

## **SUPPLIER FINANCING PROGRAM of KGHM Polska Miedź S.A.**

### **PROGRAM DESCRIPTION:**

In order to meet the needs of suppliers who would like to receive payment before the invoice due date, financial institutions cooperating with KGHM have prepared an attractive supplier financing program. It provides suppliers with the possibility of receiving payment for deliveries or rendered services within a time frame substantially shorter than the one agreed upon in the contract.

The supplier retains full flexibility with regard to deciding on accession to or resignation from the program at any time during the life of the contract.

Currently, the supplier financing program of KGHM is carried out by three financial institutions. If a supplier wishes to join the supplier financing program, the supplier should directly contact a representative at the financial institution it has chosen in order to sign the contract or statement. This contract or statement shall include the supplier's current bank account number, to which the bank participating in the supplier financing program will transfer payment for the invoice. The supplier can join the program at once, without the need to have its financial position verified by the bank participating in the supplier financing program.

After joining the program, the supplier retains full flexibility with regards to either waiting for payment on the invoice due date or whether to opt for an earlier purchase of the invoice by the bank (invoice discounting). With the latter choice, the supplier bears the discount cost at the level of the WIBOR/ EURIBOR/ CME Term SOFR rate plus a margin.

By signing an agreement or statement with the bank, the supplier is granted access to an electronic banking system where he can choose invoices that have been accepted by KGHM and order them to be discounted, which enables the receipt of funds even on the same day.

Under justified circumstances, KGHM Polska Miedź S.A. reserves the right to pay for particular invoices via bank transfer, without entering them to 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 TO PARTICIPATING INSTITUTIONS:

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