 2020, for which information on the implemented tax strategy is prepared, the Company did not make tax settlements in territories or countries constituting harmful tax competition, in the so-called tax havens.

PROCHEM S.A.

Information on the implemented tax strategy for the fiscal year 2020