

**PAPER ON TAX STRATEGY  
IMPLEMENTED BY GHELAMCO POLAND SP. Z O.O.  
IN THE FISCAL YEAR RUNNING FROM 1 JANUARY 2022 TO 31 DECEMBER 2022**

Ghelamco Poland sp. z o.o. with its registered office in Warsaw at plac Europejski 1, 00-844 Warsaw, Tax ID No (NIP) 5261049232, Statistical ID No (REGON) 011394016, entered in the National Court Register by the District Court for the capital city of Warsaw in Warsaw, 12<sup>th</sup> Commercial Division of the National Court Register, under KRS number 0000767269 (hereinafter: "**Company**" or "**Ghelamco**") is an experienced entity specialising in office and housing projects, with appropriate tools and qualified staff to ensure that the Company fully fulfils its public legal obligations, including its obligations under tax law regulations.

In addition to continuing its operations and generating profits, it has always been Ghelamco's aim to act responsibly for the benefit of the society whose resources it uses and which makes it possible for Ghelamco to achieve its current business objectives, in particular through taxation of the Company's operations in appropriate amounts and within the deadlines provided for in the tax law. The Company's aim in this respect is not just to stick to submitting correct tax returns on time, but to be transparent with the tax administration authorities regarding the actions taken by the Company which have an impact on tax liabilities.

Given the nature and scale of its operations, in order to fulfil its tax obligations in a correct and timely manner, Ghelamco takes a number of measures aimed at a reliable recording of business events accompanying its operations and their correct classification under tax law, including in particular the implementation of appropriate rules of conduct and the use of ongoing support from professional tax advisory companies with regard to issues that raise doubts.

In view of the above, pursuant to Article 27c of the Corporate Income Tax Act of 15 February 1992<sup>2</sup>, **the Company hereby presents the Paper on tax strategy implemented by the Company in the fiscal year running from 1 January 2022 to 31 December 2022 (hereinafter: the Paper), taking into account the nature, type and scale of Ghelamco's business.**

Pursuant to Article 27c(2) of the CIT Act, this Paper on tax strategy implemented by Ghelamco in the aforementioned fiscal year contains:

- 1) Information about:
  - a) processes and procedures in place at the Company to manage and ensure the proper performance of its tax law obligations;
  - b) voluntary forms of cooperation with the National Revenue Administration authorities applied by the Company;
- 2) Information on the taxpayer's fulfilment of tax obligations in the territory of the Republic of Poland, together with information on the number of tax schemes referred to in Article 86a §

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<sup>2</sup> Consolidated text: Journal of Laws 2022, item 2587 as amended, hereinafter: **CIT Act**.

1(10) of the Tax Ordinance Act of 29 August 1997<sup>3</sup>, broken down by the taxes to which they relate, reported to the Head of the National Revenue Administration.

- 3) Information about:
  - a) transactions with related parties, within the meaning of Article 11a(1)(4) of the CIT Act, whose value exceeds 5% of total assets within the meaning of accounting regulations, as determined on the basis of the company's most recent approved financial statements, including parties that are not tax residents of the Republic of Poland;
  - b) restructuring measures planned or undertaken by the taxpayer which may affect the amount of tax liabilities of the taxpayer or related parties within the meaning of Article 11a(1)(4) of the CIT Act,
- 4) Information on applications submitted by the taxpayer to issue:
  - a) a general tax ruling referred to in Article 14a § 1 of the Tax Ordinance,
  - b) a tax law ruling referred to in Article 14b of the Tax Ordinance,
  - c) a binding rate information referred to in Article 42a of the VAT Act of 11 March 2004<sup>4</sup>,
  - d) a binding excise duty information referred to in Article 7d(1) of the Excise Duty Act of 6 December 2008,<sup>5</sup>
- 5) Information on the taxpayer's tax settlements in territories or countries applying harmful tax competition as defined in executive acts issued pursuant to Article 11j(2) of the CIT Act and Article 23v(2) of the Personal Income Tax Act of 26 July 1991<sup>6</sup> and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance

– with the exception of information protected by trade, industrial, professional or manufacturing process secrecy.

At the same time, in line with Article 27c(4) of the CIT Act, *"The paper on the Company's tax strategy implemented in the fiscal year running from 1 January 2022 to 31 December 2022"* has been made available on the Ghelamco Group's website at: <https://www.ghelamco.com/pl/investor-relations/poland/>.

## **Re item 1a**

### **Information about processes and procedures in place at the Company to manage and ensure the proper performance of its tax law obligations;**

Given the level of complexity and volatility of tax laws and the fact that it has always been the Company's intention to fulfil its tax obligations in a correct and timely manner, the Ghelamco Group, of which the Company is a member, has adopted processes and procedures for managing the performance of its tax obligations aimed at minimising tax risks.

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<sup>3</sup> Consolidated text: Journal of Laws 2022, item 2651 as amended, hereinafter: **Tax Ordinance**.

<sup>4</sup> Consolidated text: Journal of Laws 2022, item 931 as amended, hereinafter: **VAT Act**.

<sup>5</sup> Consolidated text: Journal of Laws 2022, item 143 as amended, hereinafter: **Excise Duty Act**.

<sup>6</sup> Consolidated text: Journal of Laws 2022, item 2647 as amended, hereinafter: **PIT Act**.

In particular, in 2022, the Company had in place and followed the *“Regulations setting out the tasks affecting the correctness of settlements of Ghelamco Group members' tax liabilities and identifying the individuals responsible for the performance of these tasks”*, which reflect in the corporate documentation the Ghelamco Group's rules concerning the performance of tasks affecting the correctness of tax settlements.

It should be emphasised that the *“Regulations setting out the tasks affecting the correctness of settlements of Ghelamco Group members' tax liabilities and identifying the individuals responsible for the performance of these tasks”* provide for the involvement in the Company's tax risk management process, in addition to employees of the finance department, of employees of the substantive (business) departments. The above is due to the fact that the employees of the substantive departments have the relevant expertise, competence and key information on economic events that are significant with regard to the origination and amount of Ghelamco's tax liabilities. At the same time, the aforementioned regulations provide for the classification by the Company's financial department employees of individual economic events on the grounds of tax law, based on their expertise, the applicable provisions of tax law and the prevailing judicial approach of the administrative courts, as well as - ongoing support and opinions obtained from a leading, reputable tax advisory company with adequate human and personnel resources to provide services and professional support to the Company in this respect.

In addition, given the significant importance of related-party transactions in the tax context, in order to manage potential tax risks in this area in particular, in 2022 the Company also had in place and followed:

- *“Procedure defining the settlement rules for Ghelamco Poland sp. z o.o. in respect of tax liabilities arising as a result of the provision of general contracting services to related parties”*, and
- *“Procedure defining the settlement rules for Ghelamco Poland sp. z o.o. in respect of tax liabilities arising as a result of the provision of support services to related parties”*,

specifying the rules of conduct with respect to settlements related to transactions carried out between the Company and related parties within the meaning of Article 11a(1)(4) of the CIT Act.

Furthermore, in view of the provisions of the Tax Ordinance in force as of 1 January 2019 adopted as a result of the implementation of Directive (EU) 2018/822 of 25 May 2018 into the Polish legal regime, which impose the obligation to report the so-called tax schemes, and the grave importance the fulfilment of this obligation has for sealing the tax system and eliminating harmful optimisation measures, in 2022 the Company has applied the document entitled *“Internal procedure for countering the failure to comply with the obligation to report tax schemes”*, so that Ghelamco can meet its obligations stemming from the aforesaid provisions of the Tax Ordinance. The aforesaid procedure addresses in detail the subject of the so-called tax schemes, describing in particular the rules of conduct in the Company with respect to the assessment of individual economic events in terms of their possible classification as a tax scheme under Article 86a(1)(10) of the Tax Ordinance, and provides for the ongoing support of a licensed tax advisor in this respect.

In order to ensure that the above processes and procedures are applied in practice, employees and associates of the Company are obliged to familiarise themselves with their contents and undergo regular trainings on their practical application, and any intentional breach of obligations provided for therein may be potentially classified even as a serious breach of basic employee duties.

At the same time, the aforementioned processes and procedures are reviewed and updated on a regular basis in order to continually minimise the risk of non-compliance with any tax law obligations.

#### **Re item 1b**

#### **Information on voluntary forms of cooperation with the National Revenue Administration authorities applied by the Company**

The Company is aware of the possibility of entering into a voluntary form of cooperation with the National Revenue Administration authorities; specifically, an agreement on collaboration can be signed with the Head of the National Revenue Administration, as referred to in Article 20s § 1 of the Tax Ordinance, which aims to ensure the taxpayer's compliance with the provisions of the tax law on the basis of transparency of actions taken and mutual trust and understanding between the tax authority and the taxpayer, taking into account the taxpayer's operations.

Ghelamco considered submitting an application for an agreement with the Head of the National Revenue Administration in this regard, but given the limited pool of recipients and the pilot nature of the Collaboration Programme, it did not decide to submit the aforementioned application in 2022. Nevertheless, the Company does not rule out submitting an application in this regard in the future as the Collaboration Programme becomes more available.

In view of the above, in the fiscal year running from 1 January 2022 to 31 December 2022, apart from the ongoing recording, declaration and payment of tax liabilities, the Company has not engaged in any other voluntary form of cooperation with the National Revenue Administration authorities.

#### **Re item 2**

#### **Information on the taxpayer's fulfilment of tax obligations in the territory of the Republic of Poland, together with information on the number of tax schemes referred to in Article 86a § 1(10) of the Tax Ordinance, broken down by the taxes to which they relate, reported to the Head of the National Revenue Administration**

In the fiscal year running from 1 January 2022 to 31 December 2022, the Company identified, recorded, declared and paid tax liabilities on an ongoing basis.

At the same time, in the area of reporting tax schemes, as indicated in Item 1a hereof, the Company has in place a set of rules of conduct aimed at correctly assessing the economic events accompanying the Company's operations in terms of their possible satisfaction of the conditions for recognition as a tax scheme under Article 86a § 1(10) of the Tax Ordinance.

In 2022, on the basis of the “*Internal procedure for countering the failure to comply with the obligation to report tax schemes*”, the Company analysed individual arrangements related to its operations for their possible satisfaction of the conditions for recognition as a tax scheme under the provisions of the Tax Ordinance, including with the support of licensed tax advisers from leading tax advisory companies.

In this respect, in the fiscal year running from 1 January 2022 to 31 December 2022, the Company did not report tax schemes as referred to in Article 86a § 1(10) of the Tax Ordinance.

### **Re item 3a**

**Information on transactions with related parties, within the meaning of Article 11a(1)(4) of the CIT Act, whose value exceeds 5% of total assets within the meaning of accounting regulations, as determined on the basis of the Company's most recent approved financial statements, including parties that are not tax residents of the Republic of Poland**

As reflected in the financial statements, in the fiscal year running from 1 January 2022 to 31 December 2022, Ghelamco entered into transactions with related parties, within the meaning of Article 11a(1)(4) of the CIT Act, whose value exceeded 5% of total assets within the meaning of accounting regulations, as determined on the basis of the Company's most recent approved financial statements, including parties that are not tax residents of the Republic of Poland.

These transactions concerned:

- loans advanced to related parties – to one resident and one non-resident party;
- acquisition of bonds issued by related parties – two non-resident parties;
- construction services provided by the Company to related parties – nine resident parties;
- suretyship granted to the Company by a related party – one non-resident party.

### **Re item 3b**

**Information on restructuring measures planned or undertaken by the taxpayer, which may affect the amount of tax liabilities of the taxpayer or its related parties within the meaning of Article 11a(1)(4) of the CIT Act**

In the fiscal year running from 1 January 2022 to 31 December 2022, Ghelamco did not plan or undertake any restructuring measures that could affect the amount of its tax liabilities or the amount of tax liabilities of the Company's related parties within the meaning of Article 11a(1)(4) of the CIT Act.

### **Re items 4a-d**

**Information on applications submitted by the taxpayer to issue:**

- a) a general tax ruling referred to in Article 14a § 1 of the Tax Ordinance;
- b) a tax law ruling referred to in Article 14b of the Tax Ordinance;
- c) a binding rate information referred to in Article 42a of the VAT Act;
- d) a binding excise duty information referred to in Article 7d(1) of the Excise Duty Act.

The Company has policies in place to ensure that the Company's operations are taxed in the correct amounts and within the timeframes prescribed by tax law.

Based on the aforementioned rules of conduct, in each case the Company analysed the correctness of its approach to the origination and amount of its tax liability as a result of the occurrence of individual economic events surrounding its activities, including with the involvement of licensed tax advisers from professional tax advisory companies.

At the same time, in the fiscal year running from 1 January 2022 to 31 December 2022, the Company has not made any applications for the issue of:

- a general tax ruling referred to in Article 14a § 1 of the Tax Ordinance;
- a tax law ruling referred to in Article 14b of the Tax Ordinance;
- a binding rate information referred to in Article 42a of the VAT Act;
- a binding excise duty information referred to in Article 7d(1) of the Excise Duty Act.

#### **Re item 5**

**Information on the taxpayer's tax settlements in territories or countries applying harmful tax competition as defined in executive acts issued pursuant to Article 11j(2) of the CIT Act and Article 23v(2) of the PIT Act and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance**

In the fiscal year running from 1 January 2022 to 31 December 2022, Ghelamco did not make tax settlements in territories or countries with harmful tax competition as indicated in executive acts issued pursuant to Article 11j(2) of the CIT Act and pursuant to Article 23v(2) of the PIT Act and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance.