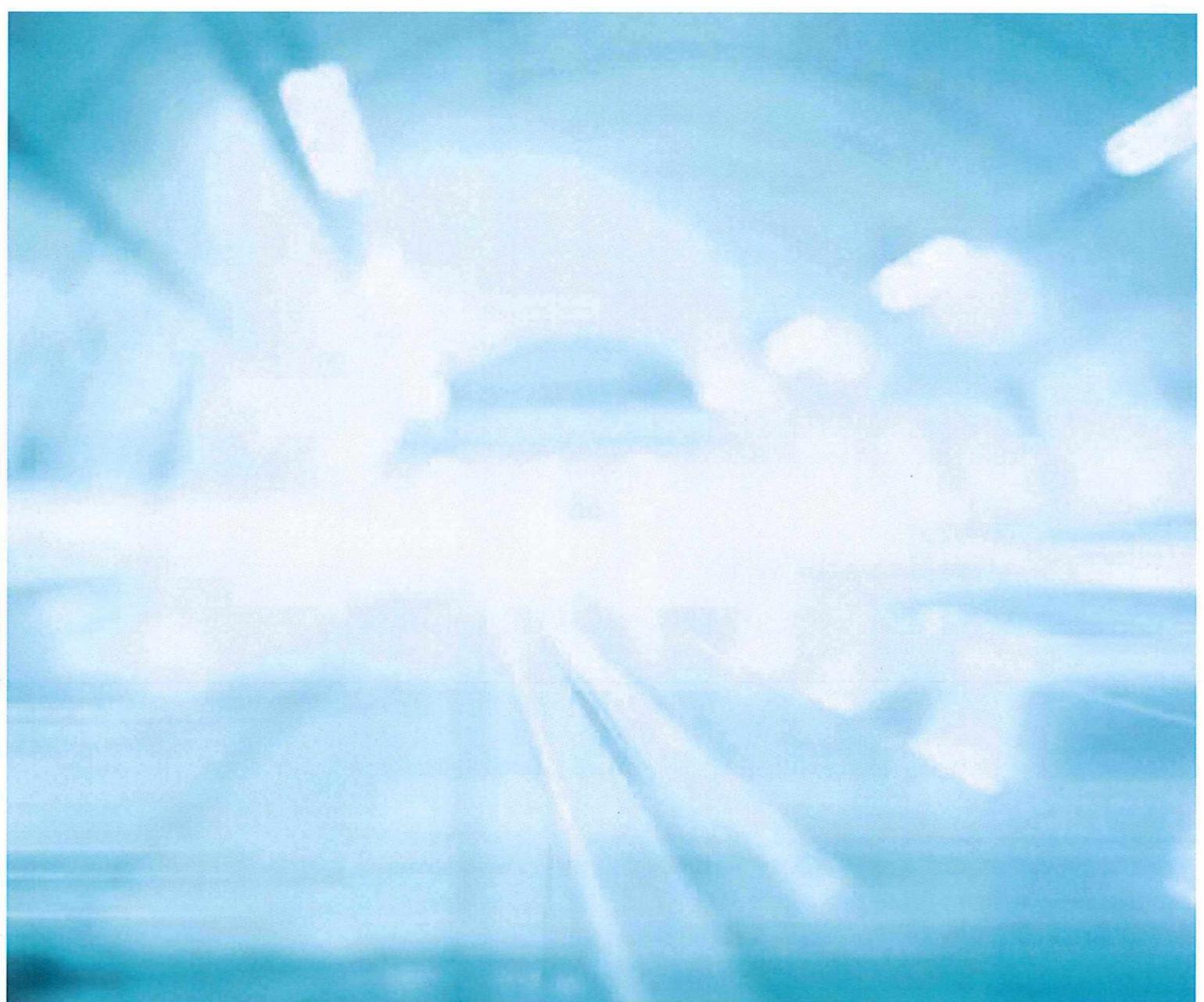


Information on the tax strategy pursued by „DWS Draexlmaier Wyposażenie Wnętrz Samochodowych Spółka z ograniczoną odpowiedzialnością”

for the tax year from 1 January 2020 to 31 December 2020



Information on the implemented tax strategy

1. Legal basis

In order to fulfil obligations under Article 27c(1) of the Corporate Income Tax Act „DWS Draexlmaier Wyposażenie Wnętrz Samochodowych spółka z ograniczoną odpowiedzialnością” (hereinafter: „DWS” or „the Company”) publishes information on its tax strategy for the tax year from 1 January 2020 to 31 December 2020.

2. Information on the Company

„DWS Draexlmaier Wyposażenie Wnętrz Samochodowych spółka z ograniczoną odpowiedzialnością”	
Headquarter	ul. Spółdzielcza 45, 58-500 Jelenia Góra
Court of registration	Spółdzielcza 45, 58-500 Jelenia Górarocław, 9th Division of the National Court Register
National Court Register number (KRS)	0000282022
PLN 130 000,00Number (NIP)	6112619914
Numer REGON	020507781
Kapitał zakładowy	130 000,00 zł

DWS is an entity within the international DRÄXLMAIER Group (hereinafter: „the Group”). The Group develops and manufactures:

- modern systems used in dashboards,
- exclusive interior components and
- electrical and electronic components for the premium segment of the automotive industry.

The DRÄXLMAIER Group is present in 20 countries around the world and, with a focus on continuous development and innovation, is one of the best suppliers in the industry. The Group works with partners such as Audi, VW, BMW, Jaguar, Land Rover, Maserati, Mercedes Benz, MINI and Porsche.

As part of the Group, the Company specialises in creating interior elements for premium class cars, and its products can be found in cars of leading global brands. The Company's activities focus on stable production processes and optimisation of the resources required for them. The Company is headquartered in Jelenia Góra, where the main production plant is also located.

Information on the implemented tax strategy

3. Tax strategy pursued by DWS

One of the main objectives of both the Company and the Group - in addition to its business activities - is to correctly discharge its tax obligations in the manner prescribed by law and within statutory deadlines. Reliable tax settlements and a safe approach to tax risks are an important part of the Company's operations. Accordingly, the Company's organisational structure is adapted not only to its size and the type of business activities it conducts, but also allows it to effectively perform the tax obligations imposed on DWS.

The Company's employees responsible for the tax area have appropriate knowledge, experience and information on economic events of significant importance for the generation and amount of tax liabilities. In accordance with the scope of their duties, the Company's employees are obliged to systematically expand their knowledge in the area of taxes and accounting by i.a. participating in trainings, using industry portals and reading tax newsletters.

The Company identifies potential tax risks on an ongoing basis and each time strives to mitigate them and eliminate areas of potential disputes with tax authorities. Therefore, as early as at the planning stage of a given transaction, departments responsible for tax issues are involved and they cooperate with the substantive departments in this respect. If necessary, the persons responsible for tax settlements at the Group level are also consulted.

For key business decisions, the Company uses the support of external advisors and available legal tools, such as individual interpretations. The Company neither carries out aggressive tax planning activities nor participates in artificial constructions aimed at tax avoidance. Transactions are executed on the basis of economic and business considerations rather than tax considerations.

In order to streamline work and the course of tax and accounting settlements, the Company uses various types of software and IT tools adapted to its needs. In this respect, the compliance of the financial and accounting systems used with the requirements of tax law is monitored on an ongoing basis.

3.1 Processes and procedures used by the Company

In carrying out its obligations under tax law, the Company operates on the basis of proven processes and good practices with appropriate support from IT systems, which i. a. remind of activities to be performed as part of tax settlements and deadlines for completion of individual tasks. Both at the Company and at the Group level, the progress of work on tax settlements is monitored on an ongoing basis, and the deadlines set are aimed at reducing the risk of delays in payment of tax liabilities.

DWS employees involved in tax settlements have appropriate knowledge and experience, as well as knowledge of the Company, which allows them to perform their duties reliably. Any doubts regarding the application of tax law are consulted internally with superiors or with the Group, and in the case of complex issues - with external advisors.

Persons involved in tax settlements are required to apply the processes implemented in the Company and their application and correct execution is monitored on an ongoing basis. The Company's procedures and approaches in each area are updated accordingly if there are changes in legislation.

Consequently, the actions taken by the Company in the performance of its tax function are by no means accidental, and their implementation is a direct result of developed and perfected practices of conduct.

Information on the implemented tax strategy

Notwithstanding the above, the Company has the following written tax procedures in place:

- „Internal due diligence procedure for withholding tax on dues paid by DWS Draexlmaier Wyposażenie Wnętrz Samochodowych sp. z o.o.”
- „Internal procedure for counteracting non-compliance with the obligation to provide information on tax arrangements in DWS Draexlmaier Wyposażenie Wnętrz Samochodowych sp. z o.o.”

3.2 Voluntary forms of cooperation with the National Tax Administration

The Company strives to maintain professional relations with the National Tax Administration authorities based on mutual trust. The Company promptly responds to all enquiries and demands of the tax authorities, actively participates in the ongoing investigations by providing comprehensive explanations and the requested source documents.

In 2020 the Company did not undertake any voluntary forms of cooperation with the National Tax Administration, in particular it did not conclude the so-called cooperation agreement.

3.3 The Company's performance of its tax obligations in the territory of Poland

In 2020 the Company performed tax obligations in the territory of the Republic of Poland regarding:

- corporate income tax („CIT”);
The Company is an entity with its registered headquarter in Poland and, consequently, is subject to unlimited tax liability for CIT. Therefore, fulfilling its obligations as a taxpayer, the Company submitted its income tax return (CIT-8) within the statutory deadline and paid the due tax.

The Company also attaches great importance to ensuring that its transactions with related parties are carried out on an arm's length basis. Therefore, in addition to transfer pricing documentation, the Company also prepares relevant benchmark studies and submits the necessary information and statements (e.g. TPR, CBC-R).

Moreover, the Company - as a payer of lump-sum CIT on income (revenues) earned by taxpayers without a registered headquarter/board in the territory of Poland - timely filed the relevant information and declarations (CIT-10Z, IFT-2/IFT-2R) and collected and paid the due tax. In this respect, DWS observes the principles of due diligence, and additionally, in the future, the Company will benefit from opinions issued for the benefit of a related entity in 2020 on the application by the payer of an exemption from collecting lump-sum income tax on receivables paid to that taxpayer.

- value added tax („VAT”);
The company is registered in Poland as an active VAT taxpayer and in 2020 it submitted monthly VAT-EU summary information, VAT returns and JPK_VAT files (later JPK_V7M). At the same time, in order to avoid possible abuse by potential counterparties, the Company exercises due diligence in verifying them, using additional software for these purposes.
- personal income tax („PIT”);
The Company is an employer with approximately 1,900 employees and therefore acts as a payer of personal income tax. Consequently, the Company paid the advances for PIT and submitted the relevant declarations / information (PIT-4R, PIT-11) within the statutory deadlines.

Information on the implemented tax strategy

- local taxes and others

The Company is also a taxpayer of real estate tax and tax on means of transport - in this respect the Company also timely submitted declarations and paid the tax in the correct amount.

3.4 Information on tax arrangements submitted to the Head of the National Tax Administration

The Company has „Internal procedure for counteracting non-compliance with the obligation to provide information on tax arrangements in DWS Draexlmaier Wyposażenie Wnętrz Samochodowych sp. z o.o.”, the purpose of which is to correctly identify economic events in light of the provisions on tax arrangements.

Based on this procedure, the Company has performed and continues to perform analyses to identify potential tax arrangements. As a result of the work carried out, it

was not identified that arrangements had arisen in the course of the Company's activities in 2020 that had met the conditions to be considered as tax arrangements.

3.5 Transactions with related parties

As of the date of preparation of this information, the last approved financial statement of DWS is this for 2020. The Company's transactions with related parties within the meaning of Article 11a paragraph 1 point 4 of the CIT Act, including entities that are not tax residents of the Republic of Poland, exceeded in 2020 5% of total assets determined on the basis of the 2020 financial statements. Below the Company presents transactions of a homogeneous nature with related parties, identified for the purposes of Article 11k of the CIT Act, whose value exceeded in 2020 5% of total assets determined on the basis of the 2020 financial statements:

Object of the transaction	Related parties involved
Serial contract manufacturing	Eldra Kunststofftechnik GmbH
Purchase of support services	LISA Dräxlmaier GmbH
Real estate leasing	JG Immobilien sp. z o.o.

Information on the implemented tax strategy

3.6 Planned or undertaken restructuring activities that may affect the Company's tax liabilities

The Company did not carry out or plan to carry out restructuring activities in 2020 that could affect its tax liabilities or the tax liabilities of related parties.

The Company is considering the creation of a tax capital group, but no binding decisions have yet been taken in this regard.

3.7 Applications submitted by the Company

When doubts arise as to the interpretation of tax law, the persons responsible for tax settlements in the Company first analyse the position of the tax authorities and the case law of the administrative courts. If necessary, the Company also consults external advisors or may apply for an individual interpretation of tax law, binding rate information or binding excise information.

The Company has not used and does not intend to use the above instruments to confirm mechanisms allowing for tax avoidance or tax optimisation. In order to maintain the correctness of its tax settlements, the Company complies with the interpretations or other letters issued in its matters.

In 2020 the Company applied for an individual interpretation of corporate income tax law with respect to determining whether the licence fee incurred by the Company is subject to limitations under Article 15e(1) of the CIT Act. In the individual interpretation issued in September 2020 the Director of the National Tax Information shared the position presented by the Company.

In 2020 the Company did not apply for any general tax interpretation, binding rate information or binding excise information.

3.8 The Company's tax settlements in territories or states applying harmful tax competition

The Company did not make any tax settlements in the territories and states applying harmful tax competition indicated in the executive acts issued pursuant to Article 11j(2) of the CIT Act and pursuant to Article 23v(2) of the Personal Income Tax Act of 26 July 1991 and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance.



Thomas Krüger
President of the
Management Board



Joanna Stawska
Member of the
Management Board