

Information on the implemented tax strategy for 2020

Juki Central Europe Sp. z o. o. (" Company "), fulfilling the obligations under Art. 27c of the Act of February 15, 1992 on corporate income tax (Journal of Laws of 2021, item 1800), adopted a written version of the implemented tax strategy. The document was adopted pursuant to a resolution of the Management Board of the Company and is generally available to employees involved in processes related to tax settlements.

The Company's tax settlements for 2020 were the subject of an analysis carried out by an independent entity - a tax advisory company.

In the light of the implemented tax strategy, the Company applies a number of processes and procedures for managing the performance of obligations under the tax law and ensuring their proper performance, in particular regarding:

1. preparation of tax declarations, including the principles of controlling the correctness of their submission to the relevant authorities and making timely payments of tax receivables,
2. issuing sales invoices, describing the methods of proper verification of contractors,
3. making purchases, making payments and settling purchase documents,
4. personal income tax settlement, including the correct preparation of tax declarations and timely payment of the tax,
5. resolving any tax doubts, including, in particular, the admissibility of recognizing tax costs and deducting input VAT,
6. fulfillment of obligations related to the need to pay withholding tax, including in particular the procedure of verifying whether the conditions for applying a reduced rate or exemption from withholding tax are met,
7. implementation of statutory obligations in the field of transfer pricing, including the preparation of relevant documentation and submission of required declarations,
8. procedures in the field of warehouse inventory and approval of its results,
9. constant monitoring of amendments to tax law and the rules for the implementation of new statutory obligations,
10. participation in tax proceedings, including the principles of cooperation with the tax authority in the event of verification activities or tax audits,
11. reporting violations in the field of tax and legal matters and proceeding in the event of confirmation of a violation.
12. archiving of documents, including, in particular, documents significant from the perspective of tax settlements

The processes and procedures used by the Company take into account the specificity of the company's operations and ensure reliable and timely fulfillment of tax obligations, and minimize the risk of tax irregularities. As part of the indicated processes and procedures, the Company additionally defined the scope of responsibility of individual employees for the proper performance of duties related to tax settlements.

In 2020, the Company did not use voluntary forms of cooperation with the bodies of the National Tax Administration.

In 2020, the Company carried out the following transactions with related entities (including entities that are not tax residents of the Republic of Poland), the value of which exceeded 5% of the balance sheet total of assets, determined on the basis of the last approved financial statements of the Company:

1. Juki Corporation (Japanese company):

- purchase of machinery and services - PLN 190,486,532.65
- sale of machinery and services - PLN 3,072,785.55

2. Juki Italia SPA (Italian company):

- sale of machinery and services - PLN 30,364,817.19
- purchase of machinery and services - PLN 81,795.86

In 2020, the Company did not make tax settlements in territories or countries applying harmful tax competition.

In 2020, the Company did not submit any applications for a general tax interpretation, interpretation of tax law, binding rate information or binding excise information.

In 2020, the Company did not provide the Head of the National Revenue Administration with any information

on tax schemes within the meaning of Art. 86a § 1 point 10 of the Tax Ordinance Act of August 29, 1997 (Journal of Laws of 2021, item 1540). At the same time, the Company, while fulfilling its statutory obligations related to the prevention of failure to comply with the obligation to provide information on tax schemes (MDR), performs periodic, internal verification of events occurring in the Company that could potentially result in the obligation to provide information on the tax scheme.

In 2020, the Company did not undertake or planned any restructuring activities that could affect the amount of its tax liabilities or the tax liabilities of related entities.