Introduction to the Siemens SCF Program

The Siemens SCF Program makes use of a technology platform that links Siemens and its Suppliers & Sub-contractors with a 3rd party financier (Orbian*) to provide cost-effective receivables financing to those Suppliers & Sub-contractors.

The Siemens SCF Program leverages the financial strength of Siemens to deliver a unique trade finance solution for the benefit of key Suppliers & Sub-contractors selected by Siemens to be invited into the program:

- Access to cash at a very attractive rate
- Accelerated payments
- Reduce reliance on debt
- Drastically reduce costs in accounts receivable

*Please note: Orbian is not an affiliate of or owned by Siemens.
5 Steps of Supply Chain Finance

- **Step 1:** Suppliers and Sub-contractors submit invoices to Siemens in the very same way you do today
- **Step 2:** Siemens approves payments and sends a payment instruction (“PI”) to the SCF platform
- **Step 3:** Suppliers and Sub-contractors are immediately able to view the approved payments (receivables) on their SCF web portal and elect to discount those receivables with Orbian* at the attractive discount rate
- **Step 4:** Orbian* delivers non-recourse cash to the Supplier or Sub-contractor, purchasing the receivable
- **Step 5:** Siemens makes payments to Orbian* at maturity (last day of the payment terms between Siemens and Supplier or Sub-contractor)
How much will the Siemens SCF Program cost?

The Discount Rate currently being offered in the Siemens SCF Program is tiered, depending on the annual spend with the supplier:

<table>
<thead>
<tr>
<th>Annual Spend Level</th>
<th>Annualized Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000 +</td>
<td>LIBOR plus 1.50%</td>
</tr>
<tr>
<td>$300,000 - $499,999</td>
<td>LIBOR plus 1.75%</td>
</tr>
<tr>
<td>$100,000 - $299,999</td>
<td>LIBOR plus 2.50%</td>
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</tbody>
</table>

-Siemens Industry, Inc. is currently offering the program to vendors who:

» Have an annual sales volume to Siemens of at least $100K.

» The goods and/or services rendered to Siemens are to be provided by a North American legal entity (includes NA subsidiary of an international supplier) and the invoice currency is currently restricted to US Dollars.
Account types available - Options

There are two types of accounts a supplier or a sub-contractor can choose:

**Automatic Discounting**: elect up-front to automatically sell all Siemens approved payments (receivables) to Orbian* at the pre-negotiated applicable discount rate.

**Manual Discounting**: have the option to manually select which of the approved payments (receivables) would like to sell to Orbian* at the pre-negotiated applicable discount rate and the timing of such discounts. To utilize this option, an additional discounting fee of .12% p.a. (i.e. Libor + 1.62% p.a.) is added and this is available to companies that provide goods/services to Siemens of at least $500k annually.
Example of the Discount Charge

Suppliers or Sub-contractors pay a discount charge when they choose to sell receivable and receive cash early. Below is an example of a Discount Charge in the Siemens SCF Program for a supplier has annual sales of at least $500K with Siemens.

Payment Terms with Siemens: 90 days
Siemens Approved Payment Amount: $10,000.00
Annualized SCF Discount Rate: 2.00% (Assumes Libor @ .50% + 1.50%)

Auto-Discount Scenario

Invoices Submitted = Day 0
Payment Approved by Siemens and Shared with SCF platform = Day 15
Receivable Sold to Orbian* by Supplier or Sub-contractor = Day 15
Cash Received by Supplier or Sub-contractor = Day 17
Number of Days Cash Received Early = 73 days
Discount Charge Paid by Supplier or Sub-contractor = $41 \((73/360) \times .0200 \times $10k\)
Discount Charge as a Percentage of the Receivable = 0.41%
Cash Proceeds Received by Supplier or Sub-contractor on Day 17 = $9,959
Interactive Discount Charge Analysis

<table>
<thead>
<tr>
<th>Supplier or Sub-contractor’s Payment Terms with Siemens:</th>
</tr>
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<tbody>
<tr>
<td>90</td>
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</table>

<table>
<thead>
<tr>
<th>Siemens Approved Payment Amount:</th>
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<tbody>
<tr>
<td>1000</td>
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</table>

<table>
<thead>
<tr>
<th>Annualized SCF Discount Rate (Libor +1.50%):</th>
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<tbody>
<tr>
<td>2.0</td>
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</table>

<table>
<thead>
<tr>
<th>Invoices Submitted on Day:</th>
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<tbody>
<tr>
<td>0</td>
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<table>
<thead>
<tr>
<th>Payment Approved by Siemens and shared with SCF platform on Day:</th>
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<tbody>
<tr>
<td>15</td>
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<table>
<thead>
<tr>
<th>Receivable sold to Orbian* by Supplier or Sub-contractor on Day:</th>
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<tbody>
<tr>
<td>15</td>
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</table>

<table>
<thead>
<tr>
<th>Cash received by Supplier or Sub-contractor on Day:</th>
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<tbody>
<tr>
<td>(2 business days + day invoice approved)</td>
</tr>
<tr>
<td>17</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of days cash received early:</th>
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<tbody>
<tr>
<td>73</td>
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</table>

<table>
<thead>
<tr>
<th>Discount Charge Paid by Supplier or Sub-contractor:</th>
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<tbody>
<tr>
<td>$4</td>
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<table>
<thead>
<tr>
<th>Discount Charge as a Percentage of the Receivable:</th>
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<tbody>
<tr>
<td>0.41%</td>
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<table>
<thead>
<tr>
<th>Cash Proceeds Received by the Supplier or Sub-contractor:</th>
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<tbody>
<tr>
<td>$996</td>
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</table>
Interactive Before and After Analysis

Payment Amount from Siemens ($):
3857287

Payment Terms with Siemens (Days):
90

Current Financing Rate (%):
5.0

New Siemens SCF Discount Rate (annualized %):
2.0

Days to Receive Payment in SCF Program:
(2 business days + invoice approval time period)
17

Number of Days Cash is Received Early:
73

Current Cost for Financing this Payment:
$4,710

New Cost Siemens SCF Program:
$2,163

Potential Savings with the Siemens SCF Program:
$2,547

Potential Savings as a Percentage of Current Financing Cost:
54.07%
Siemens SCF Program – Summary of Benefits

The Siemens Supply Chain Finance (SCF) Program creates the opportunity for you to efficiently convert invoices to cash in a short period of time and at financing rates typically lower than your company would be able to achieve on its own. This cash flow and internal cost improvement may result in your company being able to bid more competitively.

Improve Cash Flow
- Get paid fast following Siemens’ approval of the invoice
- Choice of Fedwire payment or ACH payment within 3 business days
- All approved Siemens invoices will be paid on stated invoice due date if not discounted

Optimize Working Capital
- Non-recourse cash drastically reduces Days Sales Outstanding (DSO)
- Reduce Cash Conversion Cycle

Enhance Debt Capacity
- Access to cash frees up debt capacity for other uses
- Reduced reliance on debt can improve overall cost of debt

Reduce Costs
- Automatically get paid on invoices once they are approved
- Reduce processing and collection costs by viewing all the approved invoices
Next Steps

- Based on the location a supplier is legally incorporated, the below enrollment code should be used:
  - US: Siemens2123, Mexico: Siemens2124, Canada: Siemens2125

Complete Setup Form
- Information needed to setup company profile in the Orbian* system and complete due diligence

Execute Documentation
- Orbian System Use and Supplier Payment and Discount Agreement
- Bank Credit Reference Form - To confirm bank account information
- Voided Check and/or Bank Statement - To confirm account numbers are accurate
- Articles of Incorporation - To confirm company is in good standing

Submit Documentation
- Submit forms to Orbian* Customer Service at documentation@orbian.com
- Mail to: Orbian Corporation 200 Connecticut Avenue Norwalk, CT 06854

Start Receiving Siemens SCF Program Benefits
- Orbian* will complete the activation process
- You will receive an ID and Password to access your Siemens SCF Program web portal
- Start converting invoices to cash fast!
Contact

Siemens Capital Company, LLC

Douglas Schoch
VP, Relationship Manager
Treasury & Investment Management
Douglas.Schoch@siemens.com
732-590-6582 office
609-306-6690 cell

Ariella Abuaf
Program Manager
Ariella.Abuaf@siemens.com
732-590-2524 office

Siemens Industry, Inc

Gary Merrigan
Procurement Controlling
Gary.Merrigan@siemens.com
847-941-5326 office

Orbian* Corporation

Kathleen Morris
Relationship Manager
Kathleen.Morris@orbian.com
203-852-3901 office