



Information on the tax strategy pursued by ZWSE Rzeszów Sp. z o.o. for the tax year 2020

The purpose of this information is to comply with the obligation imposed on ZWSE Rzeszów Sp. z o.o. by Article 27c of the Corporate Income Tax Act (Journal of Laws [*Dziennik Ustaw, Dz. U.*] of 2020, item 1406, as amended).

The information on the tax strategy pursued by ZWSE Rzeszów Sp. z o.o. for the tax year 2020 is subject to publication on the Company's website.

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1. Introduction

Taxpayer: Zakład Wykonawstwa Sieci Elektrycznych Rzeszów Spółka z o. o.

Registered office: ul. Przemysłowa 1, 35 105 Rzeszów.

Identification data: REGON [*National Business Registry Number*] 690680026, NIP [*Tax Identification Number*] 813-30-39-695.

The Company is registered in the National Court Register [*KRS*] under the number 0000085091.

The primary activity of the Company according to the Polish Classification of Activity (PKD) are works related to construction of telecommunications and electricity lines. Our history started in 1976 when ZWSE Rzeszów was established as a unit of Zakłady Energetyczne Okręgu Wschodniego [*Power Distribution Companies of the Eastern District*]. From the very beginning, the energy sector construction has been our primary activity. With the development of the market and technology, we have gained knowledge and experience. At present, we are a private enterprise offering specialist services for the energy sector.

We have operated as a Polish limited liability company [*sp. z o.o.*] since 1 November 1999. On that day, pursuant to the Notarial Deed, Register A no. 4678/99, the Company took over the assets of the state enterprise Zakład Wykonawstwa Sieci Elektrycznych Rzeszów from the State Treasury for paid use.

On 24 January 2004, pursuant to the Notarial Deed, Register A no. 195, the Agreement on the Transfer of Ownership of the Enterprise was concluded with the State Treasury. The Company has been established for an indefinite period of time.



This document presents the position of ZWSE Rzeszów Sp. z o.o. on the implementation of the tax strategy for the year 2020 and fulfilment of tax obligations in the Republic of Poland.

The Company pays corporate income tax, value added tax, it is a payer of advance personal income tax, it pays local taxes. The Company is aware that paying taxes is its obligation, it constitutes the fulfilment of the role imposed by the legislator and contributes to the social, economic and societal functioning of the state.

ZWSE Rzeszów Sp. z o.o. benefits from subsidies awarded by the public administration authorities as part of its business activity.

2. Processes and procedures for managing the fulfilment of obligations resulting from tax law and ensuring their proper fulfilment

The Board of Directors and management of ZWSE Rzeszów Sp. z o.o. ensure effective and adequate control of the organisation from the perspective of fulfilling the obligations imposed on the Company by tax law, they make all declarations in a timely manner and pay taxes. Additionally, the Company complies with the reporting obligations resulting from the provisions of law.



While planning the activities and discharging public-law liabilities, including those resulting from tax obligations, it applies the following rules:

- 1) compliance with the laws,
- 2) fairness and transparency of activities,
- 3) ethical attitude of the Company and its bodies,
- 4) payment of taxes in accordance with the relevant regulations
- 5) no non-economic transactions,
- 6) benefiting only from available tax reliefs and incentives,
- 7) no cooperation with countries applying harmful tax competition.

The Company does not apply an aggressive tax strategy. All business operations and transactions are real and are not motivated by creative planning of tax liabilities.

The Company has implemented tax risk management processes ensuring the control and monitoring of the tax risk level and the compliance with the relevant regulations.

The IT systems used by the Company and internal processes of tax management are designed to enable the observances of tax laws and regulations.

The risk is regularly analysed and mitigated using appropriate measures. For this purpose, the Accounting Department of the Company stays in regular touch with all departments of the Company. If necessary, the Company uses the services of outside consultants.



Tax obligations are determined and fulfilled by responsible and qualified employees of the Company. They ensure that the law is applied and observed through continuous acquisition and expansion of knowledge on the current tax law provisions, among others. The Company's cooperation with statutory auditors plays an important role in this regard.

As far as daily practice is concerned, ZWSE Rzeszów Sp. z o.o. applies the following procedures:

- a) Due diligence procedure applied in VAT settlements,
- b) Due diligence procedure in tax settlements,
- c) WHT procedure (withholding tax),
- d) Procedure for counteracting non-compliance of ZWSE Sp. z o.o. with the obligation to submit information on the tax schemes (MDR procedure),
- e) Transfer pricing policy.

3. Voluntary forms of cooperation with tax authorities

In tax year 2020, the Company did not use any voluntary forms of cooperation with tax authorities, it did not conclude advance pricing agreements, it did not request safeguard opinions against the General Anti-Avoidance Rule. Based on mutual respect, positive relations with public institutions and the National Revenue Administration [*Krajowa Administracja Sądowa, KAS*] bodies are built, resulting in good cooperation.



4. A list of tax obligations and the amount of information on the tax schemes submitted to the Head of the National Revenue Administration

The Company is a Polish tax resident and fulfils its tax obligations in accordance with the law.

In the tax year 2020, the Company declared and paid or remitted as a payer the following taxes:

- corporate income tax,
- value added tax,
- personal income tax,
- real estate tax,
- tax on civil law transactions,
- motor vehicles tax.

The Company did not submit to the Head of the National Revenue Administration any information on tax schemes in 2020, as these did not occur.

5. Transactions with related entities

In 2020, the Company did not enter into any transactions with related entities within the meaning of Article 11a(1)(4) whose value exceeds 5% of balance sheet total of assets within the meaning of the accounting provisions determined on the basis of



the Company's last approved financial statements, including the entities being non-residents of the Republic of Poland.

6. Restructuring actions planned or taken

The Company did not plan or take any restructuring actions that could have an impact on the amount of tax liabilities

7. ORD-OG, ORD-IN, WIS, WIA applications

In the tax year 2020, the Company did not apply for:

- a. general tax interpretation (ORD-OG) referred to in Article 14(a)(1) of the Tax Ordinance Act
- b. interpretation of tax law regulations referred to in Article 14b of the Tax Ordinance Act
- c. Binding Rate Information (WIS) referred to in Article 42 of the Value Added Tax Act
- d. Binding Excise Information (WIA) referred to in Article 7d(1) of the Excise Tax Act of 6 December 2008 (Journal of Laws of 2020, items 722 and 1747).



8. Tax havens

In 2020, the Company did not settle taxes in the territories or countries applying harmful tax competition indicated in the implementing acts adopted pursuant to Article 11j(2) of the Corporate Income Tax Act of 15 February 1992 and pursuant to Article 23v(2) of the Personal Income Tax Act of 26 July 1991 and in the Notice of the minister in charge of public finances issued pursuant to Article 86a(10) of the Tax Ordinance Act.