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**Information on the tax strategy
pursued for the fiscal year
from April 1, 2020 to March 31, 2021**

GENERAL LOGISTICS SYSTEMS POLAND



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I. Introduction

This document, which contains information about the tax strategy implemented by General Logistics Systems Poland Sp. z o.o. (hereinafter also: GLS Poland or the Company) for the fiscal year from April 1, 2020 to March 31, 2021. (hereinafter also: Fiscal Year) has been prepared and published based on the provisions of Article 27c Section 1 in connection with Article 27b Section 2 Point 2 of the Corporate Income Tax Act of February 15, 1992 (hereinafter: CIT Act).

II. Information about GLS Poland

General Logistics Systems Poland sp z o.o. provides, in domestic and international traffic, services consisting in clearance, transport and delivery of parcels - postal parcels within the meaning of the Act of November 23, 2012. Postal Law and freight as defined by the Act of November 15th, 1984 - Transport Law.

GLS Poland is a daughter company of GLS Group. GLS Group provides high quality, reliable parcel services for more than 250 000 customers, supplemented by freight and express services. Through its own national companies and partner companies, the GLS Group has built up an extensive international network allowing it to deliver packages to customers in 41 countries. GLS's comprehensive road network makes the company one of the leading providers of courier and express services in Europe. The Group also operates through subsidiaries in Canada and on the West Coast of the USA.

The GLS network consists of approximately 71 central and regional transshipment points and about 1,500 branches, which are served by about 31,000 courier vehicles and about 4,000 long-distance line vehicles. GLS employs approximately 21,000 people. In the fiscal year 2020/2021, GLS Group generated revenues of €4.5 billion and delivered 840 million parcels.

In Poland GLS has a network of 46 branch offices and around 4500 Fast Parcel delivery and collection points operating in well-communicated locations throughout the country.

GLS pays special attention to environmental issues. Since 2008 it has been implementing initiatives focusing on responsible use of resources and systematic implementation of environmentally friendly solutions. Sustainable development is also one of the key elements of the GLS Group's new strategy Accelerate. This includes the gradual replacement of the fleet with low- or zero-emission vehicles.

GLS Poland's mission statement reads "With passion and openness we deliver more than parcels. We fulfill our promises through flexible and modern solutions, taking care of the environment. From people for people". The new strategy complements this vision by putting customers' needs and expectations at the heart of the company. The plan of long-term investments connected mainly with increasing the potential of GLS operational network is subordinated to this.

The company willingly engages in numerous actions in the area of corporate social responsibility, among others by supporting the action Poland Business Run. GLS Poland is a winner of prestigious awards and honors - recently the company received the golden emblem in the Logistics Operator of the Year survey and the title of Great Place to Work.

As of March 31, 2021. GLS Poland employed 1121 employees in Poland.

III. Processes and procedures for managing the performance of tax obligations - tax policy

Legal basis: Art. 27c.2.1)(a) of the Corporate Income Tax Act

1. Tax mission of GLS Poland

GLS Poland puts a special emphasis on reliability, correctness, transparency and timeliness of public and legal settlements.

Within the framework of such a mission in the area of taxation, the key values which guide the Company are correct fulfilling of obligations imposed by the law, timely settlement of public-law liabilities and reliable fulfilling of reporting obligations.

All of the Company's activities in the area of taxation constitute an element of widely understood social responsibility. Reliable fulfillment of tax obligations is a part of the Company's image as a trustworthy business partner and employer as well as a responsible taxpayer.

Within the framework of the adopted tax strategy GLS Poland does not apply any tax optimization tools and does not take any other tax avoidance actions. The Company does not engage in aggressive tax optimizations, the sole purpose of which is to generate tax benefit and which have no other economic purpose. The Company uses only those tax reliefs and simplifications that are offered and promoted by the legislator for all taxpayers.

2. Tax risks

Tax risks identified by the Company include the frequency of changes in tax laws, their complexity, different positions on the interpretation of their application, short vacatio legis of tax laws.

The Company undertakes actions aimed at reducing the above risks, inter alia, it monitors on an ongoing basis changes in regulations in generally available sources, cooperates with tax advisers, auditors, conducts tax audits, in justified cases the Company applies for an individual interpretation of tax law.

3. Performing tax obligations

In GLS Poland, the Senior Finance Manager and the Chief Accountant, reporting to the CFO, are responsible for the performance of tax duties.

Decisions concerning tax settlements, which may cause the biggest tax risks, are made after internal consultations, including Group Tax Manager and after consultations with external tax advisors by the Financial Director.

4. Tax Procedures

- ✓ The Company has implemented a number of measures to properly meet its tax obligations, including internal processes that involve Company employees from various departments. These processes are performed in particular in order to:

- ✓ correct recognition of economic events in tax settlements (e.g. application of correct tax rates, correct recognition of the moment when the tax obligation arises),
- ✓ collecting full documentation related to the tax treatment of an event,
- ✓ proper verification of contractors, among others within the scope of the so-called due diligence,
- ✓ determining the market level of remuneration in transactions with related entities
- ✓ proper fulfilment of formal obligations, in particular timely submission of declarations, tax returns, tax information, notifications and other required documents,
- ✓ timely payment of tax in the correct amount.

The Company has procedures in place regarding the Company's performance of its tax obligations. These include, in particular, procedures for purchasing and verifying contractors, issuing invoices, bookkeeping, counteracting non-compliance with the obligation to provide information on tax schemes, use of company cars.

Persons responsible for the Company's tax settlements monitor the Company's business areas and related tax obligations on an ongoing basis.

Persons employed by the Company in positions related to tax settlements have appropriate qualifications to perform their duties. They also have access to up-to-date tax knowledge in the form of access to tax and legal systems and portals, trade press, as well as regular participation in trainings and workshops. Employees of the tax and finance teams keep track of changes in regulations, interpretations and clarifications of tax authorities.

5. Voluntary forms of cooperation with KAS authorities

Legal basis: Art. 27c.2.1)(b) of the Corporate Income Tax Act

The Company did not join the "Cooperation Programme" referred to in Art. 20s of the Tax Ordinance Act and thus did not conclude an agreement with the Head of KAS on cooperation in the field of taxes falling within the competence of the National Tax Administration.

When co-operating with tax authorities, in particular in the case of checking operations or potential inspections, the Company exercises due diligence so that the checkers/controllers obtain all the information and documents required to carry out the aforementioned procedures. Persons authorized to act on behalf of the Company cooperate with employees of the tax authorities and strive to ensure conditions necessary for the efficient performance of their activities.

IV. Information on fulfilling tax obligations in the territory of the Republic of Poland

Legal basis: Art. 27c.2.2) of the Corporate Income Tax Act

1. Corporate income tax

GLS Poland is a corporate income tax payer in connection with the activity conducted within the territory of the Republic of Poland. The Company makes every effort in order to meet its obligations imposed by the law in terms of filing the required tax declarations and information and it paid the simplified advance income tax payments and as a payer of the lump-sum income tax on the income obtained in the territory of the Republic of Poland by the taxpayers referred to in Article 3 Section 2 of the CIT Act.

The Company submitted the annual tax return for the Tax Year within the deadline provided for in the CIT Act and paid the tax in the amount of PLN 36.3 million.

The Company timely prepared transfer pricing documentation and submitted a statement confirming that the transfer prices of the controlled transactions covered by the local transfer pricing documentation for the Fiscal Year were determined on terms that unrelated parties would determine among themselves.

The Company is ranked among the top 1000 CIT taxpayers in Poland.

2. Value Added Tax

The Company remained registered as an active taxpayer of goods and services tax during the period covered by this Disclosure. In the period from April 1, 2020 to March 31, 2021 The Company submitted returns and records for goods and services tax in the form of Single Control Files (from October 2020 - JPK_VAT with declaration) for monthly periods.

3. Personal income tax.

During the period from April 1, 2020 to March 31, 2021, the Company acted as a payer of personal income tax for the payment of salaries to its employees and other individuals. The Company filed tax returns and made tax payments in accordance with relevant regulations.

4. Local taxes

The Company was a property tax payer from April 1, 2020 to March 31, 2021. The Company filed tax returns (DN-1) and made tax payments in accordance with the relevant provisions of law.

5. Other taxes

During the period from April 1, 2020 to March 31, 2021. The Company was not subject to any other tax obligations in Poland. In particular, the Company was not obliged to pay any tax on civil law transactions, tax on means of transport, excise tax or tax on games.

V. Information on the number of information on tax schemes submitted to the Head of KAS

Legal basis: Article 27c (2) (2) of the Corporate Income Tax Act

In the period from April 1, 2020 to March 31, 2021. GLS Poland did not provide the Head of KAS with the information on tax schemes.

VI. Information on transactions with related entities

Legal basis: Art. 27c.2.3)(a) of the Corporate Income Tax Act

The Company belongs to an international capital group. Therefore, GLS Poland undertook transactions with related parties in the period from April 1, 2020 to March 31, 2021. Transactions with related parties, entered into by the Company within the current operating activity, are in principle typical transactions carried out within capital groups. The transactions in question are each time carried out in compliance with the arm's length principle.

In the Fiscal Year the Company carried out the following transactions with related parties within the meaning of Article 11a par. 1 pt. 4 of the CIT Act, the value of which exceeded 5% of the balance sheet total of assets within the meaning of the accounting regulations, determined on the basis of the Company's last approved financial statements:

- settlement of International Internal Clearing (GLS) transport network charges;

The value of other transactions with related entities did not exceed the aforementioned statutory limit in the period covered by this Information.

VII. Information on planned or undertaken restructuring activities

Legal basis: Art. 27c.2(3)(b) of the Corporate Income Tax Act

In the period from April 1, 2020 to March 31, 2021, the Company did not undertake any restructuring activities that may affect the amount of its tax liabilities or liabilities of related parties. During the period covered by this Disclosure, the Company also did not plan to undertake the aforementioned restructuring activities.

VIII. Information on tax settlements in the so-called tax havens

Legal basis: Art. 27c.2.5) of the Corporate Income Tax Act

Pursuant to Article 27c section 2 point 5 of the CIT Act, the information on the implemented tax strategy includes information concerning settlements of the taxpayer's taxes in the territories or countries applying harmful tax competition specified in executive acts issued pursuant to Article 11j section 2 of the CIT Act and pursuant to Article 23v section 2 of the PIT Act and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance Act.

In the period covered by this Information, the Company did not make any tax settlements with respect to any taxes in the territories or countries applying harmful tax competition indicated in the abovementioned legal acts.

During the period from 1 April 2020 to 31 March 2021, the Company provided courier services to customers based in Hong Kong. These entities are not related to GLS Poland within the meaning of Article 11a par. 1 point 4 of the CIT Act.

IX. Other Information

Legal basis: Article 27c(2)(4) of the Corporate Income Tax Act

In the period from April 1, 2020 to March 31, 2021 the Company did not file any requests for:

- individual tax ruling interpretation - referred to in Art. 14b of the Tax Ordinance Act;
- general tax interpretation - referred to in art. 14a § 1 of the Tax ordinance act;
- binding information on rates - referred to in art. 42a of the VAT Act;
- binding excise tax information - referred to in art. 7d par. 1 of the Act on Excise Tax.