

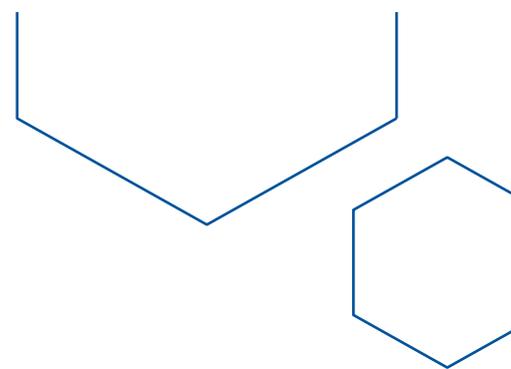


GROUP POLICY

Tax Policy

Draslovka a.s.

Draslovka



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Confidentiality Statement

All information contained in this document is public. It does not contain confidential information and can be shared with relevant external third parties.

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1 Purpose and Scope

1.1 Purpose

Draslovka recognizes its corporate responsibility to contribute its fair share of taxes in all countries where it operates, ensuring full compliance with tax obligations and, at the same time, safeguarding sustainable value creation and minimizing risk. To achieve this, Draslovka has established clear and transparent processes for tax compliance and accurate and timely reporting directed at the collecting, paying, and reporting of all taxes relevant to its global operations.

The purpose of this Policy is to (i) detail the framework for managing tax risks across the Group, and (ii) define tax risk management requirements consistent with OECD Guidelines that need to be implemented within Group.

Non-compliance with Applicable Tax Laws can expose Draslovka and/or Employees to significant penalties and reputational damage. Employees who violate the requirements of this Policy will be subject to disciplinary actions which may include termination of employment.

1.2 Scope and Implementation

This Policy is mandatory and applies to all Employees and all Group Companies, insofar as it does not contradict local legislation. The implementation of this Policy in the Group shall be proportionate and take into account the size and internal organization of a Group Company and the nature, scale and complexity of its activities. Application of this Policy shall also reflect operational and country-specific risks and requirements of Applicable Tax Laws.

1.3 Related Documents

This Policy refers to other documents that are to be considered an integral part of the guidance herein provided. These documents include:

- (i) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct,
- (ii) OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022,
- (iii) OECD Model Tax Convention on Income and on Capital,
- (iv) [Group Accounting and Consolidation Policy](#), and
- (v) [Group Remuneration Policy](#).

2 Roles and Responsibilities

This clause defines roles and responsibilities related to matters covered by this Policy.

Group level

2.1 Board of Directors of Draslovka a.s.:

- a) approves this Policy and ensures its regular review, at least annually,
- b) oversees the implementation of this Policy,
- c) approves change of tax residency of any Group Company, and
- d) defines the overall tax strategy, ensuring alignment with the Group's business objectives and regulatory requirements.

2.2 Group CEO:

- a) approves Group measures to identify, assess, and mitigate tax risks,
- b) oversees the approach to handling tax audits and resolving disputes with tax authorities, and
- c) approves any large tax payments or settlements, as submitted by the Group Head of Tax.

2.3 Group Head of Tax:

- a) is responsible for implementation of this Policy,
- b) monitors, oversees and controls the implementation of this Policy in Group Companies and regularly considers its suitability, adequacy, and effectiveness,
- c) regularly evaluates and measures tax compliance levels,
- d) defines approach to management of tax risk and related controls,
- e) coordinates and regularly communicates with Managers with Tax Responsibilities,
- f) issues Group Guidelines implementing OECD requirements for Country-by-Country Reporting and Global Anti-Base Erosion Model Rules (Pillar Two), and
- g) provides guidance to Employees in relation to any concern, suspicion or uncertainty related to tax or interpretation of Applicable Tax Laws.

Group Company or Business Unit level

2.4 Group Company Approving Body:

- a) approves local implementation of this Policy and ensures regular review of its implementation, at least annually, and
- b) has overall responsibility for ensuring that local implementation of this Policy complies with Group Company's tax obligations, including Applicable Tax Laws.

2.5 Business Unit Director:

- a) is responsible for the local application of this Policy in a Group Company,
- b) ensures that the Group Company meets all its tax obligations, including filing returns and paying taxes on time, and
- c) promotes tax compliance culture within a Group Company.

2.6 Manager with Tax Responsibilities:

- a) is responsible for Group Company's (or business unit's) compliance with this Policy and Applicable Tax Laws,
- b) submits tax returns to local tax authorities in accurate and timely manner,
- c) communicates with local tax authorities and tax advisors,
- d) involves Group Head of Tax and Group General Counsel in cases specified in clause 3.2, and
- e) reports material issues to Group Head of Tax.

In case the Manager with Tax Responsibilities function does not exist in a Group Company or business unit, the Business Unit Director shall be responsible for ensuring that the requirements set out by this Policy are properly implemented in a Group Company.

3 Tax Governance Framework and Risk Management

3.1 Tax Governance and Expertise

Draslovka's approach to tax management is closely aligned with its business strategy and operational processes. Draslovka is committed to managing its tax affairs proactively and with the highest level of professionalism. For this purpose, Draslovka employs a global team of highly trained tax and finance professionals that are supported by centralized compliance and reporting teams, including Group Head of Tax, who are dedicated to ensure compliance with tax obligations. This centralized structure is essential for maintaining consistency to tax matters Group-wide.

Group Companies that do not have dedicated tax personnel shall engage reputable external professional service providers who provide support on technical tax issues and compliance matters as needed. This approach allows the relevant teams to stay current with Applicable Tax Laws, which are subject to frequent changes, and ensures that the relevant teams are well-informed and compliant.

3.2 Tax Risk Management

In cases that involve:

- (i) material changes to existing business activities including new products, services and promotions,
- (ii) any business or share acquisition(s) and disposal(s),
- (iii) any change in corporate structure,
- (iv) any cross-border financing arrangement(s),
- (v) any significant business transaction(s),
- (vi) any intra-group arrangement(s), including intra-group trading, and
- (vii) any significant new process affecting tax compliance,

the Manager with Tax Responsibilities must immediately inform and consult the Group Head of Tax, Group General Counsel and Group Company Financial Director. These functions must be consulted early in the planning phase, to ensure arrangements are compliant with this Policy and are properly documented. The commercial need can in no circumstances override compliance with all Applicable Tax Laws.

3.3 Tax Disputes

Draslovka is committed to paying the legally due amount of tax in every jurisdiction, in accordance with the rules established by governments. However, certain areas of tax law may contain ambiguities that can lead to differing interpretations by taxpayers and tax authorities, potentially resulting in tax disputes. While Draslovka strives to prevent unnecessary tax disputes, it acknowledges that, to achieve its primary objective of enhancing shareholder value, some disputes may be unavoidable.

Group Companies are obliged to prevent any unnecessary dispute by:

- (i) having strong technical tax positions and clearly explaining those positions,
- (ii) documenting all relevant facts,
- (iii) establishing professional working relationships with tax authorities, and
- (iv) implementing strong compliance procedures to ensure accurate and complete tax returns.

3.4 Risk appetite

The tax team, including the the Manager with Tax Responsibilities and/or Group Head of Tax, shall engage with the business teams as an equal partner, offering clear, timely, and relevant tax-related advice that is aligned with the Group's commercial objectives. The tax team shall provide thorough and appropriate input to ensure a comprehensive understanding of the tax implications in accordance with the Group Companies' internal procedures. All tax support shall be delivered with the perspective of the tax function serving as an enabler, rather than a gatekeeper.

In instances where alternative approaches yield the same commercial outcome, the tax team shall recommend the most tax-efficient strategy that adheres fully to all Applicable Tax Laws. Under no circumstances will commercial objectives take precedence over compliance with these laws.

4 Tax Compliance

Draslovka Group must comply with all Applicable Tax Laws and disclosure requirements in all countries where it operates. Where compliance processes have been outsourced to an external professional service providers, both the external professional service provider and the Group Company using the services must equally ensure that Applicable Tax Laws and disclosure requirements are complied with. Among other requirements, Group Companies are required to:

- submit all returns, and other local tax filings, where relevant, by their due dates in line with Applicable Tax Laws,
- ensure all tax payments are made by their due dates and in line with Applicable Tax Laws,
- be prepared to support all material positions taken through documentation and legal interpretation,
- be prepared to reconcile technical positions affecting two Draslovka tax jurisdictions in advance of any tax authority filing,
- be prepared to robustly defend tax positions taken in the Group Company's tax returns,
- be prepared for potential tax audits by maintaining thorough documentation,
- proactively pursue any tax timing benefits,
- monitor changes in Applicable Tax Laws and tax authorities practice and undertake prescribed trainings,
- manage compliance affairs to minimize the risk of any reputational issue, and
- implement appropriate administrative safeguards with regard to back up procedures.

As and when relevant (based on the consolidated revenues of the Group), the Group Head of Tax shall issue the **Group Guidelines** implementing OECD requirements for Country-by-Country Reporting and Global Anti-Base Erosion Model Rules (Pillar Two).

5 Transfer Pricing

5.1 Draslovka's Transfer Pricing Strategy

Transfer pricing refers to the rules and methods for determining the prices at which related entities, such as subsidiaries or divisions within a multinational corporation, transfer goods, services, or intellectual property to each other across different jurisdictions.

It is Draslovka's policy that all intercompany transactions and transfer pricing arrangements follow the arm's length principle in line with the OECD TP Guidelines. Draslovka shall also use consistent intercompany pricing methodology for identical intercompany transactions within the Group across different markets.

If, after detailed explanation following OECD TP Guidelines, two or more tax authorities cannot agree on the appropriate transfer price, Draslovka might consider all legal dispute resolution channels available to it in order to prevent or reduce double taxation. However, Group Companies must use their best effort to prevent transfer pricing disputes by, among others:

- complying with OECD TP Guidelines on arm's length pricing already upon a decision to enter into the intercompany transaction, and meeting any deadlines for local filing requirements
- meeting all transfer pricing requirements through compliance with all Applicable Tax Laws, and disclosure and documentation requirements,
- considering both sides of the transaction,
- using transfer pricing to help implement business transactions, but not to drive them,
- obtaining Advance Pricing Agreements (APAs), where advisable,
- being consistent across all jurisdictions whilst considering local economic factors,
- having strong technical positions for transfer pricing and be prepared to clearly explain those positions and the underlying business transactions, including necessary documentation,
- reconciling adjustments to differences in otherwise comparable transactions or economic factors, and
- following the OECD TP Guidelines Interpretation Guide described in clause 5.2.

5.2 OECD TP Guidelines Interpretation Guide

In seeking to interpret the OECD TP Guidelines, Group Company shall base its assessment on:

- (i) a balanced position for entire Group (no Group Company can be favored based on either the likelihood of challenge or tax benefit),
- (ii) a combination of the legal position and the likely outcome from a full and robust disclosure to both relevant tax authorities whether under mutual agreement procedures or otherwise, and
- (iii) the facts and principles, if assessed independently (for example by independent courts), and not on the likelihood of tax authorities to expect taxpayers to "negotiate" the settlement of transfer pricing disputes.

6 International Tax Considerations

6.1 Permanent Establishment

The Group is focused on minimizing tax liabilities, managing risks, and ensuring compliance with Applicable Tax Laws related to Permanent Establishment (PE), OECD commentaries on the OECD Model Tax Convention on Income and Capital and applicable Double Tax Treaties. The main tax issues evaluated include shift of the tax residency of one Group Company to a different country due to place of effective management, and creation of PE of one Group Company in another jurisdiction.

6.2 Shift of Tax Residency

Based on Applicable Tax Laws, if the effective place of management of a Group Company (i.e. place where the important decisions regarding the Group Company are actually taken) is in a different country than its place of establishment, that Group Company becomes a tax resident of that different country as if it was established there.

Draslovka aims to prevent the risk of shift of residency and, for that purpose, the Group Companies are required to:

- (i) hold majority of its board meetings in the jurisdiction of its establishment, with majority of the board members and executives being physically present in the that particular jurisdiction, and
- (ii) properly document the above presence and collect evidence of the presence of the individual board members and executives.

6.3 Creation of a Permanent Establishment

There are two main types of PEs:

- a) *fixed place of business* (such as an office) of a company existing in another country,
- b) *dependent agent type of a PE* which is created when a person is present in another country when signing contracts on behalf of a company.

The Group aims to prevent the risk of any PE creation by:

- allowing the Employees to work remotely from a different jurisdiction for a maximum of 90 days,
- not allowing execution of contracts or critical decisions with respect to day-to-day business operations being outside of the primary jurisdiction of establishment,
- not maintaining or having available to the Employees, any office, room, or fixed place of business (including a home office) outside of primary jurisdiction of establishment of the Group Company that employs them,
- carefully monitoring that any activities performed for the Group in foreign jurisdiction are of preparatory and/or auxiliary nature only, and
- no signing of contracts or documents on behalf of the Group by external parties or agents.

6.4 Withholding taxes

The Group's approach to withholding taxes is centered around compliance and proper documenting of transactions. The goal is to manage withholding taxes effectively to avoid underpayment or overpayment of taxes. In order to achieve these goals, the Group Companies are required to:

- carefully classify income to ensure the correct withholding rate is applied,
- correctly calculate and report withholding taxes, taking advantage of Double Tax Treaties where possible,
- ensure that all withholding taxes are filed and paid on time,
- conduct regular internal audits to ensure withholding taxes are correctly calculated and paid,
- provide ongoing training to Employees responsible for tax compliance to ensure they understand Applicable Tax Laws, withholding requirements, and the difference between legal tax avoidance and illegal tax evasion,

- engage with tax professionals for advice on minimizing tax liability through legal means, such as proper structuring of compensation and timing of income, and
- support all transactions by proper business reasons.

Draslovka strictly prohibits “treaty shopping”, i.e. a practice where companies take advantage of the benefits provided by tax treaties between countries, often in ways that were not intended by the signatories to the treaty.

7 Speaking Up and Non-Retaliation

7.1 Seeking Guidance and Speaking Up

If the Employee has any query or doubt as to any tax-related risk, or any related question, the Employee should seek further guidance. Similarly, every Employee who suspects that violations of law or this Policy may be occurring or are about to occur or becomes aware of suspicious, risky, or evidently unlawful conduct of any person is required to report it.

Employee’s immediate Manager or supervisor is usually the first and best resource, since this person is familiar with individual roles and duties. If the Manager or supervisor is not available, or if Employee is not comfortable discussing the matter with a direct supervisor, he/she shall contact relevant Manager with Tax Responsibilities, or Group Head of Tax.

For confidential help, Employees may also use:

- Ethics confidential mailbox ethics@draslovka.com
- [Draslovka Group Ethics Hotline](#)

7.2 Non-Retaliation

No Employee will suffer negative consequences for raising honest concerns in a good faith, even if it may result in Draslovka Group losing business or otherwise suffering a disadvantage.

It is prohibited to threaten or retaliate against Employee who has raised concerns under this Policy. Such retaliations might include dismissal, disciplinary action, threats, or other unfavorable treatment connected with raising a concern. If Employee believes that he/she suffered threatening or retaliation, Employee should report it to Group Head of Compliance or use any of reporting channels listed in clause 7.1, including [Draslovka Group Ethics Hotline](#).

8 Compliance Control

Group Head of Tax may conduct control/audit focused, without limitations, on compliance with this Policy. Managers with Tax Responsibilities and other relevant Employees shall fully cooperate during such controls or audits and promptly provide all requested information, documents and records. Unless required otherwise, result of each control or audit shall be recorded in a protocol signed by responsible Manager with Tax Responsibilities. Material findings shall be escalated to the Business Unit Director or Group CEO, as appropriate.

9 Local Implementation

9.1 Local Implementation of the Policy

Group Company is required to implement this Policy into local internal documents by approval of its Approving Body. Group Company is obliged to follow the full scope application of this Policy unless exception was approved under clause 9.2.

9.2 Exceptions

The Manager with Tax Responsibilities has the right to ask Group Head of Tax for exceptions from this Policy only if this exception is necessary to meet the local regulatory requirements. All exceptions approved under this Policy shall be always in line with Applicable Tax Laws, shall be documented by Group Head of Tax and must be available upon request. Form of Exceptions Evidence is available at the [SharePoint](#).

10 Final Provisions

10.1 Assumption

This Policy applies insofar as it does not contradict local legislation. If implementation of some rules under this Policy is not permitted under local legislation, Group Company shall proceed according to clause 9.2.

10.2 Implementing Group Guidelines

Group Guidelines, which describe in more detail selected matters covered by this Policy, may be developed only if there is an explicit authorization (reference) stated in this Policy and approved by Group Head of Tax. Group Guidelines do not build part of this Policy, however they shall be consistent with it.

10.3 Definitions

The meaning of capitalized terms used in this Policy is set out in [Annex 1](#).

10.4 Owner

Owner of this Policy is Group Head of Tax.

10.5 Implementation

This Policy was issued on 7 November 2024 and shall be effective from 1 February 2025 (i.e., this is the target date from which the Policy shall be locally implemented and followed in Group Companies).

10.6 Amendments

This Policy does not form part of Employee's contract of employment and may be amended at any time.

Annex 1

Definitions

In this Policy:

“Advance Pricing Agreement” means formal agreement between a taxpayer and one or more tax authorities that determines in advance (i) the appropriate transfer pricing method for specific transactions between related entities or (ii) specific tax treatment of the subject matter if not clear from the law. The purpose is to provide certainty to taxpayers about how transfer pricing rules and/or specific tax provisions will apply to their transactions over a set period, usually several years.

“Applicable Tax Laws” means any applicable law, regulation or international treaties that impose or relate to direct and/or indirect taxes, levies, duties, or similar charges applicable to Group Company, the Group, and/or Employees, as well as any associated administrative guidelines, rulings, or practices that have the force of law.

“Approving Body” means a body entitled to and responsible for approval and implementation of this Strategy based on Group Company’s corporate processes, including but not limited to Company President or Board of Directors.

“Draslovka a.s.” means Draslovka a.s., with its registered office at Generála Píky 430/26, Dejvice, 160 00 Prague 6, Czech Republic, identification number 11786728, registered in Commercial Registry maintained by Municipal court of Prague, under file B, section 26599.

“Draslovka Group” or **“Group”** or **“Draslovka”** means all Group Companies; when this term is used in connection with specific position/function it refers to managers/officers/functions with specific “Group-wide” responsibility, reporting (directly or indirectly) to Group CEO.

“Double Tax Treaties” mean bilateral agreements between two countries designed to avoid or mitigate the problem of double taxation, where the same income or profit is taxed in both countries.

“Employee(s)” means each person working at any level of the Group or a Group Company, including, without limitations, all full-time and part-time employees, members of a Group Company’s board of directors or supervisory board, officers, directors, senior managers, consultants, contractors or any other third parties acting on behalf of the Group or a Group Company.

“Group Company” means Draslovka a.s. and any entity controlled by Draslovka a.s. by means of direct or indirect majority participation or a control agreement respectively, including joint ventures with an interest of 50%, or more.

“Manager” means a person that is entitled to define and impose on subordinate Employee(s) working tasks and binding instructions and organize, manage, and supervise their work.

“Manager with Tax Responsibilities” means a function responsible for tax matters in a Group Company or business unit.

“OECD TP Guidelines” means OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by the Organization for Economic Co-operation and Development (OECD), as amended from time to time. The Guidelines provide guidance on the application of the **“arm’s length principle”**, which is the international consensus on the valuation of cross-border transactions between associated enterprises.

“Owner” means function/department responsible for administration of this Policy or its amendment (draft, coordination, approval process, waivers and exceptions).

“Permanent Establishment” or **“PE”** means a fixed place of business through which a foreign enterprise conducts its business activities in another country, leading to potential tax obligations in that country.

“Policy” means this Group Tax Policy, as may be amended from time to time.