



Pratt & Whitney
A United Technologies Company

Dear Sirs,

On behalf of companies Pratt & Whitney Rzeszów S.A., Pratt & Whitney Tubes Sp. z o.o., Hamilton Sundstrand Poland Sp. z o.o, Pratt & Whitney Kalisz Sp. z o.o. (hereinafter referred to as "the Company"), we ask you to read the following message and provide a prompt response.

With reference to the obligation to pay selected transactions in the split payment mechanism introduced in Poland, we would like to inform you about the technical solutions implemented by the Company to ensure compliance of the payments with the tax requirements.

Pursuant to the amendment to the VAT Act of 11 March 2004 (Art. 108a), as of 1 November 2019 the domestic purchase of goods or services specified in Appendix No. 15 to the said Act, in the value equal or greater than 15 000,00 PLN, should be paid under the split payment mechanism ("Split Payment"), regardless the invoice currency (applies to both PLN invoices and invoices issued in foreign currencies).

Considering the above, as of November 1, 2019. for transactions in foreign currency, the Company implemented a mechanism for payment of invoices in the Split Payment mechanism, based on the following assumptions:

1. The net value of the invoice shall be paid on the supplier's foreign currency bank account specified in the agreement, order or invoice (in accordance with current practice);
2. The value of VAT, compulsorily converted by the supplier into PLN pursuant to Article 106e(11) of the VAT Act, shall be paid by the Company using split payment method on the supplier's bank account in PLN for which the VAT sub-account is maintained.
3. Pursuant to Art. 108a.1 of the VAT Act, the Company may apply the payment mechanism of all or selected invoices, regardless subject or value of the transaction; pursuant to Art. 358.1 of the Civil Code Act of 23 April 1964, the Supplier's instructions, if any, excluding the Company's right to pay invoices in foreign currencies in the split payment mechanism do not have legal effect without the Company's express consent.

Therefore, please provide as soon as possible your bank account number in the PLN currency to which your VAT sub-account is maintained.

At the same time, please verify whether the indicated account number is included in the electronic list of entities referred to in Article 1 of the Act of 12 April 2019 amending the VAT Act and certain other acts.

Please send the above data in writing, by e-mail.

Failure to indicate the bank account number for PLN will prevent the payment from being made.

In case of any questions or doubts, the Company kindly ask for contact.

On behalf of the Companies

Wojciech Skubis

Director, Taxation Services

Jacek Rybka

Director, Supply Chain for Poland-based

Pratt& Whitney companies