

Polynt Composites Poland spółka z o.o.



**Information on the implemented tax strategy
for the tax year 2022
compiled in accordance with Article 27c
of the Corporate Income Tax Act binding in Poland**

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TRANSLATION FROM POLISH

I. Introduction

1. Abbreviations

The following table shows the abbreviations used in this document.

List of abbreviations	
The Company, Taxpayer	Polynt Composites Poland spółka z ograniczoną odpowiedzialnością with its registered office in Niepołomice, ul. Grabska 11D, 32-005, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court in Kraków - Śródmieście, XII Commercial Division, under the KRS number: 0000231039, NIP: 6762291677
The Group	Polynt-Reichhold, International Capital Group with its registered office in the United Kingdom, which conducts production, sales and research in the field of chemical anhydrides and their equivalents, the company belongs to
The CIT Act	The Corporate Income Tax Act of 15 February 1992
The VAT Act	The Goods and Services Tax Act of 11 March 2004
The Tax Code	Tax Code Act of 29 August 1997
The tax year 2021	The Company's tax year starting on 1 January 2022 and ending on 31 December 2022

2. About the Company

Polynt Composites Poland sp. z o.o., wholly owned by Polynt S.P.A and directly controlled by Speciality Chemicals International Limited, is a company specializing in the production, distribution and brokering of resins and granulates.

The company began its operations in 2005 as Lonza sp. z o.o., being the part of a geographic expansion strategy aimed at capturing emerging markets in Eastern Europe, by building a new factory in Poland specializing in the production of composite materials and unsaturated polyester resins. Polynt sp. z o.o plant, with an area of 34,257m², was established in 2006.

As of January 2015 the Company operates under the name Polynt Composites Poland sp. z o.o. and specializes in the production, distribution and brokerage of resins (unsaturated polyester resins), granulates (BMC and SMC) and gel coats for manufacturers in the sanitary, building and construction industries.

Polynt Composites Poland sp. z o.o. is a part of an international capital group Polynt-Reichhold with its registered office in the United Kingdom – an international pioneer in the field of research and development, as well as production and sales of chemical anhydrides and their equivalents.

3. Scope and purpose of compiling the information

Pursuant to Article 27c of the CIT Act:

- Tax capital groups
- Taxpayers other than tax capital groups, in respect of which the value of the revenue earned in the tax year exceeded the equivalent of 50 million euro converted into zloties according to the average euro exchange rate announced by the National Bank of Poland on the last business day of the calendar year preceding the year of making taxpayers' individual data public; (According to the article 27b of the CIT Act),

shall be obliged to draw up and make available to the public the information on the tax strategy implemented for the tax year.

The information on the implemented tax strategy covers (considering the nature, type and size of the business) in particular:

1. the information on the following types of activities applied by the taxpayer:
 - a. processes and procedures concerning management of the fulfilment of the duties as laid down in the tax law provisions and ensuring their proper performance,
 - b. voluntary forms of cooperation with the National Fiscal Administration,
2. the information in respect of the taxpayer's fulfilment of tax obligations in the territory of the Republic of Poland, together with the information on the number of tax arrangements reported to the Head of the National Fiscal Administration as referred to in the Article 86a paragraph 1 subparagraph 10 of the Tax Code, broken down by taxes to which this information is related,
3. the information on:
 - a. transactions with domestic and foreign related parties within the meaning of the Article 11a paragraph 1 subparagraph 4 of the CIT Act, the value of which exceeds 5% of the balance sheet assets total as per the recent approved financial statement of the company,
 - b. the taxpayer's planned or taken restructuring activities which could affect the taxpayer's tax obligations value or the tax obligations of the related parties within the meaning of the Article 11a paragraph 1 subparagraph 4 of the CIT Act,
4. the information on the applications filed by the taxpayer to the Tax Authority for :
 - a. general tax interpretation referred to in the Art. 14a paragraph 1 of the Tax Code,
 - b. the interpretation of the tax law provisions referred to in the Art. 14b paragraph 1 of the Tax Code,
 - c. the binding VAT rate information referred to in the Art. 42a of the VAT Act,
 - d. the binding excise information referred to in the Art. 7d paragraph 1 of the Act of 6 December 2008 on Excise Duty,
5. the information concerning making tax settlements of the taxpayer in the territories or countries applying harmful tax competition indicated in the implementing acts issued under the Article 11j, paragraph 2 of the CIT Act and under the Article 23v, paragraph 2 of the Act of 26 July 1991 on PIT and in the announcement of the minister competent for public finance issued under the Article 86a, paragraph 10 of the Tax Code

– exclusive of the commercial, industrial, professional and the production process confidential information.

TRANSLATION FROM POLISH

II. Information on the implemented tax strategy

1. Processes and procedures

The information on the processes and procedures applied by the taxpayer concerning management of the fulfilment of the duties as laid down in the tax law provisions and ensuring their proper performance.

a. General information

The Group conducts its operations in a variety of countries, what is associated with requirement to comply with applicable local laws and responsibility towards local authorities, investors, contractors and communities in given country. Meeting the tax obligations in a proper way is a way of supporting local community and demonstrating connection with it. Therefore, the Company has set a goal to build a qualified and competent team responsible for the tax functions, which supports the Company in monitoring its compliance with tax laws and regulations.

In 2021 the Company did not draw up a document describing the implemented and pursued tax strategy (understood as both: policies and supervision over the tax functions). Due to low level of complexity of the Company's settlements, drawing up a tax strategy was not considered necessary to properly meet the Company's obligations in this area. The Company uses instructions covering selected tax issues where principles of tax settlements are outlined. The Company's policies of managing the fulfilment of tax law obligations are derived from the developed scope of duties of a person employed in a given position and the applicable hierarchy.

b. Tax risk

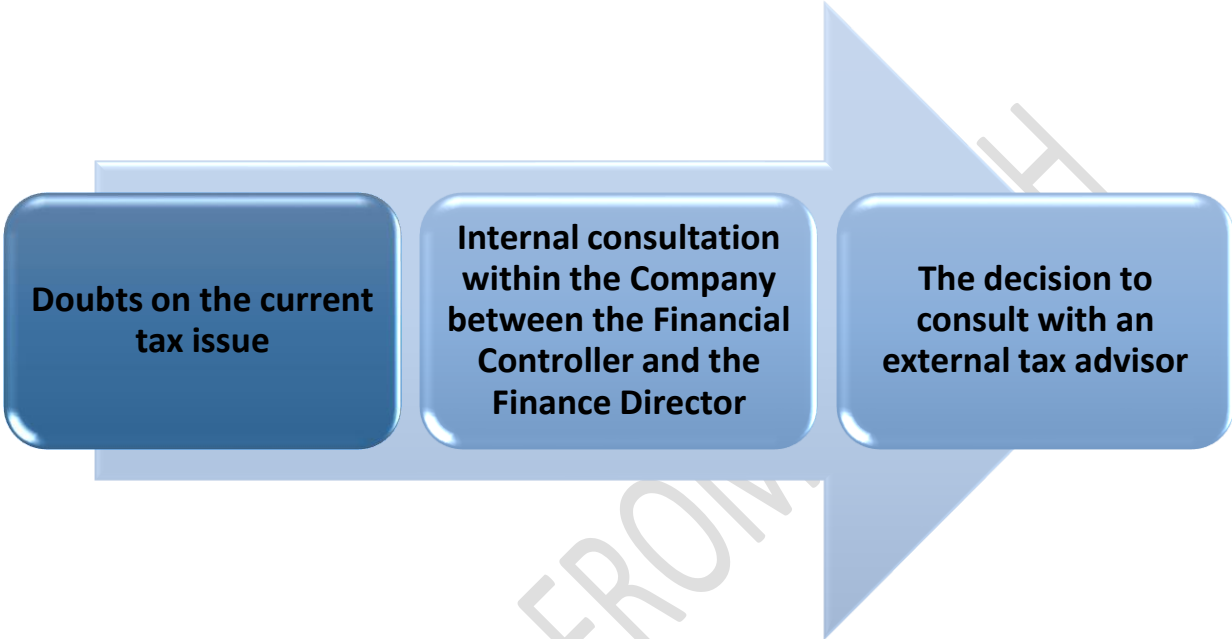
- *Identification of potential tax risks*

The Company exercises due diligence to ensure that the recognition of transactions with both related and unrelated parties complies with applicable tax laws. Therefore, the Company performs ongoing monitoring of the approach of the tax authorities (interpretations, clarifications, other guidelines) and the jurisprudence of administrative courts. Tax issues, especially areas of tax law that raise doubts/difficulties concerning their interpretation, are discussed on a regular basis within the Company's internal structure (in particular among persons involved in the tax settlements). These actions are taken in order to minimize potential tax risks.

- *Mitigation of tax risks*

To the extent that the Company is uncertain about the application of tax law, decision in this matter is made by the local management (the Financial Controller in consultation with the Finance Director). In such cases the Company is also open to undertake a dialogue with the relevant tax authority in order to apply solutions that provide certainty as to compliance with the applicable regulations. In particular, the Company relies on the assistance of consultants of the National Tax Information and communicates with the relevant tax office. To the extent there are issues that, after discussion between the Financial Controller and the Finance Director, still raise doubts, the Company decides that it is necessary to consult them with an external tax advisor. Opinions submitted by the tax advisor are then reviewed again internally (i.e. in principle by the Financial Controller and Finance Director).

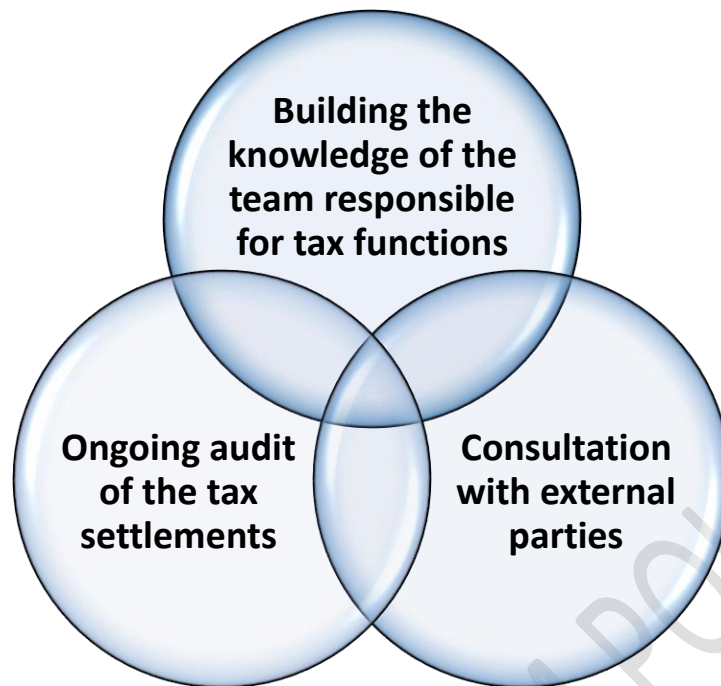
The Company exercises due diligence to ensure proper pricing in transactions with related parties. Both: master and local files are prepared in accordance with the OECD guidelines in cooperation with a reputable tax consulting firm. With respect to the international issues that may have impact on the tax settlements, the Company remains in contact with its group Tax Manager and group tax advisor.



Key actions taken by the Company in 2022 to identify and mitigate tax risks included inter alia:

- ✓ cooperating with external advisors (as to events and issues) to the extent that the Company was uncertain about the application of the respective tax law,
- ✓ annual limited tax review performed during a statutory audit of the financials,
- ✓ use the support of an external advisor in the timely and correct preparation of the transfer pricing documentation (local file),
- ✓ regular participation in specialist trainings of persons involved in the tax functions,
- ✓ ongoing review of newsletters, periodicals and tax alerts published by advisors collaborating with the Company, as well as employees' own analysis of press releases regarding tax matters and of news/guidelines published on the website of the Ministry of Finance.

The Company's tax risk identification and mitigation policies are therefore based on three pillars:



c. Tax risk acceptance level

The Company always selects cautious options with regard to the tax issues raising concerns. The Company's allocation of tasks and tax management resources have been designed to enable compliance with tax laws and regulations. Risks are analysed on a regular basis and mitigated with appropriate measures. Important role in this field is played by monitoring of tax law changes by qualified staff and cooperation with external advisors. The Company does not participate in transactions or structures intended solely to obtain tax benefits. The Company also ensures that prices in transactions with related parties are set properly (i.e. in line with the arms' length principle).

The Company treats the proper determination of the tax amount and its timely payment as one of its investments in the society in which it operates, and these are one of the many ethical values that guide its daily operations.

d. Roles and responsibilities, submission of tax returns, payments

The person responsible for tax settlements at the Company is the Financial Controller.

To the extent that the Company is uncertain about the application of the tax law, the final decisions are made locally, by the Chief Accountant together with the Finance Director.

Tax returns are signed by the Management Board or the Financial Controller or a designated employee of the Accounting Department (depending on the type of return), within the granted powers of attorney.

The level of involvement of the Company's Management Board in the decision-making process regarding tax planning should be considered as high. Every business decision is made taking into account all possible tax consequences and is preceded by an analysis. The Company's management is also responsible for maintaining and implementing group tax law security standards and for assigning a contact person in the tax law area (and an alternate) to communicate with the group tax department.

2. Forms of cooperation with the National Fiscal Administration

Information on voluntary forms of cooperation with the National Fiscal Administration applied by the taxpayer

As no cooperation agreement has been concluded, formally the Company is not a party to the voluntary cooperation agreement with the National Fiscal Administration authorities. In case of current doubts about the scope of its tax obligations, the Company occasionally consults with the National Fiscal Administration or the officers of the relevant tax office (as of 1 January 2021: First Mazovian Tax Office in Warsaw).

3. Fulfilment of tax obligations

Information in respect of the taxpayer's fulfilment of tax obligations in the territory of the Republic of Poland, together with the information on the number of the reported tax arrangements under the mandatory disclosure regime

- a) In the tax year 2022, the Company fulfilled its tax obligations primarily in the area of the following taxes:

Tax type	Company's role
CIT	Taxpayer
Personal Income Tax	Tax remitter
VAT	Taxpayer
Real Estate Tax	Taxpayer
Other (e.g. ORD-U, TPR, IFT, CBC)	Taxpayer/Tax remitter

With respect to the aforementioned taxes the Company submitted all returns required by law and paid the tax due.

- b) In the tax year 2022 the Company did not benefit from any tax relief in repayment of tax liabilities within the meaning of Division III, Chapter 7a of Tax Code.
c) The company did not benefit from any tax credits.
d) In the tax year 2022 the Company did not submit any information on the tax schemes to the Head of the National Fiscal Administration.

4. Transactions with related parties

Information on transactions with domestic and foreign related parties within the meaning of the CIT Act, the value of which exceeds 5% of total value of assets as per the recent approved financial statement of the company

In the tax year 2022 the Company entered into two transactions with related parties within the meaning of the CIT Act, the value of which exceeds 5% of total value of assets as per the last approved financial statement of the Company. The subject of the first transaction was the sale of products to a related party, which is a non-Polish tax resident, the second transaction is purchase raw materials from parent company which is a non-Polish tax resident.

5. Restructuring operations

The taxpayer's planned or taken restructuring activities which could affect the amount of the taxpayer's tax obligations or the tax obligations of the related entities

In the tax year 2022 the Company did not plan or undertake any restructuring activities that could affect the amount of its tax obligations or the tax obligations of its related entities, in particular operations involving:

- ✓ merging the Company with another entity,
- ✓ transformation of the Company into another company,
- ✓ receipt of an in-kind contribution involving enterprise or its organized part by the Company (also within division of the Company),
- ✓ exchange of shares.

6. Requests for the issue of interpretations and binding information

The information on the requests filed by the taxpayer for the issue of: general tax interpretation, the interpretation of the tax law provisions, the binding VAT rate information or the binding excise information

In the tax year 2022 the Company did not file any request for the issue of: general tax interpretation, interpretation of the tax law provisions, binding VAT rate information or binding excise information.

7. Making tax settlements in the territories or countries pursuing harmful tax competition

The information on any tax settlements by or on behalf of the taxpayer in the territories or countries pursuing harmful tax competition as defined in the CIT Act

In the tax year 2022 the Company did not make any tax settlements in the territories or countries pursuing harmful tax competition.