

## **INFORMATION ABOUT REALIZED TAX STRATEGY – IFA POWERTRAIN POLSKA SP. Z O.O.**

- IFA Powertrain Polska sp. z o.o. (hereinafter: the “Company”) conducts its business activity in a plant based in Zimna Wódka (Ujazd municipality) – within Katowice Special Economic Zone, operating as manufacturer and producer of half shafts for automotive industry..
- The Company belongs to IFA Group, a leading global manufacturer and supplier of drive shafts and joints, which are used mainly in automotive industry. IFA Group ranks among the top 50 German automotive parts suppliers, with 60-year tradition in automotive industry.
- Besides headquarters in Haldensleben, IFA Group has premises in Stuttgart, Hanau, Irxleben (Germany), Novi (USA), Charleston (USA), Shanghai (China) and Ujazd (Poland), where mainly sales, engineering or production offices / factories are located.
- IFA Group turns over 610,9 Million Euro (2023) annually and employs 2.146 staff. IFA Group is a market leader for propeller shafts in Europe and in the United States of America. IFA Group aims to grow to be ranked among the Top 100 largest automotive parts suppliers worldwide.

# **TAX MANAGEMENT**

## **TAX PROCEDURES**

The Company strives to ensure the current, timely and reliable performance of its obligations under the tax law. The Company implemented, among others, the following tax procedures:

- due diligence procedure regarding withholding tax,
- due diligence procedure regarding VAT obligations,
- procedures based on other specific provisions (AML, GDPR),
- transfer pricing IFA Group policy,
- procedure for approving / signing documents affecting tax settlement.

## **COMPANY'S FINANCIAL DEPARTMENT**

In order to ensure correctness of tax settlements, the Company employs specialists within financial department (along with department Director) with appropriate qualifications and knowledge, responsible for the fulfillment of tax obligations, the necessary supervision over tax processes and cooperation with tax authorities and external advisors.

Moreover, to ensure that the knowledge of employees responsible for tax settlements is complete and up-to-date, the Company provides employees with access to tax knowledge, including participation in periodic internal and external tax trainings.

## **EXTERNAL TAX ADVISORS**

With regard to information on current changes in tax law and complex tax issues, the Company relies on the assistance of professional third-party tax advisors.

## **IT SYSTEMS**

The Company uses IT systems that support the proper fulfillment of tax obligations, including the calculation of the correct amount of tax liabilities. IT systems are updated and serviced on an ongoing basis in order to maintain the security, correctness and continuity of data necessary to comply with tax law.

# FULFILMENT OF TAX OBLIGATIONS

Direct taxes	
CIT	Taxpayer
PIT	Tax remitter
ZUS (Social Security Institution)	Tax remitter / taxpayer

Indirect taxes	
VAT	Taxpayer

Local taxes	
Real estate tax	Taxpayer
Agricultural tax	Taxpayer

- The Company continuously monitors its tax obligations in all areas (indirect, direct and local taxes), as well monitors tax changes that may impact the tax position of the Company.
- The Company ensures correct and timely settlement of taxes using its own team of tax specialist and external experts (if needed).
- In 2023 the Company did not identify any tax schemes subject to MDR (DAC-6) reporting in Poland.
- The Company did not settle any taxes and did not conclude any transactions with contractors registered in territories or countries applying harmful tax competition.
- Due to the Company’s business profile, the global COVID-19 pandemic, did not have a significant impact on either economic and financial indicators of the Company, or its future business plans.

# TRANSACTIONS WITH RELATED PARTIES AND RESTRUCTURING ACTIVITIES

## TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in 2023 which value exceeded 5% of total assets are presented in the table below (details regarding each transaction are subject to enterprise secrecy):

Kontrahent	Odbiorca	Rodzaj transakcji
IFA Holding GmbH	The Company	Financial
IFA Holding GmbH, IFA GmbH & Co. KG	The Company	Financial

## RESTRUCTURING ACTIVITIES

In 2023 the Company did not perform any restructuring transactions that could significantly impact its tax obligations or tax obligations of any related parties. Further, the Company does not plan any restructuring transactions in the upcoming years.

## VOLUNTARY COOPERATION WITH TAX AUTHORITIES

- Whenever possible, the Company attempts to build a transparent and constructive relationship with the Polish tax authorities.
- The fact that the Company obtained a permission to conduct business activity in the Katowice Special Economic Zone based on the decision no. 479 from 31 May.2016 constitutes a major example of the model cooperation of the Company and Polish tax authorities.
- In order to maintain maximum tax security, the Company voluntarily cooperates with tax authorities whenever there are doubts as to proper tax classification of certain events / transactions inter alia by applying for individual tax rulings.
- In 2023 the Company did not file requests for individual tax rulings, general tax rulings, advance pricing agreements, binding rate information (WIS) or binding excise information (WIA).
- Nonetheless, in previous tax years the Company applied to the Director of the National Fiscal Information for individual tax rulings of tax law provisions. The Company applies previously obtained tax rulings in current business activity.