

## EPPE GROUP POLICY

### Tax Governance Policy

#### 1. DEFINITIONS

<b>CFO</b>	means Chief Financial Officer;
<b>Employee(s)</b>	means all employees, directors and officers of EPPE Group and all persons working on a contract basis, whether on a temporary or permanent basis, part-time or full-time (consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns etc.);
<b>EPPE or "we" or "us" or "our"</b>	means EP Power Europe, a.s.;
<b>EPPE Group Company</b>	any company which forms part of EPPE;
<b>Group or EPPE Group</b>	means EP Power Europe, a.s., and all companies that are directly or indirectly controlled by EPPE;
<b>Policy</b>	means this Tax Governance Policy;
<b>Material Transaction</b>	means any business transaction entered into by EPPE Group Company exceeding threshold determined internally by the EPPE Group Company in accordance with its profile and needs but not in excess of 5 000 000 CZK (approx. EUR 200,000 or its equivalent in the local currency);
<b>Significant Transaction</b>	means any business transaction entered into by EPPE Group Company exceeding amount of 5 000 000 CZK (approx. EUR 200,000 or its equivalent in the local currency);
<b>Tax Authorities</b>	means any government, state or municipality, or any local, state, federal or other fiscal, revenue, customs, or excise authority, body or official anywhere in the world, authorized to levy tax;
<b>Tax Expert</b>	means Employee with tax expertise designated by relevant EPPE Group Company; for the purpose of Significant transactions only tax professional can be designated as Tax Expert.

#### 2. PURPOSE OF THE POLICY

The purpose of this Policy is to ensure compliance with all applicable tax laws and regulations, within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.

### **3. SCOPE OF THE POLICY**

This Policy applies to all Employees in all the countries and territories that EPPE Group operates in.

### **4. IDENTIFIED RISKS**

Tax risk can be defined as follows: Any event, action or inaction in tax strategy, operations, financial reporting or compliance that either adversely affects EPPE's tax or business objectives or results in an unanticipated or unacceptable level of monetary, financial statement or reputational loss or exposure.

Tax risks can take a number of different forms (e.g. compliance tax risks, operational tax risks, financial tax risks and strategic tax risks). All tax risks can also lead to reputational risk to EPPE. Tax risks can be material and can significantly impact EPPE's business performance. Further, the reputational component of tax risk extends beyond EPPE's relationship with Tax Authorities and impacts almost every EPPE relationship including shareholders, staff and management.

### **5. BASIC PRINCIPLES**

EPPE Group follows these principles when making decisions on its tax policy in individual cases:

1. Compliance with tax rules in the various countries and territories in which the Group operates, paying all taxes due in accordance with the legal system.
2. The making of decisions on tax matters by the companies of the Group based on a reasonable interpretation of applicable legal provisions and in close relationship to the activities of the Group.
3. The prevention and reduction of significant tax risks, ensuring that taxes bear an appropriate relationship to the structure and location of activities, human and material resources, and the Group's business risks.
4. The strengthening of the relationship with Tax Authorities based on respect for the law, fidelity, reliability, professionalism, cooperation, reciprocity, and good faith, without prejudice to the legitimate disputes that, observing the aforementioned principles and in the defense of the corporate interest, may arise with such authorities concerning the interpretation of applicable legal provisions.
5. The provision of information to the management decision-making bodies on the main tax implications of the transactions or matters submitted to it for approval, when they are a significant factor in making a decision.

### **6. IMPLEMENTED STANDARDS AND PROCESSES**

EPPE Group Company adopts the control mechanisms necessary to ensure compliance with tax laws and regulations and with the principles set forth above, as part of an appropriate business management.

In order to address risk of tax non-compliance, as well as other identified tax risks, each Material Transaction is assessed and approved by Tax Expert of relevant EPPE Group Company in writing otherwise the transaction can't be entered into. In addition, Significant Transactions is also assessed and approved by CFO of relevant EPPE Group Company in writing.

Whenever Tax Expert or CFO is in doubt regarding tax liabilities arising from a business transaction, relevant EPPE Group Company always seeks assistance of an external tax advisor.

EPPE Group Company must be aware that its business transactions might result in tax liabilities in countries other than state of their tax residence. These tax liabilities might take various forms such as of Income tax (including trade tax, regional tax etc.), withholding tax, Value added tax (VAT), Real estate transfer tax (RETT), stamp and similar duties etc. It is vital to take special care regarding these taxes. When entering into Significant Transactions it should be explicitly stated in the assessment made by Tax Expert whether the transaction shall have any "international" impact and what that impact shall be.

## **7. MONITORING AND REVIEW**

EPPE Board of directors (and Board of directors of each EPPE Group Company with regard to their company) shall review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified are made as soon as possible.

## **8. IMPLEMENTATION**

In order to support EPPE Group's decision to mitigate against financial, regulatory and reputational risk and ensure regulatory compliance in accordance with the Policy, EPPE Group Company is responsible for implementation of measures and processes defined by this Policy that are necessary and appropriate with regard to the respective EPPE Group Company's profile and character of its activities and business relationships.

*Approved by the EP Power Europe, a.s. Board of Directors on 9 April 2021*