

Polmos Żyrardów sp. z o.o.

Information on the Tax Strategy Implemented for the Fiscal Year Started on 1 January 2020 and ended on 31 December 2020

Polmos Żyrardów sp. z o.o. (hereinafter: '**Company**' or '**Polmos Żyrardów**') presents below the information on the tax strategy implemented for the fiscal year started on 1 January 2020 and ended on 31 December 2020 in performance of the obligation provided for in the provisions of Art. 27c of the Act of 15 February 1992 on Corporate Income Tax (hereinafter: 'Act on the CIT').

I. Introduction

Polmos Żyrardów sp. z o.o. belongs to the international Louis Vuitton Moët Hennessy group (hereinafter: '**LVMH**') gathering over 60 premium brands from all over the world. The Company's business activity in Poland is focused on the manufacturing of luxury hard liquors.

The Company shares the values and principles of conduct developed at the level of the LVMH, specifying amongst others requirements concerning law and order and corporate social responsibility. In particular, both the Company and the suppliers providing services to the Company are obliged to observe the provisions of the Code of Ethical Conduct of Suppliers.

II. Information on the tax strategy implemented at Polmos Żyrardów sp. z o.o. – according to Art. 27c(2) of the Act on the CIT

1. Information on the processes and procedures concerning the management of the performance of duties provided for in the tax law regulations and ensuring the proper performance thereof, applied by the Company

Polmos Żyrardów applies a range of procedures and policies. The Company has implemented proper processes and practices of the management of tax function, aimed at ensuring the proper and timely performance of the obligations specified in the tax law, as well as guaranteeing the Company's tax safety.

The Company's organisational structure has been regulated by internal acts that specify general rules of allocation of duties, indicate areas of responsibility, as well as clearly regulate the relationships between particular Company organisational units. In particular, the processes implemented and applied at the Company make it possible to precisely define the rights and obligations of persons responsible for particular areas of the Company operation.

The Company does not take any unlawful actions aimed at tax avoidance or limitation of tax liabilities.

The Company is concerned about proper performance of tax obligations. In particular, the Company:

- monitors any modifications to tax law and adjusts its activity accordingly,
- conducts internal controls, verifies settlements by outsourcers,
- uses the support of reputable tax advisory companies,
- requests for individual tax rulings in respect of the tax law on issues arousing doubts as to the proper tax qualification of events,
- implements processes concerning the preparation, verification and submission of tax returns,
- verifies and chooses suppliers providing services to the Company with proper care.

The Company uses IT tools that facilitate a partial automation of the processes connected with the preparation of calculations and tax returns.

INFORMATION ON THE IMPLEMENTED TAX STRATEGY

The Company employees are obliged to act professionally and honestly, making sure that the data of both the Company and its contractors are secure. Moreover, the Company employees, including the persons responsible for tax settlements, must take only lawful actions.

The proper application of the procedures and policies adopted at the Company is controlled and verified by the system of internal procedures that provide for a proper action plan in case an error is detected. The said process includes the stage of examination of the reason for the error, the stage of its analysis and verification and the stage of its elimination as soon as possible.

2. Information on the voluntary forms of cooperation with authorities of the National Fiscal Administration, applied by the Company

In the fiscal year started on 1 January 2020 and ended on 31 December 2020, the Company did not apply any voluntary forms of cooperation with authorities of the National Fiscal Administration.

In 2021 four decisions were issued in respect of the Company, concerning a unilateral advance pricing agreement (APA) regarding the Company's settlements with its affiliates, in particular for the year 2020.

3. Information on the performance of tax obligations in the territory of the Republic of Poland, by the Company

In the fiscal year started on 1 January 2020 and ended on 31 December 2020 the Company performed its tax obligations in the territory of the Republic of Poland in respect of the following taxes:

- Corporate Income Tax – the Company submitted tax returns and tax information on time and made simplified advance income tax payments and – as a payer – fixed rate income tax payments on the revenues derived in the territory of the Republic of Poland by the taxpayers referred to in Art. 3(2) of the Act on the CIT;
- Value Added Tax – the Company was an active VAT payer and submitted tax returns and made VAT payments within deadlines specified in proper regulations;
- Personal Income Tax – the Company acting as a payer made advance personal income tax payments on time and submitted its tax returns and tax information;
- Excise tax – the Company submitted tax returns and tax information and made excise tax payments on time;
- Real estate tax – the Company submitted tax returns and made real estate tax payments within deadlines specified in legal regulations.

To the best of the Company's knowledge the Company has no tax areas.

4. Information on the number of the reportable arrangements reported to the Head of the National Fiscal Administration, referred to in Art. 86a § 1(10) of the Tax Ordinance, broken into taxes to which they refer

The Company reported to the Head of the National Fiscal Administration three reportable arrangements referred to in Art. 86a § 1(10) of the Tax Ordinance in respect of the Corporate Income Tax for the fiscal year started on 1 January 2020 and ended on 31 December 2020.

5. Information on the transactions with affiliated entities in the meaning of Art. 11a(1)(4) of the Act on the CIT the value of which exceeds 5% of the balance sheet total of assets in the meaning of accounting regulations, determined upon the last approved financial statements of the Company, including transactions with entities not being tax residents of the Republic of Poland

- Purchasing marketing services from MHCS company

INFORMATION ON THE IMPLEMENTED TAX STRATEGY

- Purchasing management from MOET HENNESSY SAS
- Purchasing marketing services from MOET HENNESSY USA, Inc. (to match with the description made in our APA)

Sales of products to MHCS

6. Information on the planned or taken restructuring actions that can affect the amount of the tax liabilities of the Company or its affiliated companies in the meaning of Art. 11a(1)(4) of the Act on the CIT

In the fiscal year started on 1 January 2020 and ended on 31 December 2020 no restructuring actions that could affect the amount of the tax liabilities of the Company or its affiliated entities in the meaning of Art. 11a(1)(4) of the Act on the CIT were taken.

7. Information on the requests for the issuance of:
- a) general tax ruling referred to in Art. 14a § 1 of the Tax Ordinance.
 - b) tax ruling referred to in Art. 14b of the Tax Ordinance.
 - c) binding rate information referred to in Art. 42a of the Act on the Value Added Tax.
 - d) binding excise tax information referred to in Art. 7d(1) of the Act of 6 December 2008 on the Excise Tax (Journal of Laws of 2020, items 722 and 1747).

submitted by the Company.

In the fiscal year started on 1 January 2020 and ended on 31 December 2020 the Company did not submit any requests for the issuance of:

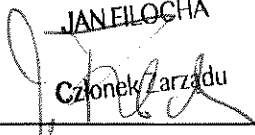
- general tax ruling referred to in Art. 14a § 1 of the Tax Ordinance,
- tax ruling referred to in Art. 14b of the Tax Ordinance,
- binding rate information referred to in Art. 42a of the Act on the Value Added Tax,
- binding excise tax information referred to in Art. 7d(1) of the Act of 6 December 2008 on the Excise Tax (Journal of Laws of 2020, items 722 and 1747).

8. Information on the Company's tax settlements in territories or countries applying the harmful tax competition, identified in the executive acts issued upon Art. 11j(2) of the Act on the CIT and upon Art. 23v(2) of the Act of 26 July 1991 on the Personal Income Tax, as well as in the notice of the minister competent for the public finance matters, issued upon Art. 86a § 10 of the Tax Ordinance

In the period started on 1 January 2020 and ended on 31 December 2020 the Company did not make any tax settlements in the territories or countries applying harmful tax competition, identified in the executive acts issued upon Art. 11j(2) of the Act on the CIT and upon Art. 23v(2) of the Act of 26 July 1991 on the Personal Income Tax and in the notice of the minister competent for the public matters, issued upon Art. 86a § 10 of the Tax Ordinance.

On behalf of Polmos Żyrardów sp. z o.o.

JANEŁOCHA
Członek Zarządu



INFORMATION ON THE IMPLEMENTED TAX STRATEGY