SUPPLIER FINANCING PROGRAM of KGHM Polska Miedź S.A.

PROGRAM DESCRIPTION:

To meet the needs of suppliers seeking payment before an invoice becomes due, the financial institutions cooperating with KGHM have developed an attractive supplier financing program. The program allows suppliers to receive payment for goods or services significantly earlier than under the payment terms set out in their contracts. Suppliers are entirely free to join or withdraw from the program at any time during the term of the contract.

KGHM's supplier financing program is operated by three financial institutions. A supplier wishing to join the program should contact a representative of its chosen institution directly to sign an agreement or complete a declaration specifying the bank account to which invoice payments should be transferred. Suppliers may join the program immediately, without undergoing an assessment of their financial or economic standing.

After joining the program, the supplier may either wait for payment until the invoice due date or request that the financial institution purchase the invoice before it becomes due (invoice discounting). The cost of discounting is calculated using WIBOR, EURIBOR or CME Term SOFR, as applicable, plus a margin. Once the supplier has signed an agreement or program participation declaration with the financial institution, it gains access to an electronic banking system. Through this system, the supplier can select invoices previously approved by KGHM and request their discounting, allowing it to receive funds even on the same day.

In justified cases, KGHM Polska Miedź S.A. reserves the right to pay individual invoices directly by bank transfer rather than through the supplier financing program.

ADVANTAGES FOR THE SUPPLIER:

- No credit assessment by the bank,
- Quick signing of the documentation and program execution,
- Very attractive terms of financing,
- Improvement of financial liquidity as well as of the balance sheet structure (possibility of derecognition of trade receivables from the balance sheet),
- Earlier cash inflow from issued invoices,
- Stabilizing commercial relations with KGHM,
- Simple and convenient servicing of the financing program,
- On-line customized reports,
- Financial institutions have extensive experience in providing supplier financing programs.

CONTACT DETAILS FOR FINANCIAL INSTITUTIONS:

Bank PEKAO S.A.	PKO Faktoring S.A.	Bank Millennium
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