

## Appendix 3

### INFORMATION ON THE IMPLEMENTED TAX STRATEGY

THE FISCAL YEAR TO WHICH THE INFORMATION RELATES: 2022

PUBLICATION DATE: 10.2023

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In connection with the obligation incumbent on RECARO Aircraft Seating Polska Sp. z o.o., NIP 9271876714 (hereinafter: the **Company**) under Article 27c (1) in conjunction with Article 27b (2) (1) and (2) of the Corporate Income Tax Act of February 15, 1992 (i.e. Journal of Laws 2022.2587, as amended, hereinafter: the **ITA**), the Company presents below information on its tax strategy for 2022.

The Company is a member of the RECARO Aircraft Seating Group, which operates in the aircraft seating industry. The Company identifies with the Group's tax policy, which is generally characterized by a high aversion to incurring tax risks, not engaging in aggressive tax planning and opting for tax-safe solutions (among other things). As a result, the Company pays considerable attention to meeting its tax obligations in a conscientious and diligent manner, avoiding acting on the borderline of the law, taking actions in accordance with the tax laws that apply to it.

In any case, the Company does not permit or condone knowingly violating tax rules and opposes any actions or activities that could be perceived as unfair and/or unethical.

To ensure that the aforementioned goals are met, the Company has implemented a tax strategy that defines the most relevant processes and procedures for managing the performance of tax law obligations and ensuring their proper execution. The strategic objectives are subject to regular review (initiated by persons performing assigned tax functions) and updating, in order to adapt to changes in the business environment, legislation or within the organization.

In 2022. The Company fully implemented the adopted tax strategy, including the long-term strategic tax goals defined therein.

#### **I. PROCEDURES AND PROCESSES FOR MANAGING THE PERFORMANCE OF OBLIGATIONS UNDER TAX LAW AND ENSURING THEIR PROPER EXECUTION**

Legal basis: art. 27c(2)(1)(a) UPDOP

The Company undertakes a number of measures to ensure the proper performance of its obligations under tax law. Over the years of its operations, it has developed processes and procedures to ensure the correctness of tax settlements, consisting of, among other things:

- Provide qualified staff to perform the tax function in the organization and provide the staff with appropriate training to update and develop their tax knowledge;
- Use of external advisory firms (tax, audit) for corporate income tax;
- Separation of the Finance Division, which exercises due diligence in ensuring the accuracy of the Company's tax accounts;

- Providing several levels of verification of tax settlements made;
- Developing a workflow model, including secure archiving of all documentation;
- Verifying new contractors and business partners;
- Maintaining efficient internal communication (cooperation between departments), including the collection of information and documents by the Finance Division with the support of other departments;
- use of IT solutions to ensure efficient and correct preparation of financial statements, tax returns, other documentation required by tax law, and calculation of tax and its payment;
- Adhering to the principle of transparency and cooperation with the tax authorities in tax settlements.

The Company also relies on the support of professional consulting firms by commissioning independent reviews of the fulfillment of tax obligations, including, in particular, the fulfillment of obligations related to transfer pricing documentation and reporting of tax schemes. In 2022, the Company managed the tax function and performed all related duties in accordance with the procedures and processes adopted in the tax strategy.

## **II. VOLUNTARY FORMS OF COOPERATION WITH THE AUTHORITIES OF THE NATIONAL TAX ADMINISTRATION**

Legal basis: art. 27c(2)(1)(b) UPDOP

Cooperation with tax authorities is conducted on the basis of openness and transparency. In particular, the Company performs diligently its obligations under the tax law and provides, at the request of the tax authorities, documents and information to the extent necessary for these entities to verify the correct fulfillment of tax obligations.

In 2022, the Company did not undertake any other activities related to the initiation or application of voluntary cooperation with the authorities of the National Tax Administration (hereinafter: KAS), in particular, the Company did not enter into any cooperation agreement or tax agreement with the KAS authorities within the scope of the cooperation agreement, and did not take any actions to enter into an advance pricing agreement (APA).

## **III. IMPLEMENTATION OF TAX OBLIGATIONS ON THE TERRITORY OF THE REPUBLIC OF POLAND**

Legal basis: art. 27c(2)(2) UPDOP

In 2022, the Company reviewed its tax obligations in the Republic of Poland on an ongoing basis and made settlements in:

- Corporate income tax - acting as a taxpayer and payer,
- Personal income tax - acting as a payer,
- Value Added Tax - acting as a taxpayer,
- And in terms of other fees.

Corporate income tax

The company is a Polish tax resident, subject to taxation in Poland on all income earned.

The company timely filed tax returns (CIT-8), tax information (IFT-2R) and made advance income tax payments. In terms of lump-sum tax

income from income (revenue) earned by taxpayers without a registered office or management in the territory of the Republic of Poland (the so-called "withholding tax"), the Company has collected documentation that allows it not to withhold the tax.

In 2022, the Company did not benefit from tax credits and did not experience a situation of excessive external debt in which it would be obliged to apply a limitation on the cost of debt financing (Article 15c of the ITA), and did not benefit from the bad debt relief mechanism (Article 18f in connection with 25 paragraph 19 of the ITA).

In 2022, the value of the Company's controlled transactions of a homogeneous nature exceeded the documentation thresholds referred to in Article 11k(2) of the ITA, so the Company was required to prepare transfer pricing documentation for purchases of production materials, IT services, sales of finished products and services provided.

#### Personal income tax

In 2022, the Company acted as a payer of personal income tax in connection with the payment of salaries and wages under employment contracts and assignment contracts.

The company made timely payments of advance personal income tax payments and complied with the submission of tax returns and information, such as PIT-4R, PIT-11, PIT-8AR and IFT-1R.

#### Goods and services tax

The company was registered as an active VAT taxpayer and for intra-Community transactions. The Company filed tax returns (VAT-7, VAT-EU, JPK\_VAT, VAT-EUK, JPK\_V7M) and made tax payments within the deadlines specified in the relevant regulations.

In addition, in 2022. The Company made payments using the mandatory split payment mechanism referred to in Article 108a, paragraph 1a, and verified contractors against the data contained in the list of entities registered as VAT taxpayers, unregistered, and deleted and reinstated in the VAT register (the so-called White List) referred to in Article 96b of the VAT Act.

### **IV. PROVIDED TO THE HEAD OF THE NATIONAL TAX ADMINISTRATION INFORMATION ON TAX SCHEMES**

#### Legal basis: art. 27c(2)(2) UPDOP

During the period covered by this information, the Company did not submit information on tax schemes to the Head of the National Tax Administration, as referred to in Article 86a § 1(10) of the Tax Ordinance.

### **V. RELATED PARTY TRANSACTIONS**

#### Legal basis: art.27c.2(3)(a) UPDOP

In 2022, the Company entered into a transaction with a related party within the meaning of Article 11a (1) para. 4 of the ITA, the value of which exceeds 5% of the total assets within the meaning of the accounting regulations, determined on the basis of the Company's approved financial statements for 2022, including an entity that is not a tax resident of the Republic of Poland, i.e. Recaro Aircraft Seating GmbH & Co KG; Schwäbisch Hall, Germany.

Detailed information on related party transactions is presented in Note 36 to the Company's 2022 financial statements, available on the National Court Register database.

## **VI. PLANNED OR UNDERTAKEN RESTRUCTURING ACTIVITIES**

Legal basis: art. 27c.2(3)(b) UPDOP

The Company has not undertaken, nor does it plan to undertake in the coming years, any restructuring activities that may affect the Company's or related parties' tax liabilities.

## **VII. DISPUTES, PROCEEDINGS, AUDITS, TAX SCHEMES, REQUESTS FOR INTERPRETATIONS, PROTECTIVE OPINIONS**

Legal basis: art. 27c (2) (4) UPDOP

In 2022, the Company was not a party to any litigation or tax proceedings. The Company also did not apply for or receive:

- general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance,
- interpretation of tax law provisions referred to in Article 14b of the Tax Ordinance
- Binding rate information referred to in Article 42a of the Value Added Tax Law,
- binding excise information referred to in Article 7d paragraph 1 of the Excise Tax Act of December 6, 2008 (Journal of Laws of 2022, item 143, as amended).

## **VIII. TAX SETTLEMENTS IN TERRITORIES OR COUNTRIES WITH HARMFUL TAX COMPETITION**

Legal basis: art. 27c (2) (5) UPDOP

The Company did not make tax settlements in the territories or countries practicing harmful tax competition indicated in the executive acts issued on the basis of Article 11j (2) of the ITA and on the basis of Article 23v (2) of the PIT Law and in the announcement of the Minister of Public Finance issued on the basis of Article 86a § 10 of the Tax Ordinance.

On behalf of the Company,

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(name, position)