

**Financial support programme
 "Financial shield of the Polish Development Fund
 for Large Enterprises"**

Beneficiaries of the Programme	<p>→ Large enterprises with at least 250 employees (total employment in the capital group), or whose turnover exceeds EUR 50 million or balance sheet total exceeds EUR 43 million, on a consolidated basis</p> <p>→ Small and medium-sized enterprises which employ more than 150 employees (as at 31 December 2019), excluding the owner, and their annual turnover for 2019 exceeds PLN 100 million, if they are not beneficiaries of the governmental programme Financial Shield of the Polish Development Fund for SMEs, where the funding gap according to the financial projections exceeds PLN 3.5 million, or the funding relates to the Sectoral Programme in connection with COVID-19</p> <p>→ The status of an entrepreneur shall be established taking into account also the data of enterprises related by capital to the entrepreneur pursuant to Article 6 of Annex I to the European Commission Regulation No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty. Data of enterprises which are subject to aggregation should be established on the basis of books of account or data from the consolidated</p>
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	<p>financial statements.</p> <p>→ Where an undertaking has linked enterprises, its staff numbers and annual turnover and balance sheet total are added in full to its staff numbers and annual turnover and balance sheet total,</p> <p>→ Where the enterprise concerned has partner enterprises, its staff numbers and annual turnover and balance sheet total shall be added to its staff numbers and annual turnover and balance sheet total in proportion to its percentage of the capital or voting rights.</p>
<p>Conditions for obtaining funding</p>	<ol style="list-style-type: none"> 1. a decrease in economic turnover (sales revenues) of at least 25% in any month after 1 February 2020 compared to the previous month or the same month of the previous year due to the economic disruption caused by COVID-19 ; 2. loss of production or service capability or acceptance of products or services by the contracting authorities due to lack of availability of components or resources due to COVID-19; 3. failure to receive payment for the sale under COVID-19 in the amount exceeding 25% of the receivables; 4. lack of access to the capital market or credit limits in relation to new contracts due to financial market disturbances; 5. participation in the Sectoral Programmes in connection with COVID-19; 6. as at the date of submitting the application and signing the financing agreement, no bankruptcy or restructuring proceedings were opened against the entrepreneur; 7. the entrepreneur has a tax residence in the European Economic Area; 8. the entrepreneur is registered in the Republic of Poland; 9. the main actual beneficiary of the entrepreneur has no tax residence in so-called "tax havens"; 10. the entrepreneur conducted activity as at 31 December 2019;



	<p>11. the entrepreneur as at 31 December 2019 or as at the date of submission of the application was not in arrears with the payment of taxes and social security contributions, however, the spread of payments into instalments or its deferment is not considered a arrears;</p> <p>12. the entrepreneur may not conduct business:</p> <p>a) for products or services which may result in a restriction or violation of individual freedoms or human rights;</p> <p>b) carried out by credit institutions, cooperative savings and credit unions, investment firms, loan institutions, insurance and reinsurance undertakings, pension funds, investment funds and other collective investment undertakings and asset managers, payment service providers and other financial institutions or credit rating agencies;</p> <p>c) in areas of ethical and moral uncertainty.</p>
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FORMS OF FINANCING

	Liquidity financing	Preferential financing	Investment financing
Method of financing	<ul style="list-style-type: none"> → loan; → the acquisition of receivables or debts; → bonds; → guarantees. 	<ul style="list-style-type: none"> → a redeemable loan of up to 75% of its value 	<p>Acquisition or purchase of shares, stocks, subscription warrants, bonds or loans convertible into shares by the Polish Development Fund:</p> <ul style="list-style-type: none"> → on the commercial basis, provided that PFR's share in the financing amount does not exceed 50%, → under public aid rules up to the amount of

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			the loss of the company caused by COVID-19;
Purpose	<p>It serves to cover the company's liquidity gap and the funds allocated can only be used to settle current payments such as:</p> <ul style="list-style-type: none"> → payment of wages; → purchase of goods and materials or cover other operating costs for the production of a product or service; → public-law liabilities; → other objectives related to the financing of current activities, as established in the Programme Funding Documents 	<ul style="list-style-type: none"> → It serves to cover the company's liquidity gap resulting from the operating loss due to the economic disruption caused by COVID-19; → It may be allocated to the company's current operations and restructuring operations. 	It serves to cover the company's liquidity gap caused by capital outflow on the stock and bond market.
Maximum funding period	2 years, with an option to extend by 1 year	3 years, with an option to extend by 1 year	
Amount of funding	Financing is granted in the amount corresponding to the projected liquidity gap, up to a maximum of PLN 1,000,000,000.00.	Preferential financing is granted in the amount corresponding to the forecasted liquidity gap resulting in particular from COVID-19 and up to the maximum amount of PLN 750,000,000.00.	Financing is granted in the amount corresponding to the projected liquidity gap, up to a maximum of PLN 1,000,000,000.00.

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<p>Financing conditions</p>	<p>Repayment of the financing will be based on the repayment schedule agreed with the Beneficiary.</p>	<p>→ The terms of the loan:</p> <ol style="list-style-type: none"> 1. the company recorded a cash loss on sales in at least one month after 29 February 2020; 2. the projected level of indebtedness of the company has increased as a result of COVID-19 to a level that threatens its financial stability, 3. the company has presented a restructuring plan and financial projections, which prove its financial viability after the end of the crisis in connection with COVID-19 and has passed the process of simplified due diligence conducted by the Polish Development Fund. <p>→ Conditions for the cancellation of a preferential loan:</p> <ol style="list-style-type: none"> 1. the amount of the cancellation of preferential financing is equal at most to the amount of the 	<p>→ Conditions for obtaining funding:</p> <ul style="list-style-type: none"> • presentation of a multiannual strategy or a restructuring plan to ensure financial viability after the crisis; • presentation of financial projections and, in the case of public aid, calculation of the loss caused by COVID-19; • the PFR has passed the simplified due diligence process. <p>→ Detailed financing conditions will be specified, inter alia, in the relevant Programme Financing Documents.</p>
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		<p>cumulative cash loss on the sale of the undertaking from the first month showing a loss after 29 February 2020 for a further period of 12 months and until 30 June 2021 at the latest, or for any other period indicated by the PFR but not longer than 30 June 2021;</p> <ol style="list-style-type: none"> 2. the amount of cancellation may not exceed 75% of the loan value; 3. the amount of the final redemption may be subject to the condition of maintaining the level of employment; 4. the entrepreneur has not opened liquidation and no bankruptcy or restructuring proceedings are conducted against him. <p>→ The Polish Development Fund may also make the cancellation of preferential financing subject to</p>	
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		additional conditions.	
Financing deadline	The funding shall be granted until 31 December 2020 .		
Applying for funding	Submitting an application for funding to the Polish Development Fund.		

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