

KOSPEL CODE OF CONDUCT (EMPLOYEES, BUSINESS PARTNERS AND BUSINESS ENVIRONMENT)

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1. INTRODUCTION

The operations of Kospel Sp. z o.o. company with its registered office in Koszalin, are based on the applicable laws and regulations, which govern the Company's operations in all areas. Kospel is committed to maintaining high standards of operations, sustainability and business ethics while adhering to the Company's corporate values of kindness, responsibility, progress, efficiency and energy.

The Kospel Code of Conduct lays down ethical standards, operating principles and employee behaviour. It is our concern to avoid the risk of non-compliance with the law and ethical and moral standards. The Code is intended to help with regulatory compliance and the early identification of potential breaches, and to allow for more efficient implementation of strategic objectives and increased comfort in making business decisions.

2. PURPOSE

KOSPEL is one of Europe's largest manufacturers of electric heating equipment. The company's history dates back to 1990. Today, the company prides itself on its 4 modern production facilities where it employs over 600 employees. The Kospel brand is recognised as a leader in innovation, cutting-edge technology and quality, as well as high business, commercial and interpersonal standards.

The Kospel Code of Conduct aims to establish clear guidelines on ethics, legal compliance, social responsibility and internal organisation. We believe that nurturing ethical and responsible behaviour translates into maintaining the trust and loyalty of employees and business partners and building reputation.

The Code summarises the most important rules and guidelines of conduct and is intended to bring together all regulations, procedures, guidelines, etc. into a single body of text, accessible to the owner, for Kospel's corporate purposes but especially for employees.

By publishing this Code of Conduct, Kospel's management declares that the Code of Conduct is applicable Company-wide, forms part of the instruction system and serves to ensure comprehensive compliance with the law.

3. SCOPE

We are confident that both our employees and business partners follow the highest standards of ethics and integrity. We do, however, note that some of them have a different understanding of these standards. We have decided to systematise the standards that, for us, are the benchmark for recognising any company as a solid, honest and reliable business partner. The Code is designed to serve as a tool for standardisation of procedures and activities within the company so as to contribute to greater efficiency and consistency of operations. This document does not only regulate the principles of the company's corporate culture, but will also provide insight into which behavioural norms are desirable and which are not allowed or tolerated. At the same time, the Code is intended to help identify and avert potential risks associated with the company's activities by defining and demonstrating appropriate procedures and policies.

Kospel emphasises that it will continuously work on improving its existing policies, procedures and by-laws.

4. COMPLIANCE

4.1 CONFLICTS OF INTEREST

We have a duty to act in the best interests of the company, which means that business decisions should be made impartially and in the sole interest of the Kospel Company. Any employee may be faced with a situation where Kospel's interests do not align with their personal interests. In such circumstances, Kospel requires that potential conflicts of interest are disclosed, i.e. reported to a supervisor or the Company's

Management Board so that the latter is able to assess the situation and take adequate action to maintain transparency and integrity. Therefore, certain business operations and transactions may only be conducted with the prior approval of the Kospel Management Board.

Kospel assumes that a conflict of interest exists when an employee maintains personal or financial relationships with parties with whom he or she deals in a professional capacity, which may affect the objectivity and integrity of the work, or when an employee makes decisions in favour of his or her own financial gain at the expense of the company's interests. Such conflict also occurs when one party is in a position to gain benefits or avoid negative consequences at the expense of another party.

As a member of the Viessmann Group, Kospel complies with the Group's internal regulations, guidelines and arrangements. Accordingly, the Kospel Management Board and the Kospel Executive Team consults and agrees certain significant business activities and transactions with representatives of the Viessmann Group.

4.2. FIGHT AGAINST CORRUPTION AND BRIBERY

Polish and international laws define corruption and types of malpractice. An abundance of regulations governing liability and penalties for acts of corruption have been developed in order to eradicate these activities from public life. Kospel respects and complies with the law also with regard to corruption, which it considers to be contrary to the Company's values. The following indicates which activities are undesirable and not allowed.

Corruption means abusing one's position, of whatever nature, for one's own benefit or the benefit of another. Corruption encompasses bribery, extortion, trading in influence and nepotism. Corruption is contrary to our corporate values. It brings harm, hinders legitimate business and exposes to unnecessary liability risks.

Kospel does not tolerate any form of bribery or corruption, and we do not accept or offer bribes. We shall not gift or accept any items of value if this could give the impression that we are conferring or seeking to confer or receive an undue advantage. This prohibition extends to employees, domestic and foreign business partners, associates and government officials, employees of supervisory bodies and other public officers.

We reiterate that Kospel places great importance on the legitimacy of its operations and the transparency of decisions taken by the Management Board and functional employees. Therefore, contracts and business transactions are subject to detailed evaluation and documentation. Kospel's contracts and corporate documents are recorded and archived so that they can be examined for transparency and legality. This is also to allow a third-party expert to review the documents and their legality.

We expect our employees to comply with applicable anti-corruption and corruption prevention legislation. In the event that someone demands or offers a bribe, you should refuse and report the incident immediately.

4.3 ANTITRUST LAW AND FAIR COMPETITION

Kospel attaches great significance to free and fair competition. The company operates in compliance with competition, antitrust and antitrust practices laws. Kospel never engages in practices prohibited by antitrust and competition law. Moreover, we make every effort to compete with other manufacturers in the industry in a manner that is fair and consistent with ethical principles.

In almost all countries, competition and antitrust regulations prohibit all forms of written or oral agreements or concerted practices with competitors, suppliers, distributors and sellers that impede fair

competition. These include price collusion, divisions of customers or sales territories between competitors, boycotts restricting competition and other unfair competitive practices. Kospel never discusses with competitors prices or their components, such as discounts or payment terms.

Kospel Management Board and its business partners are aware of the antitrust and unfair competition laws in force and comply with them in their business operations.

4.4 SUBSIDY FRAUD AND INCITEMENT TO SUBSIDY FRAUD

Kospel uses best effort to ensure that legal, financial and accounting records are kept fairly and truly. It is necessary to take strict action against fraudulent practices, in particular subsidy fraud, as part of our engagement in combating practices prohibited by law.

The Company assumes that subsidy fraud refers to the fraudulent misrepresentation, manipulation or falsification of information to obtain financial benefits, tax relief, grants or other forms of support from public authorities or institutions. Fraud also involves the use of in-kind or in-cash subsidies in violation of the terms of the subsidy.

Employees are required to provide full, detailed and accurate information in all applications made on behalf of the company, including documents related to obtaining subsidies. All activities related to obtaining subsidies, tax relief or other forms of support must comply with applicable laws and regulations.

Kospel employees are required to report any potential incidents of subsidy fraud or suspected subsidy fraud without delay. In turn, the Company's Management Board is obliged to notify the competent authorities or institutions of the emergence of circumstances that may lead to the withholding or limitation of the amount of public and legal aid, financial support, loans, grants and subsidies awarded. The same applies to the handling of public procurement.

4.5 ANTI MONEY LAUNDERING (AML)

The international exchange of services is a vital element of our success as an internationally operating company. In this context, we comply with all legal requirements with no exception. In addition to rules on imports, exports, domestic trade, international sanctions and trade restrictions, we also comply with legal requirements on anti-money laundering.

Money laundering is the introduction of illicitly obtained funds or assets into legitimate financial and economic circulation. Money laundering takes place when criminal proceeds are concealed within legitimate business transactions and activities (i.e. "laundered") or when legally obtained funds are used to further criminal activities. Money laundering is typically carried out to conceal the origin of money, to hide it from being accessed by law enforcement and financial authorities and to move illicit profits into the legal sphere.

Kospel employees are required to observe money laundering regulations and immediately report any suspected money laundering (of employees, customers and business partners) to the Chief Financial Officer or the Company's Management Board.

Kospel only cooperates with reliable business partners who operate within the limits of the law and do not use illegal sources of funding.

5. BUSINESS ETHICS

Kospel adheres to high ethical standards, cultivates fair relationships with suppliers, business partners and competitors, and completely eliminates corrupt practices and unfair marketing. The company has a positive impact on the community, such as by creating jobs, supporting local projects and initiatives, working with local schools, cultural institutions, enterprises and the business environment.

Kospel abides by the laws, rules and regulations governing the conduct of its business. At the same time, it insists that employees and contractors avoid any and all that risk entanglement in illegal activities. In addition to the requirements strictly stipulated by the law, all partners dealing with the company should adhere to the highest business standards and act with integrity and ethics.

5.1. GENERAL STANDARDS AND CUSTOMS, RESPONSIBILITIES OF KOSPEL

Kospel's responsibilities as a company is an inherent component of its business operations. Therefore, the Company creates safe working conditions, provides training for its employees and cares for their physical and mental well-being. The Company operates in such a way as to find solutions that guarantee further growth, which enable all employees to be actively involved in development processes, while giving them the opportunity to benefit from the economic growth.

Kospel has drawn up this Code of Conduct to help employees understand the expected standards of behaviour, the customs of the company and the principles that guide the Company in the conduct of its business. Furthermore, certain areas have been further clarified in detailed regulations, guidelines and procedures, i.e. the organisation's internal rules of conduct. These materials are available to all employees.

5.2 PROTECTION AND PROPER USE OF COMPANY ASSETS

At Kospel, we respect and treat with due care the corporate property and the property of third parties, such as our customers and business partners. Each Kospel employee bears responsibility for safeguarding company assets from loss, destruction, misuse, theft, waste or other damage.

The company extends protection to all aspects of its operations, in particular: fixed assets, intellectual property (copyrights and trade secrets, which are used in accordance with applicable laws and within the framework of permitted use), proprietary information, business opportunities, the capital and the company's equipment and machinery resources. As a general rule, company property is used for company business purposes. Company assets may not be used for private or unlawful purposes.

The Company uses its best efforts to implement and improve appropriate monitoring measures to prevent all types of financial offences, such as fraud, embezzlement, theft, tax evasion or money laundering. Each supervisor within his or her area of responsibility is tasked with protecting and supervising the protection of the Company's assets from loss or misuse.

All purchases and sales of Kospel's assets must be transparent, comprehensible, commercially viable and made at arm's length. The personal interests of individual employees must not influence decisions concerning business transactions.

5.3 ACCEPTING AND OFFERING OF FINANCIAL BENEFITS (INVITATIONS, GIFTS AND BENEFITS)

In many countries, exchanging gifts is a normal business practice and a sign of respect. However, the granting and acceptance of invitations, gifts and other benefits can also give rise to suspicions of corruption. In this context, it is essential to prevent even the suspicion of such an offence.

The quality of the products and services offered by Kospel is the only criterion for cooperation with customers and business partners. Kospel does not approve any action that compromises the impartiality of business decision-making. In our daily work, we are guided by trust and the principles of transparency and integrity. Our stance is that it is undesirable to give gifts, especially in the form of money, to employees, public servants, contractors or business partners in order to influence their business decisions. The offering of small business gifts to our employees and their acceptance is regulated by Kospel in the form of a document: Kospel's Gift Accepting Policy.

We are certain that Kospel employees adhere to guidelines and procedures and, above all, use common sense and pass sound judgements when giving and accepting gifts or invitations, and that they never grant gifts to gain a competitive edge.

5.4 DONATIONS, CONTRIBUTIONS AND SPONSORSHIP

Kospel engages in non-business activities, however, every donation, all support and sponsorship allocation is reviewed on a case-by-case basis. Support can take the form of in-cash and in-kind donations. Moreover, Kospel participates in various educational, pro-community and sporting activities and events.

Kospel also provides support by transferring products and parts of post-warranty appliances as well as product returns that are fully operational free of charge or at reduced price.

Kospel never makes donations or other forms of support for the purpose of gaining a business advantage or other undue benefit that cannot be fairly or lawfully obtained, or that gives the appearance of bribery. To prevent corruption and conflicts of interest, all donations and sponsorships are granted by Kospel solely in accordance with applicable laws and relevant regulations within the company's planned budget.

Kospel never engages in political activity and may not finance the election campaigns of any candidates for offices and functions, e.g. local government, parliament or the European Union.

5.5 EXTERNAL COMMUNICATION

Open communication with and honesty towards our customers and business partners is vital for a successful collaboration. We report our financial results in a fair and transparent manner. We encourage open communication, working together and the exchange of ideas between employees and across departments.

On social media channels, we address everyone with respect and take care of the good name of the Company, our products, employees, customers and business partners. We formulate communications and any public statements in such a way that it is clear that it is a private opinion and not the opinion of the company.

6. HANDLING OF DATA

6.1 DEALING WITH DOCUMENTS

Kospel pays great attention to the Company's documentation especially corporate and financial and accounting documents. Records are collected in line with standards of protection and confidentiality according to the specific nature of the work and the legal requirements of each area. It is our concern that the information, data and documents are always complete and that the documentation is true. The company uses a specialised software to circulate documents relating to sales, finances, accounting, and other areas, as well as the V-desk programme for the circulation and collection of electronic versions of invoices and contracts.

The Company is subject to continuous development, is undergoing changes, creating new solutions and guidelines to raise the level of verification, circulation and storage of contracts. For this purpose, a special page has been created with guidelines for the drafting of contracts entered into by Kospel as well as templates (samples) of contracts for the needs of individual departments. The contract guidelines indicate the requirements that contracts must meet in order to be approved by Kospel.

Development and change is also taking place at the level of digitalisation. Kospel aspires to gradually convert its existing analogue assets to digital equivalents. The company is introducing the use of digital technologies in the areas of verification, circulation, collection and storage of information and documentation. All changes are duly prepared and implemented for use.

All of our data handling and documentation activities are designed to comply with statutory obligations to retain, delete and record data. Any tampering is strictly prohibited and should be reported immediately to a supervisor.

6.2 CONFIDENTIAL INFORMATION

We comply with regulations on insider trading and professional secrecy. It is prohibited to use insider information when trading in securities or other tradable financial instruments and to pass on insider information to others for such purposes.

Insider information is specific information about circumstances that are not publicly known and which, if made public, could significantly affect the price of securities or similar financial instruments. Examples of such circumstances include increases and decreases in profits, orders, plans to merge or acquire a company, significant new products or changes in management.

These issues are further regulated by Kospel in the form of a document: Policy on the Protection of Business Secrets, which aims to ensure the protection of information. Kospel's corporate protection policy covers rules governing access to information that constitutes business secrets, rules for dealing with documents, data storage devices containing information that constitutes business secrets, dealing with breaches of business secrets, liability and liability regulations.

6.3 PRIVACY, CONFIDENTIALITY, DATA PROTECTION AND DATA SECURITY

As an internationally operating company, Kospel uses the modern information and communication technologies. We protect the right of our employees, partners and other persons to privacy and data protection and maintain the confidentiality of all information worthy of protection, regardless of who they concern.

Company and personal data are treated in a confidential and professional manner in accordance with national and international data protection laws. Personal data may only be collected, used and stored in accordance with the applicable laws. This means that we exercise great care and strict confidentiality when collecting, storing, processing or transmitting personal data (e.g. name, address, telephone number, date of birth, health information) from employees, customers, suppliers, competitors or other third parties. Data processing may only be carried out with the prior consent of the data subject or if this is legally permissible for other reasons. Confidential information also includes all non-public strategic, financial, technical or business information and all business or trade secrets of our business partners.

For this reason, the Kospel employees do not disclose any private or personal information and store all personal information securely, mark it as confidential and keep it only as long as it is needed for the purpose for which it was collected. When providing personal information, employees limit access to those who clearly need the information for business purposes. Company employees are required to report to their supervisor any invasion of privacy, including loss, theft, or unauthorized access to personal information.

Kospel's IT department is required to monitor and update digital security systems to minimise the risk of loss or unauthorised access to data.

In order to improve the quality of data protection, Kospel conducts data protection compliance audits.

6.4 INFORMATION TECHNOLOGY AND INTERNET USE

Our goal is continuous improvement in all areas of the business and to invest in advancing technology and working standards. In our daily work, we make regular use of information systems, modern information and communication technologies to streamline our production, administrative, commercial and communication processes, etc. This requires appropriate security measures (passwords, including 2-factor authentication for critical systems, approved technologies and licensed software) to ensure the protection of intellectual property and personal data.

Failure to comply with security measures can have serious consequences, such as loss of data, theft of personal data or violation of legal regulations, e. g. copyright. For this reason, our employees are expected to help Kospel protect the entire infrastructure and computer system data against intentional malicious acts by persons inside or outside the company.

Employees must take great care in relation to the content of emails, attachments, downloaded data and audio files. Employees are obliged to keep their passwords and other authentication data secure, and under no circumstances should they disclose them to other employees or third parties. Employees should also be security conscious when using communication media and other Kospel-approved channels.

Kospel conducts activities directed at raising and improving IT security awareness. We provide basic information on requirements, events and threats that could adversely affect IT security. Kospel has implemented an IT Security Policy with detailed procedures. These guidelines are intended to ensure the safe, effective and compliant use of digital tools in the Company's day-to-day operations. Employees are required to follow the security procedures set forth by the IT department to minimise cyber risks and protect the confidentiality of information.

7. HUMAN RESOURCES POLICY / COMPLIANCE WITH LABOUR LAW

Kospel operates in accordance with the applicable laws on which the Company's HR policy is based. The company complies with regulations regarding, among other things, working hours, pay, breaks, health and safety, and privacy. These are described in detail in the Rules and Regulations created in the organisation.

We reject any form of exploitation or discrimination and ensure compliance with labour laws. We guarantee compliance with health and safety standards. Our actions are always in line with human rights and rules against child labour.

Kospel has implemented Workplace Rules and Regulations, Remote Work Regulations, Remuneration Regulations and a number of other regulations and procedures to define Kospel's requirements and to help employees understand the expected standards of behaviour within the organisation. These regulations by Kospel as an employer are intended to have a positive effect on the atmosphere within the company, and contribute to harmonious relationships between employees and to eliminate reprehensible and harmful behaviours.

Kospel fosters professional development through training, educational support and encouragement of in-house promotion. For this reason, the Company's HR policy is oriented towards undertaking and supporting initiatives aimed at developing staff competency. All employees are encouraged to self-educate, including in terms of new technological tools and solutions, which can contribute to the Company's innovation.

Kospel puts a high priority on building an engaging working environment. It runs a number of loyalty actions for its staff, such as employee insurance programmes, private health care and numerous benefits. It also undertakes activities aimed at building a positive image of the Company in the employment market.

7.1 ANTI-DISCRIMINATION AND EQUAL TREATMENT POLICY

Kospel considers tolerance, respect for differences and personal dignity, and fair treatment to be of importance in its collaboration with every employee and business partner. We respect the privacy and personal rights of each individual.

Kospel endeavours to ensure that no one in our working environment is subjected to discrimination. Discrimination on the basis of ethnic origin, nationality, religion, belief, gender, sexual orientation, disability, pregnancy or parenthood, marital status, age or any other reason covered by anti-discrimination laws is strictly prohibited. This applies both to dealings with colleagues, customers and business partners and to personnel-related decisions such as hiring, promotion or dismissal of employees.

We stress our tolerance for being different and the essence of the principle of equal treatment. As a business and a community member, Kospel strongly opposes all discrimination and racism. We send a clear message that any discrimination, sexual harassment or harassment of any kind and bullying will not be tolerated and will result in appropriate consequences indicated in the Company's Internal Rules and Regulations.

7.2 ANTI-BULLYING POLICY / PREVENTION OF BULLYING

We care about the well-being of our employees, which is why Kospel has a zero tolerance policy towards bullying.

Bullying, which can take many forms, creates an intimidating, humiliating or hostile work environment. All forms of bullying, including physical, sexual, verbal or other harassment, are prohibited and will not be tolerated. It is the responsibility of all of us to avoid and immediately report actions or behaviour that is considered or could be considered as bullying.

For this reason, we take all bullying incidents very seriously. Bullying is to be reported in a manner customary in the organisation, i.e. to the Company's Whistleblower Officer, to the HR department or to one's supervisor.

7.3 ORGANISATION CHART

The organisational chart is a visual representation and serves to show the structure, i.e. the detailed relationship between the Management Board and the various departments. The organisational chart of the Kospel Company shows the division into individual departments and the reporting to the members of the Management Board in charge of the different divisions. The chart is updated according to the needs of the Kospel Company.

7.4 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

For Kospel, it is important to provide a safe and healthy working environment in which employees do not have to fear injury or illness. Kospel is committed to providing safe and healthy working conditions for all employees and to ensuring compliance with health and safety guidelines. Company employees are obliged to comply with the applicable laws, regulations and standards on workplace safety, and to follow safety procedures and wear the appropriate protective equipment required in the relevant area of the company's operations.

The Company's responsibility towards its employees covers not only the creation of safe working conditions but also the provision of appropriate training in this field, carried out on a regular basis.

8. TRADING POLICY / COMPLIANCE IN SALES

Kospel is a reliable and trustworthy business partner. Quality, increased performance but also full commitment to our work allows us to compete with the largest corporations from all around the world. The professionalism of the Company's operations is reflected in the expansion and quality of its services and the comprehensive and professional care provided to its customers and business partners.

The company operates worldwide and engages in domestic and international trade. We ensure the transparency and integrity of our actions. We comply with relevant legal standards including export controls. We also ensure compliance with embargo regulations. Furthermore, Kospel adheres to export prohibitions and applicable customs regulations for both export and import of goods. We make every effort to check clients and business partners against applicable sanctions lists.

For further information, please refer to the policy "Rules of Conduct in Sales".

8.1 FOREIGN TRADE AND EXPORT CONTROL

The Management Board of Kospel is responsible for the legally compliant execution of exports and imports, i.e. the control of exports, imports, the transfer and transit of dual-use goods and technologies. In this

connection, the Vice-President of Commercial Affairs has been appointed the person responsible for exports, so overall responsibility for export control under foreign trade law resides with him or her.

The provision of financial or economic resources as well as technical assistance to natural or legal persons, groups, companies and entities on the sanction lists is prohibited. The legal bases are embargo regulations and, where available, state sanctions lists.

In certain cases, transactions that have no direct connection with the territory of the EU or the third country may also be subject to export control restrictions. In the case of a trade and brokerage transaction, a delivery is usually made from a third country to another third country. If employees of Kospel are aware of such transactions, Vice President of the Customer Division overseeing Kospel's Export Department must be involved immediately, and will carry out a detailed check and initiate the necessary measures.

For further information, please refer to the policy "Foreign Trade and Export Control".

9. ENVIRONMENT PROTECTION AND SOCIAL RESPONSIBILITY

At Kospel, we believe that every company has a social responsibility towards people and nature. We take our responsibility towards nature and the environment very seriously, as formulated in our mission statement: "We provide a comfortable climate with care for the environment".

Kospel is committed to working in the spirit of sustainable development, taking care to minimise the impact of its operations on the environment. We pay a lot of attention to the rational use of natural resources and invest in environmentally friendly technologies. In the manufacture and distribution of our products and services, we make every effort to maintain the ecological balance, limit environmental impact and conserve scarce natural resources (water, energy, materials and soil). Each Kospel employee is jointly responsible for environmental protection in his or her area of work and undertakes to observe the laws, regulations and standards relating to environmental protection.

Kospel's social responsibility consists in the company's conscious approach to the impact it has on people and the environment, as well as conducting its business with integrity, obeying the law and avoiding unethical actions towards competitors. Kospel is dedicated to developing relationships with the local community and participates in community and charitable initiatives. The Company is actively involved in cooperation with educational institutions in the field of youth education. The Company has an ongoing relationship with schools and universities, creating vocational education jobs and thus helping to teach young people.

10. WHISTLEBLOWING PROCEDURES

10.1 REPORTING AND PROTECTION AGAINST RETALIATION

At Kospel, we champion a culture of open communication. Our employees can use the internal Whistleblowing and Follow-Up Procedure. Questions can also be asked and concerns about possible misconduct can be expressed at any time. Our interaction should be characterised by mutual respect and trust, so that we can discuss misconduct in an open and constructive dialogue.

We believe that our employees are fully committed to the standards developed by the Company and follow the Code of Conduct and other Kospel guidelines. We assume that they are aware of their role and their ability to raise comments, concerns or irregularities. Violations at Kospel Company can be reported openly, confidentially or anonymously in line with the guidelines "Contact with the Officer".

Kospel guarantees protection against retaliation for reporting concerns of any kind. It is ensured that employees who report possible infringements in good faith and without malicious intent do not suffer any

disadvantages as a result and will not be exposed to retaliation. Any actual or threatened retaliation will be considered a serious violation of the Kospel's Code of Conduct and will result in consequences.

10.2 CONTACT PERSON

If you have any concerns or questions about the Code of Conduct, rules and regulations or internal procedures, you may speak to your supervisor. You may also contact the relevant specialist department, for example, the Human Resources department, if you have questions about employment or employee records. If it is not possible to clarify the matter with your supervisor or the responsible department, or if you continue to have concerns, the Management Board is available as a contact person.

If any violations of the Code of Conduct or the applicable rules and regulations or internal procedures become known to any employee, he or she is obligated to report this matter immediately.

In accordance with the applicable Polish laws and regulations, the Company has drawn up the Whistleblowing and Follow-Up Procedure and Contact with the Officer explaining how and who to contact directly, confidentially and anonymously.

10.3 CONSEQUENCES IN CASE OF BREACHES OF KOSPEL'S GUIDELINES

Kospel expects employees to act in line with the Code of Conduct, i.e. this policy and the principles and provisions of the law, when conducting business on behalf of Kospel Company so as to jointly achieve the established business goals in an ethical and compliant manner.

Violations of the Code of Conduct, our policies or generally applicable laws may result in reputational damage of the Kospel Company. Therefore, violations will be handled seriously and may lead to consequences, including disciplinary sanctions.

Possible consequences in cases where violations are found are as follows:

1. Against employees: disciplinary measures up to and including termination of employment, depending on the nature and gravity of the breach.
2. Violations of the law may be the subject of civil and/or criminal proceedings by state authorities or courts.