

Currency Adjustment Procedure

1. Price rates (stipulated) for performing international freight services by the Carrier are base ones (**Base price rates**) and they are a subject to **currency adjustment** due to which **Real price rates** are determined and they, in turn, are a basis for calculation of remuneration for providing a service.
2. Introduction and implementation of **currency adjustment** is justified in maintaining, for a longer period of time, increase of Polish zloty's (PLN's) exchange rate to foreign currencies (appreciation) which leads to lowering the profitability of rendering international transport services in a situation when the point of reference for determination of remuneration for rendering the aforementioned services are rates expressed in foreign currencies, especially in euro and pounds sterling (GBP) while the costs of rendering them are incurred in Polish zlotys (PLN).
3. **Currency Adjustment** consists in modification of **Base price rates** on the basis of Currency Adjustment Factor (**CAF**) expressed in percentages.
4. **Currency Adjustment Factor (CAF)** – currency correction factor expressed in percentages calculated separately for particular foreign currencies in periods covering particular calendar months, according to the following formula and procedure:

$$\text{CAF} = (\text{BR} - \text{MR}) \times \text{F/BR}$$

where:

BR - Base rate – average yearly selling rate of a given currency in 2007 calculated on the basis of a given foreign currency's exchange rate announced by Narodowy Bank Polski (National Bank of Poland) in 2007. Base exchange rate is a reference point for determination of changes in respect to selling rate of a given foreign currency. **Base exchange rate for euro is 3,82 and for pound sterling (GBP) 5,59.** Base exchange rates for other foreign currencies are published at the Narodowy Bank Polski (National Bank of Poland) internet site – www.nbp.pl.

MR – Average monthly selling rate – average monthly selling rate of a given foreign currency calculated on the basis of a given foreign currency's selling rate in a given calendar month announced by Narodowy Bank Polski (National Bank of Poland). Average monthly selling rates of foreign currencies are published on the internet site of Narodowy Bank Polski (National Bank of Poland) – www.nbp.pl.

F – Share of Costs' Factor in PLN – factor expressed in percentages factor of ratio of cost of rendering international logistics services paid in Polish zlotys (PLN) to total costs incurred by the Carrier for rendering such services. The Share of Costs' Factor in PLN is currently **67%** and it may be a subject to a change due to a change of structure of costs of rendering international transport services.

5. **CAF Factors** for particular calendar months and the basis for CAF factors' calculations, i.e.: **base rates, average monthly selling rates** and **Factor of share of costs in PLN**, are published and updated on a regular basis at www.raben-group.com.
6. **CAF Factor** determined for a given calendar month is a basis for a modification of **Base price rates** for services rendered on the basis of transport orders taken by the Carrier in the next calendar month. When **CAF's** value is:
 - 1) positive – **currency adjustment** consists in adequate raising of **base price rates** with **CAF**;
 - 2) negative – **currency adjustment** consists in adequate lowering of **base price rates** with **CAF**.

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7. Determination of **Real price rates** for performed services on the basis of **Base price rates** with the application of a procedure of **currency adjustment** is a standard element of remuneration's calculation mode and cannot be treated as a change of prices or concluded agreements.
8. When **Base price rates** undergo **both currency adjustment** and fuel adjustment then each of those adjustments is calculated separately in relation to **Base price rates** and then the results are juxtaposed in order to determine **Real price rates**.
9. The Carrier reserves the right to unilaterally change the methodology of calculating **CAF** and **currency adjustment**. In particular unilateral changes in respect to determining the value of **Share of Costs' Factor in PLN** resulting from a change of costs' structure and changes in respect of determining **Base rate** shall not be treated as a change of rates or concluded agreements.
10. **Currency Adjustment** comes into force on **May 1, 2008** what means that **Base price rates** for international transport services rendered on the basis of transport orders taken by the Carrier after that day are a subject to lowering or raising to **CAF** respectively.