

Report on the tax strategy used by the company in 2022
STALMAG limited liability company

NIP 526-27-25-801

based on Article. 27c of the Act of February 15, 1992 on corporate income tax

STALMAG sp. z o. o. is an entity operating in the field of wholesale of metal ores and ferroalloys, registered in the National Court Register under number 0000174994, with its registered office at ul. Piotra Niedurnego 70 in Ruda Śląska, with a share capital of PLN 50,000. It sells both within Poland and to foreign contractors from all over the world, so the activity is carried out on a large scale. Average employment in 2022 was 18 people.

However, there are no transactions with related entities whose value exceeds 5% of the balance sheet total of assets within the meaning of the Accounting Act. The company did not undertake any restructuring activities that could affect the amount of tax liabilities. No settlements were made in territories or countries using harmful tax competition. The management board of STALMAG is aware of the sources of tax risk, both external and internal to organizational structures. External factors such as variable tax law in Poland, non-uniformity of tax interpretations or market changes generate the Management Board's vigilance in terms of business decisions. In order to constantly minimize tax risk caused by external factors, the management body constantly cooperates with external entities specializing in areas such as accounting, tax consultancy or administrative and economic law. In case of interpretation doubts regarding the application of tax law provisions, the management body is aware of the possibility of submitting a request to the National Tax Administration authorities for an individual interpretation of tax law provisions or for binding rate information. This makes it possible to refer a specific economic event to the provisions of tax laws. During 2022, no application was submitted for a general interpretation of tax law, binding rate information or binding excise information. However, an application was submitted and an individual interpretation of tax law was obtained in the field of tax on goods and services.

Tax risk caused by internal factors, e.g. insufficient knowledge of the Company's employees in the field of taxes, imprecise division of responsibilities or lack of formalized tax procedures, is also minimized through a number of actions taken. The source of knowledge and main support in the field of taxes is an external entity specialized in this field, which, pursuant to an agreement, keeps the Company's commercial books and other tax records, calculates the tax base and the amount of tax due, submits declarations and information on behalf of the Company to the relevant tax authorities and constantly provides advice in this area. IT tools are used to make settlements, including a professional financial and accounting system that allows for the automation of some processes and

eliminating the risk of human error. A professional system allows the collected data to be complete and properly stored, taking into account data protection regulations. It also has security measures that prevent access by unauthorized persons. The company has created an appropriate internal structure, thanks to which there is a clear division of employee responsibilities at all levels, both in terms of business and social contacts and the obligations to timely settle tax liabilities. Establishing clear tasks, duties and responsibilities supports the efficient and correct circulation and control of documents. Contacts with the National Tax Administration authorities are carried out efficiently and with due respect for both parties. A tax advisor who is the Company's representative plays an important role in these contacts. The management body ensures that all answers and explanations are provided to the tax authorities as quickly and clearly as possible. He is also fully aware that the inspections and verification activities carried out serve the proper functioning of the enterprise and support the transparency of decisions and activities in the economic area. Relating the awareness of the existing tax risk to the so-called *risk appetite* It should be noted that the Company's management body strives for the most favorable tax solutions, which may require additional explanations before the National Tax Administration authorities, but these actions are taken based on the tax law in force in the country. As already mentioned, doubts are dispelled by specialist advice and existing tools in the form of requests for individual interpretations.

The management body is involved at the highest level in the tax planning decision-making process, and decisions and activities are reported appropriately. Both the management body and the Company's professional representatives are always ready to dialogue with the National Tax Administration authorities, accept reservations and immediately clarify doubts. The managing body also takes due care in verifying the reliability of its contractors through systems such as VIES or the list of taxpayers registered as VAT payers, which significantly reduces the possible risk of fiscal penal liability. Before signing the contract, each entity - both the buyer and the recipient of STALMAG - is verified in available databases and business intelligence agencies; real beneficiaries are also identified. The verification takes into account the tax aspects of the transaction as well as the obligations arising from the Act on Counteracting Money Laundering and Terrorist Financing. The decision-making process when signing contracts is multi-stage. It takes into account economic aspects that are supervised by the management body and employees; tax aspects of transactions supervised by a tax advisory office, or legal aspects falling within the competence of a law firm cooperating with the Company. Many years of experience in the metal ore trade market make it easier to identify entities in terms of their reliability and legality of their activities. The diagram below illustrates the described process.

The process of accepting external invoices includes the following stages: substantive verification - consisting in examining the compliance of the document with the state

actual and concluded contract, as well as verification in terms of accounting and formalities. Sales invoices follow a similar process. In Poland, the company pays current advances on corporate income tax, as a payer it pays advances on personal income tax and - as an entity registered as an active VAT payer - it pays the tax due on goods and services.

The tax strategy of STALMAG takes into account all significant risks and uncertainties that are significant for the company's financial condition for a period of 12 months. All activities undertaken by the management body are intended to achieve specific business goals while maintaining the transparency of these activities and compliance at every stage with applicable tax law.

