

**INFORMATION ON
THE TAX STRATEGY IMPLEMENTED**

“BROWN BROTHERS HARRIMAN (POLAND)”
Spółka z ograniczoną odpowiedzialnością

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[Updated on: -]

[Approved by: the Management Board of the Company]

BROWN BROTHERS HARRIMAN (POLAND) SP. Z O.O.

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BROWN BROTHERS HARRIMAN (POLAND) SP. Z O.O. WITH ITS REGISTERED OFFICE IN KRAKÓW AT THE ABOVE ADDRESS.
REGISTERED IN THE REGISTER OF ENTREPRENEURS OF THE NATIONAL COURT REGISTER HELD BY THE DISTRICT COURT
FOR KRAKÓW ŚRÓDMIEŚCIE IN KRAKÓW, WITH NUMBER KRS 0000365084. NIP PL6751437605. PLN 5,000.

List of terms and abbreviations

For the purposes of this document, the terms below have the following meanings:

Term/Abbreviation	Definition/Description
2020	Tax year starting 1 January 2020 and ending 31 December 2020
Company, BBH Poland	"BROWN BROTHERS HARRIMAN (POLAND)" spółka z ograniczoną odpowiedzialnością
Group, BBH Group	An international group of Brown Brothers Harriman companies all over the world
CIT Act	Act of February 15, 1992 on Corporate Income Tax (consolidated text, Journal of Law 2021, item 1800, as amended)

Introduction

This document presents the information on execution of the tax strategy in 2020 by Brown Brothers Harriman (Poland) which is part of the BBH Group in Poland.

Brown Brothers Harriman (Poland) as a taxpayer of corporate income tax with revenues exceeding EUR 50 million in 2020 is required to prepare and publish information on the implemented tax strategy for the financial (tax) year ended on December 31, 2020.

The information on execution of the tax strategy was prepared in accordance with article 27c paragraph 2 of the Act of February 15, 1992 on corporate income tax (consolidated text, Journal of Laws of 2021, item 1800, as amended).

„BROWN BROTHERS HARRIMAN (POLAND)” Sp. z o.o.

The main subject of business activity of BBH Poland is the provision of administrative and operational support services - the so-called back office support. The recipients of the activities performed by BBH Poland are entities from the BBH Group that are foreign tax residents. The Service Recipients use the support services provided by the Company in the course of providing services to external clients of the BBH Group, such as, for example, banks and collective investment schemes.

Table 1. Basic information about the Company

Company name	"BROWN BROTHERS HARRIMAN (POLAND)" sp. z o.o.
Company registered office	ul. Stanisława Klimeckiego 1, 30-705 Kraków
Identification data	KRS (National Court Register) number: 0000365084 NIP (Taxpayer Identification Number) number: 6751437605 REGON (Business Statistics Number) number: 121337007
Share capital	PLN 5 000
Date of entry into the register of entrepreneurs of the National Court Register	2010-09-13
Number of employees (average employment) in 2020	1 584

Processes and procedures for managing the fulfillment of obligations under tax law and ensuring their proper performance

In 2020 the Company's rules of conduct in tax matters was based on the provisions of tax law and generally accepted good practices in this area. In order to effectively implement rules of conduct, BBH Poland has developed appropriate processes and procedures that ensure the proper performance of obligations under tax law. They have been developed and implemented taking into account the nature of the Company, its organizational structure and the specifics of providing administrative and operational support services within which the Company operates, and also keeping them in line with the principles and mission of the BBH Group.

In order to ensure the compliance of tax settlements with the regulations and to ensure the stability of the processes performed, the duties were performed by qualified tax specialists employed in the Company, supported by highly specialized members of the BBH Group's firmwide tax department. The Company followed its tax strategy which determined the Company's approach to key tax issues, i.e. the Tax Code of Conduct, and implemented written procedures for the settlement of individual taxes to ensure compliance of the settlements with the provisions of the tax law. These procedures are updated at least once a year.

Risk management and internal controls

In the scope of risk management and inspections, the Company took steps to identify potential tax risks through appropriate inspections and monitoring, and thereafter to eliminate or reduce them. The Company manages the risk by following a conservative tax profile, striving to permanently improve the tax risk profile and to minimize the negative effects of the misinterpretation that could lead to a dispute with tax authorities.

Risk identification and assessment is based on the experience and expertise of BBH Poland employees, as well as employees of the BBH Group's firmwide tax department. BBH Group's firmwide tax department is informed about tax risks in Poland and co-decides on actions taken to reduce the risk. Risk level assessment is often carried out with the support of professional consulting companies with which BBH Poland cooperates on an ongoing basis.

The Company employees follow changes in tax law up to date in order to ensure that the settlements are compliant with applicable law. Additionally, the Group's tax specialists are responsible for coordinating activities that have a significant impact on the Company's tax settlements in a manner consistent with the BBH Group, while ensuring compliance with local tax regulations.

Employees are also required to follow the Company's Tax Code of Conduct, which is consistent and coherent with the values that BBH Poland adheres to while implementing its strategy and business goals.

Information management and record keeping

In order to ensure the correct and complete record of the collected data, the Company was in possession of IT tools which maintain the integrity of the data entered and automate work, e.g. Oracle Peoplesoft. The IT tools were adapted to the current needs of the Company and formed the basis for the proper preparation and completion of tax returns, financial statements and other statutory obligations.

Voluntary forms of cooperation with the bodies of the National Revenue Administration (KAS)

The Company did not use any voluntary forms of cooperation with National Revenue Administration authorities within the meaning of article 27c paragraph 2 point 1 letter b of the Corporate Income Tax Act.

Information on the tax obligations fulfilled by the Company on the territory of the Republic of Poland

The overriding goal of the Company in terms of tax obligations was reliable reporting and compliance with regulations, including timely submission of all tax declarations, forms and information, collecting documentation and meeting tax payment deadlines with due diligence. BBH Poland made every effort to ensure that the information provided reflects the facts faithfully and precisely and is complete, up-to-date, clear and transparent.

The Company appropriately fulfilled its tax obligations in all areas required by tax law, taking into account the scope of the Company's operations. The main taxes under which the Company performed its obligations are corporate income tax (CIT) and value added tax (VAT). Information on the settlement of corporate income tax, in particular, value of tax revenues, tax deductible costs, tax income or due tax are published by the Ministry of Finance on its website¹.

In addition, BBH Poland performed the obligations of the tax remitter in the field of personal income tax (PIT) and withholding tax.

Information on the amount of information on tax schemes provided to the Head of the National Revenue Administration (KAS), broken down by taxes to which it relates

In 2020, the Company verified whether certain events result in the obligation to report tax schemes and did not identify any events that would be subject to the obligation to report as a tax scheme. Therefore, in 2020, the Company did not provide the Head of the National Revenue Administration with any information on tax schemes pursuant to article 27c paragraph 2 point 2 of the Corporate Income Tax Act.

¹ <https://www.gov.pl/web/finanse/indywidualne-dane-podatnikow-cit>

Information on transactions with related entities

In 2020, the Company entered into the following transactions, the value of which exceeds 5% of the total assets within the meaning of the Accounting Act, determined on the basis of the Company's approved financial statements for 2020:

- sale of back office service to related entities based in the United States, Ireland and Luxembourg.

The above-mentioned transactions are covered by the local transfer pricing documentation for 2020 and are consistent with the data included in the transfer pricing information (TPR-C form) submitted by the Company for 2020.

Information on restructuring activities planned or undertaken by the Company that may affect the amount of tax liabilities of the Company or related entities

In 2020, the Company did not undertake or plan to undertake any restructuring activities that could affect the amount of the Company's tax liabilities within the meaning of article 11a paragraph 1 point 4 of the Corporate Income Tax Act.

Information on making tax settlements for the taxpayer in territories or countries which apply harmful tax competition

The Company did not make tax settlements in territories or countries which apply harmful tax competition indicated in executive acts issued pursuant to article 11j paragraph 2 and pursuant to article 23v paragraph 2 of the Act of 26 July 1991 on personal income tax and in the announcement of the minister competent for public finance issued pursuant to article 86a paragraph 10 of the Tax Code.

In particular, in the above-mentioned territories/countries, in 2020, the Company:

- has not been registered for the purposes of tax settlement;
- did not submit tax declarations or forms;
- did not collect and pay taxes.

Information on motions submitted by the Company

In 2020, the Company did not submit any motions for the issue of:

- individual tax ruling referred to in article 14b of the Tax Code;
- the general tax ruling referred to in article 14a paragraph 1 of the Tax Code;
- binding rate information referred to in article 42a of the Value Added Tax Act;
- binding excise information referred to in article 7d paragraph 1 of the Excise Duty Act.