

TRADING POLICY KOSPEL SP. Z O.O.

GENERAL INFORMATION

The development of Kospel's Trading Policy is intended to standardise commercial activities and help management and responsible personnel to make the right decisions at each stage of the business relationship. Kospel gives special attention to business aspects that are of importance to the company in order to minimise the impact of commercial risks and to raise awareness of early recognition of possible breaches.

Kospel's Trading Policy is flexible, customer-oriented and long-term to ensure the company's growth. Our goal is continuous development, customer satisfaction and maintaining a competitive market position. The priority of the Company is to provide top quality products to meet customer expectations. For that purpose, we apply high production and inspection standards to ensure that our products are reliable and durable. We strive to improve the equipment we manufacture and introduce new technologies and solutions.

Our sales offer includes a wide and diverse range of products to meet the needs of the market, which enables us to increase our competitiveness. We also continuously improve the quality of sales and post-sales service. Moreover, we provide fast and professional assistance in selecting equipment, solving technical problems and dealing with complaints.

Since it was founded, Kospel has tirelessly pursued its efforts to expand its operations internationally. As a result, we are successively conquering new markets, expanding our business partner base and increasing the global reach of our brand.

Kospel's price offer is competitive, yet reflects the high quality of the manufactured equipment. However, in order to be able to maintain attractive prices, we aim to optimise our business costs, in particular production costs.

We monitor market trends, changes in customer behaviour and the actions of our competitors on a regular basis. This allows us to be prepared to respond swiftly and adapt our trading policy to changing conditions and update it according to fluctuating business needs and conditions.

SELECTION AND VERIFICATION OF BUSINESS PARTNERS

Kospel's commercial activity is unique due to the fact that we have been operating on the Polish market since 1990 and have an established position. From the outset, Kospel has sought to build long-term relationships with both suppliers and business partners. We have worked together and continue to work towards continuous improvement in processes and efficiency for mutual benefit. More than 90% contracting parties on the Polish market who are recipients of our goods are long-term business partners of the Company. This means that we have verified our business partners over the course of many years and that we mostly work with well-tested parties. This, however, does not affect our verification policies, and all registration and legal data of entities with which Kospel cooperates must be true and factually correct. Moreover, Kospel performs random checks of the business partners' available accounting documents.

For all commercial transactions performed under concluded sales agreements, Kospel requires the presentation of up-to-date registration documents and documents confirming the operation of the business in accordance with the legal system of the business partner's country of incorporation.

It is the duty of the staff responsible for transactions to provide sufficient information about the business partner for the relationship to begin. We also carry out personal verification by our sales consultants and sales personnel. Any selection of new contracting parties is from time to time approved by the Sales Directors or the Vice President of Commercial Affairs.

Kospel's foreign business partners, especially those based outside the European Union, are checked, where appropriate, by expert third parties who prepare a specialised report.

Such extensive business partner vetting by Kospel facilitates the anticipation and assessment of risk and safeguards the company against the risk of non-payment.

In the context of selecting business partners, establishing cooperation or placing sales orders, offering grants to officials and politicians is strictly prohibited.

TERMS AND CONDITIONS OF SALE

Kospel's terms and conditions of sale of finished products, prices, ordering procedures, payment terms, delivery terms, guarantees are each time specified for each business partner in the trade agreement.

The company works with a specialist third-party organisation which insures transactions and, for business partners defined by Kospel, grants a credit limit for the handling of sales. Furthermore, Kospel secures the sales by accepting prepayments on the pro-forma basis.

Kospel continues to improve its policies, procedures, rules and regulations and reserves the right to make changes to its commercial offers and general terms and conditions of sale.

DISCOUNT POLICY

The value of the consideration payable to Kospel for the sale is subject to discounts under the terms set out in the general terms and conditions of sale, trade agreements and amendments to agreements.

Discounts vary according to product groups and turnover volumes with business partners. Discount volumes are agreed with the respective contract and approved in a multi-stage process at Kospel.

PAYMENTS

All payments in commercial transactions require proper documentation and compliance with country-specific money laundering regulations. For payments from business partners to Kospel, payment modalities customarily used in business transactions in the respective country must be used. Cash payments are prohibited.

SALES CONTROLS

Verification and reporting of sales and resulting payments are carried out by Kospel's Sales and Finance Departments.

Day-to-day reporting of payment receivables is mandatory. In the event of payment difficulties, Kospel follows debt collection procedures within the framework of applicable legislation.

INTERNAL REGULATIONS ON TRADING POLICY

As a means of establishing cooperation, Kospel uses specifically prepared and compliance-tested contract templates, which can be negotiated on a case-by-case basis and approved in a multi-stage process by persons authorised to represent both parties to the agreement. The recording of contracts and agreements and the filing of originals are carried out by the person responsible for contracts in the company.

Kospel is entitled to verify the performance of the contracts. In the event that circumstances are identified which jeopardise the performance of the contract, the Company has the right to amend the business terms previously granted.

Sales invoices, business receipts, documents and confirmations relating to Kospel's business activities must be issued in a manner that is true, in accordance with actual facts, and taking into account applicable legal and tax regulations.

All business and financial and business documents must be stored electronically or on paper for 6 years after the end of the financial year.

CONFIDENTIALITY

Kospel's company secret comprises all business arrangements, the content of orders, contracts and agreements, including those made by electronic mail, and any information or data obtained by the parties. Accordingly, contents covered by business secret may not be disclosed to third parties without the prior written consent of the party concerned, unless they are public knowledge, or the obligation to disclose them arises under the applicable law or follows from a transparency audit of the parties' business.

FINAL PROVISIONS

KOSPEL employees are obliged to deal promptly with matters and correspondence coming to them. If it is not possible to do so, the employee is responsible for delegating the work to another person or notifying his/her superior of the experienced difficulties and finding a solution in the shortest possible time.

Customers and business partners are treated with the utmost care. No business matter should be left unattended. We alert our staff that business partners should not be misled, subjected to costs or left unattended. In conflict situations, a senior member of staff or a superior should be called on for assistance.

In case of violations of regulations or Kospel guidelines (rules and regulations, procedures, instructions, etc.), or suspected compliance risks, the supervisor or Vice President of the Customer Division should be informed immediately.