

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

### **PROGRAM DESCRIPTION:**

KGHM Polska Miedź S.A. has introduced a 60-day payment term in all newly concluded commercial contracts. In order to meet the needs of suppliers who would like to receive payment before the end of 60-day period, banks 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 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 of the contract execution.

Currently, the supplier financing program of KGHM is carried out by two financial institutions. In the case of expressing willingness to join the supplier financing program, the supplier should in person contact a representative at the financial institution it has chosen in order to sign the contract or declaration, in which a number of current bank account will be indicated, to which the bank performing 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 operating the supplier financing program.

After entering the program, the supplier retains full flexibility with regard to either wait for payment until the 60th day or whether to opt for an earlier purchase of the invoice by the bank (invoice discounting). With the latter choice, supplier bears discount cost at WIBOR/LIBOR rate + margin.

When signing an agreement or declaration 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 SUPPLIER:

- No credit assessment by the bank,
- Quick signing of the documentation and program execution,
- Very attractive terms of financing,
- Improvement in financial liquidity as well as in the structure of financial position (possibility of derecognition of trade receivables from the balance sheet),
- Earlier cash inflow from invoices issued with 60-day payment term,
- Stabilizing commercial relations with KGHM,
- Simple and convenient form of the financing program service,
- On-line customized reports,
- Banks have extensive experience in providing supplier financing programs.

## BANK CONTACT:

<b>Bank Handlowy S.A.</b>	<b>Bank PEKAO S.A.</b>
<b>Bartosz Listwan</b> tel. +48 697 080 869 <a href="mailto:bartosz.listwan@citi.com">bartosz.listwan@citi.com</a>	<b>Dorota Wierzbicka</b> tel. +48 727 415 216 <a href="mailto:dorota.wierzbicka2@pekao.com.pl">dorota.wierzbicka2@pekao.com.pl</a>  <b>Magdalena Potoczek</b> tel. +48 661 380 305 <a href="mailto:magdalena.potoczek@pekao.com.pl">magdalena.potoczek@pekao.com.pl</a>
<b>Financing of invoices in PLN.</b>	<b>Financing of invoices in PLN, USD, EURO.</b>