

## INFORMATION SHEET FACTORING (PURCHASE AND MANAGEMENT OF AN ENTERPRISE'S ACCOUNT RECEIVABLES)

### INFORMATION ON THE BANK

#### Banca IFIS S.p.A.

**Registered office** via Terraglio, 63 – 30174 Venezia Mestre

**Headquarters** via Gatta, 11 – 30174 Venezia Mestre

**www.bancaifis.it** – Tel +39 041 5027511 - Fax +39 041 5027555 - e mail: [ifis@bancaifis.it](mailto:ifis@bancaifis.it)

Contacts: <http://www.bancaifis.it/Gruppo/Contatti>

Enrolled in the Register of Banks held by the Bank of Italy with no. 5508 - ABI Code 03205

Registration number in the Companies Register of Venice and Tax Code 02505630109

VAT Number 02992620274 Share Capital Euro 53,811.095,00 fully paid up

Parent Company of the Banca IFIS Banking Group S.p.A., enrolled in the register of Banking Groups

Member of the Interbank Deposit Protection Fund, of the Italian Banking Association, of the Italian Factoring Association, of Factors Chain International

DATA and QUALIFICATION of the PERSON IN CHARGE OF THE OFF-SITE OFFER	
First name and surname of the person who delivers the form to the customer	
Qualification of the person who delivers the form to the customer (Banca IFIS S.p.A. employee or other)	
In the case of a third party included on the register or list, indicate the details of that registration	

### WHAT FACTORING IS

Factoring (the purchase of an enterprise's trade receivables) is an agreement through which the Bank (also referred to as the Factor or Assignee) purchases and then manages the trade receivables that are (or even will be in the future) due to the Assigning supplier by one or more of its debtors.

Upon request by the Assigning supplier, the factoring contract can give the Bank the faculty:

- To take on the risk of non-payment of the receivables due to debtor insolvency (non-recourse);
- To credit, subject to collection, an amount equal to the nominal value of the principal of the receivables assigned (normally upon the original due date of the receivables) and to then grant extensions to the debtors involved (maturity factoring).

The Bank, after signing by the supplier of a separate Convention, will be able to grant an advance, in whole or in part, of the receivables assigned.

The Factoring contract is governed by Law 52/91 and by the Italian Civil Code.

Unless otherwise agreed, factoring operations usually involve the Assigned debtor being informed of the fact that the receivables due from him/her have been assigned to the Factor.

Any amendments to the general provisions governing the Factoring contract, also relating to the particular commodity sectors, specific types of receivables assigned or requirements to personalise the service, will be laid down in separate contracts or annexes to the general conditions governing the Factoring contract.

### RECOURSE FACTORING OPERATIONS

#### Description of the service

In this type of factoring operation, the risk of total or partial non-payment by the Assigned debtor is borne by the Assigning supplier.

#### Risks borne by the customer

The Assigning supplier guarantees that all the receivables assigned are real, liquid and collectible (including future ones) and accepts the obligations and commitments set out in the contract. In particular, the Assigning supplier guarantees the solvency of the debtors assigned and therefore, in cases of non-payment for any reason of receivables upon their due date, or wherever it may be reasonably assumed that the debtor will not pay, the Assigning supplier must return to the Factor any sums it has received as an advance on the consideration due for the assigned receivables, plus any conventional interest accrued or accruing up to the date these sums were returned, plus any fees or charges.

The Factor may choose to offset its debts with its credits, of any type, owed to the Assigning supplier, even if they are not yet liquid and collectible. By way of example, the Assigning supplier's debt for any advances it has received on the receivables assigned may be offset by credit arising from any new assignment and consequent release of advances and/or consideration payments.

The accounts receivable are intended as assigned with all their privileges, personal and real guarantees and other accessories, including any matured interest due for any reason (for example interest as per Art. 1284 of the Italian Civil Code, interest on late payment as per Law 231/2002, conventional interest, default interest etc.), it being understood that the consideration due for the assignment will be equal to the nominal value of the principal of the receivables assigned, without any additions to this consideration for effective collection of accrued interest. Delays in collection of the receivables will result in plus factoring commissions being debited up to the date the receivable is effectively collected as remuneration for the further actions that the Factor has had to take against the Assigned debtor in order to obtain payment. Plus factoring commission accrues with the other fees and charges agreed upon (for example factoring commission).

The financial conditions and the other contractual conditions of the factoring agreement may be modified unilaterally in a manner unfavourable to the Assigning supplier wherever the prerequisites pursuant to Article 118 of Legislative Decree 385/1993 occur.

## **NON-RECOURSE FACTORING OPERATIONS**

### **Description of the service**

In this type of factoring operation, purchase and management of the trade receivables due from a particular previously identified debtor occur with the Factor taking on the risk of non-payment due to Assigned debtor insolvency under the terms contractually agreed upon and respecting the limits and conditions of the credit cover granted for each debtor.

In full definitive purchase non-recourse operations, payment of the consideration may be made prior to the due date of the receivable, with the relative fees and charges being determined according to the probability of future collection and within the limits contractually agreed upon.

### **Risks borne by the customer**

The Assigning supplier guarantees that all the receivables assigned are real, liquid and collectible (including future ones) and accepts the obligations and commitments set out in the contract. For example, the Assigning supplier's obligation to assign all receivables remains even if the credit cover should be revoked or suspended or in cases where the Factoring contract is dissolved, withdrawn from or terminated, until the Factor's exposure to risk has been extinguished.

Should the Assigned debtor not fulfil the contractual obligations, the Factor has the legitimate right to demand immediate restitution of the sums paid as an advance on the total consideration due for the receivables and not yet collected by the Factor and to render invalid the granted credit cover with the risk of Assigned debtor insolvency once again being borne by the Assigning supplier.

In cases of non-utilisation, even partial, of the non-recourse credit cover granted, in force from time to time, non-utilisation fees will be due from the Assigning supplier.

The Factor may choose to offset its debts with its credit, of any type, due from the Assigning supplier, even if they are not yet liquid and collectible.

The accounts receivable are intended as assigned with all their privileges, personal and real guarantees and other accessories, including any matured interest due for any reason (for example interest as per Art. 1284 of the Italian Civil Code, interest on late payment as per Law 231/2002, conventional interest, default interest etc.), it being understood that the consideration due for the assignment will be equal to the nominal value of the principal of the receivables assigned, without any additions to this consideration for effective collection of accrued interest. Delays in collection of the receivables will result in plus factoring commission being debited until effective collection or, if before, until the date the consideration for the receivables assigned non-recourse has been paid. Plus factoring commission accrues with the other fees and charges agreed upon (for example factoring commission).

The risk of revoked or invalid payment being made by the Assigned debtors remains the Assigning supplier's responsibility.

The financial conditions and the other contractual conditions of the factoring agreement may be modified unilaterally in a manner unfavourable to the Assigning supplier wherever the prerequisites pursuant to Article 118 of Legislative Decree 385/1993 occur.

## **MATURITY FACTORING OPERATIONS**

### **Description of the service**

In this type of factoring operation, the Factor purchases and manages the trade receivables due from a predefined collection of Assigned debtors, crediting, subject to collection (henceforth, also maturation), on a date agreed upon between the Factor and the Assigning supplier (normally the original due date of the receivables), an amount equal to the nominal value of the principal of the receivables assigned, within the limits of the Debtor credit line granted.

Upon authorisation from the Assigning supplier, the Factor may grant payment extensions to such Debtors in accordance with specific contracts drawn up with each of them.

This purchase of trade receivables may involve the Factor assuming the risk of non-payment by such Debtors due to insolvency (non-recourse) in the terms and within the limits and conditions of the credit line defined for each Debtor, as regulated by the 'General provisions of the factoring contract'.

### **Risks borne by the customer**

The Assigning supplier guarantees that all the receivables assigned are real, liquid and collectible (including future ones) and accepts the obligations and commitments set out in the contract.

Should the Assigned debtor not make payment upon the due date, the Factor has the legitimate right to demand immediate restitution of the sums paid as an advance to the Assigning supplier for receivables and not yet collected by the Factor during the maturity factoring operation, debiting the relative amount from the Assigning supplier for a value of the amount initially credited subject to

collection.

The Bank may, upon its incontestable discretion, suspend the subject-to-collection crediting of the assigned receivables at any time for the maximum number of days expressly agreed upon in the Maturity Contract.

The financial conditions and the other contractual conditions of the factoring agreement may be modified unilaterally in a manner unfavourable to the Assigning supplier wherever the prerequisites pursuant to Article 118 of Legislative Decree 385/1993 occur.

#### **ECONOMIC/FINANCIAL CONDITIONS APPLIED TO THE SERVICE**

N.B. The conditions set out below are the minimum (due to the Assigning supplier) and the maximum (due to the Bank).

<b>DOSSIER FEES</b>	
Transferor practice appraisal expenses	<b>1,500.00</b> Euro maximum with flat debit
Transferor practice review expenses	<b>500.00</b> Euro maximum with flat debit
Maximum annual supplier dossier/revision fee	<b>1,500</b> Euro maximum
Debtor credit line fee	<b>250.00</b> Euro maximum with flat debit
Debtor credit line monitoring fee	<b>50.00</b> Euro maximum with periodic monthly debit <b>150.00</b> Euro maximum with periodic quarterly debit
Chamber of Commerce/cadastral enquiries fee	Recovery of expenses incurred
Commission on recourse credit line (applied periodically on the amount of the recourse credit line in force)	<b>0.20%</b> monthly, with liquidation and periodic monthly settlement

<b>FACTORING MANAGEMENT</b>	
Factoring commission for management and collection service (cost of managing the assigned receivables, applied on their nominal value)	<b>1.00%</b> maximum per month or fraction of the assigned receivable duration, applied on the nominal value, with periodic monthly or flat debit
Plusfactoring management fee (additional cost of managing the assigned receivables in cases of Assigned debtor non-payment upon original due date, applied on the nominal value of the overdue receivable)	<b>1.00%</b> maximum per month or fraction of the duration of the receivables assigned, debited monthly from the nominal value of these receivables as from the original due date of the receivable.
Handling charges	<b>15.00</b> Euro maximum per invoice <b>100.00</b> Euro per list of invoices
Charges for assignment notification	<b>35.00</b> Euro

<b>NON-RECOURSE CREDIT COVER</b>	
Commission on guarantees (cost of remunerating the risk of Assigned debtor insolvency taken on by the Factor, applied on the nominal value of the receivables assigned under the non-recourse cover – this commission accrues with the factoring commission for management)	<b>2.00%</b> maximum, applied on the nominal value of the receivables assigned under the non-recourse cover with flat debit or <b>2.00%</b> maximum per month or fraction of the duration of the receivables assigned, applied on the nominal value of the receivables assigned under the non-recourse cover, with periodic monthly debit
Non-utilisation fee of the non-recourse credit cover (applied periodically to the difference, in the reference month, between the applicable non-recourse credit limit and the maximum nominal value of the amount credited to the relevant debtor)	<b>0.20%</b> monthly, with liquidation and periodic monthly settlement

<b>VALUE DATES</b>	
Fee payment credit	8 working days credit date
Debit of the consideration/credit notes	Equal to the fee credit value
Direct collection debit	Equal to the collection value from the Debtor
Credit for direct collection transfer	Equal to the transfer value from the Supplier to the Factor

Debit due to reacquiring/forfeiture of the receivable acceptance	Equal to the fee credit value
Credit for assigned receivable collection via direct remittance	15 working days
Crediting for assigned receivable collection via Ri.ba collection order portfolio	20 working days
Crediting for assigned receivable collection via Direct Debit collection order portfolio	20 working days
Crediting for assigned receivable collection via cheque	20 working days
Outstanding debt	Expiry date

<b>COLLECTION CHARGES</b>	
Document collection charges	<b>5.00 Euro</b> maximum for each collection document
Overdue charges (applied to each unpaid debt collection or reminder document) - Cash order; - Direct debit; - dishonoured cheque	<b>10.00 Euro max</b> (+ any other charges applied)
Disputed charges of collection documents (applied to each document)	<b>25.00 Euro max</b> (+ protest fees and any other charges applied)

<b>FULL DEFINITIVE PURCHASE NON-RECOURSE WARRANTY</b>	
Full definitive purchase non-recourse warranty (cost of remunerating the risk of Assigned debtor insolvency taken on by the Factor – this commission accrues with the factoring commission for management)	<b>6.00%</b> maximum, applied on the nominal value of the receivables assigned, with liquidation and flat debit upon payment of the consideration
Non-utilisation fee of the non-recourse credit cover (applied periodically on the difference, in the reference month, between the non-recourse credit cover in force and the maximum nominal value of the outstanding receivables due from the Debtor)	<b>0.20%</b> monthly, with liquidation and periodic monthly settlement
Advance payment nominal debtor lending rate on full definitive purchase non-recourse receivables (ATD)	<b>6.80 %</b> maximum per year, fixed or indexed variable (e.g. Euribor 3M monthly average), with liquidation and debit paid in advance of the consideration payment
Interest calculation criteria divisor	calendar year
Stress time (increase on the Days of Sales Outstanding)	60 days maximum

<b>OTHER FEES</b>	
Exchange rate (applied to transactions in foreign currency)	Daily exchange rate as published by the Bank of Italy (previous working day)

<b>RATE OF INTEREST</b>	
Deferred nominal conventional annual interest rate (debtor/creditor)	<b>6.80 %</b> maximum per year, fixed or indexed variable (e.g. Euribor 3M monthly average), with liquidation and debit paid in advance of the consideration payment
Interest calculation criteria divisor 36500	calendar year
Withholding tax on interests	to the extent established by law
Frequency of quarterly interest liquidation	last day of the quarter (31/3, 30/6, 30/9, 31/12)
Conventional interest rate arrears surcharge	Up to a maximum of 3 percentage points annually and within the limits of the law

## OTHER ECONOMIC CONDITIONS

ACCOUNT MANAGEMENT	
Statement sending frequency	Monthly
Periodic communication fees	Electronic: 0.00 EUR Printed: 1.50 EUR
Charges for additional communications	10.00 Euro maximum
Fee settlement frequency	Monthly or flat
Stamp duty	to the extent established by law, at the Supplier's expense
Contract registration fees and subsequent costs	to the extent established by law, at the Supplier's expense

The Client is hereby informed that any conventions between Banca IFIS S.p.A. and third parties, for introducing new clients, state that such third parties may not ask compensation of any sort from the clients sought and introduced. The Client shall, therefore, undertake not to pay sums of any type to third parties who have been involved in initiating, or have assisted in, the business relationship with the Bank.

## ANCILLARY SERVICES AND OTHER EXPENSES

### ADVANCE FEE PAYMENT

The Assigning supplier may optionally sign the advance fee payment convention. In this case, the Bank will be entitled to provide in advance all or part of the assigned receivables fee.

Any sums paid as advance fees will be noted on the appropriate accounting records and will bear interest at the rate to the extent and under the economic conditions provided.

RATES	
Deferred nominal debtor annual interest rate	6.80 % maximum per year, fixed or indexed variable (e.g. Euribor 3M monthly average), with liquidation and debit paid in advance of the consideration payment
Interest calculation criteria divisor 36500	calendar year
Frequency of quarterly interest liquidation	last day of the quarter (31/03, 30/6, 30/9, 31/12)
Borrowing interest rate arrears surcharge	up to 3 percentage points on an annual basis and within legal limits

ACCOUNT MANAGEMENT	
Statement sending frequency	Monthly
Periodic communication fees	Electronic: 0.00 EUR Printed: 1.50 EUR
Charges for additional communications	10.00 Euro maximum
Fee settlement frequency	Monthly
Stamp duty	to the extent established by law, at the Supplier's expense
Tax expenses and charges	to the extent established by law, at the Supplier's expense

### IFISimpresa CURRENT ACCOUNT

IFISimpresa is an online account that allows the performing of transactions through the Restricted Area. The Customer may, for example, make and receive bank transfers and giros, arrange for the direct debiting of utility bills, top-up of mobile phones or digital TV, make payments of post office bills, payments against notice, payments against notice for Italian taxes, as well as tax payments using the F23 and F24 forms. The Customer can also obtain information on their account through the Restricted Area.

For the conditions that govern the current account contract offered by the Bank, reference should be made to the relevant IFISimpresa Information Sheet, which is available on the website [www.bancaifis.it](http://www.bancaifis.it) in the Transparency section.

## WITHDRAWAL AND COMPLAINTS

### Withdrawal from the contract

Both the parties, provided they have fulfilled their contractual obligations, have the right to withdraw from the contract at any moment by means of registered post to the other party. No notice or justification is required.

### Maximum account closing times

15 days

### Complaints

Any complaints must be sent to the Bank's Complaints Office (Via Terraglio 63, 30174 Venezia-Mestre, [reclami@bancaifis.it](mailto:reclami@bancaifis.it), Fax +39 0415027555). This office will reply to the complaint within 30 days of receiving it.

If the Client is dissatisfied with the reply or does not receive a reply within 30 days, he/she may consult the following, before taking the matter to court:

- the Arbitrator for Banks and Financial Institutions (the ABF). For further information on this Arbitrator please go to the website [www.arbitrobancariofinanziario.it](http://www.arbitrobancariofinanziario.it), ask for information at any Bank of Italy branch or contact Banca IFIS S.p.A.;
- Financial and Banking Conciliator. Should any dispute arise with the Bank, the Client may initiate a conciliation procedure in which

an attempt to reach an agreement with the Bank using an independent mediator will be made. For this service, please contact the Mediator for Banks and Financial Institutions (a body registered with the Italian Justice Department), with registered office in Rome, and located in via delle Botteghe Oscure 54, tel. 06 674821, website [www.conciliatorebancario.it](http://www.conciliatorebancario.it).

## LEGEND

**Consideration for assigned accounts receivables:** a sum of money equal to the nominal value of the principal of the receivables assigned, net of any Debtor deductions for credit notes, discounts, roundings-off, allowances, deductions, offsetting or compensations.

**Payment of consideration:** a payment made by the Factor to the Assigning supplier for the assignment, in the amount due at the moment of effective collection or at a different date agreed upon with the Supplier.

**Advance fee payment:** a payment made by the Factor to the Assigning supplier, upon the Supplier's request and prior to collection on the assigned receivables, as part or all of the assignment consideration.

**Waiver of the guarantee of solvency by the Factor (Non-recourse):** the assumption of the risk of Assigned debtor's insolvency by the Factor, after determination of the conditions and maximum credit cover that the Factor intends to take on.

**Voluntary offsetting:** the Factor's contractual right to withhold sums and offset debts with the Assigning supplier with its own receivables of any kind due from the Assigning supplier, even if not yet liquid and collectible.

**Flat:** all-in payment where contractual conditions foresee its application.

**Flat debit:** an all-in debit effected according to the type of charges, for example, at the moment in which the debtor credit line is internally approved, at its revision, at the granting of a debtor credit line or at the moment of assignment etc. and determines the moment in which the consideration is collectible.

**Periodic debit:** debit with date and value date at the end of the payment period (for example the last day of the calendar month, end of quarter, last day of the quarter 31/03; 30/06; 30/09; 31/12)

**Full definitive purchase (ATD):** a non-recourse factoring operation in which payment of the consideration may occur even before the receivable's due date.

**Factor's compensation:** commission and any other fees or charges due to the Factor and agreed upon between the Factor and the Assigning supplier for the services rendered by the former in the performance of the factoring contract.

**Handling Fees:** fees for the processing and handling of each document presented and/or issued (example: invoices, slips, transfer forms. Remittance advice, etc.).

**Month or part of month:** referring to a solar month (for example, for an invoice issued on 15/01 and collected on 5/03, the commission is applied for three months - January, February and March).

**Part of month:** part of a month that is equated to a calendar month for the application of commission owing.

Duration of receivables: period spanning from the date in which the invoice was issued to its collection date, or, if earlier, until the date in which the consideration due for receivables assigned in non-recourse is paid.

**DSO (Date of Sales Outstanding):** it indicates the average duration of the receivables, calculated from the invoice issue date to the date of presumed collection of the same, expressed in days, as agreed upon between the Factor and the Assigning supplier based on the past history of collections from the Debtor.

**Receivables assigned:** the invoices and equivalent documents and any eventual credit notes or equivalent documents, assigned to the Factor by the Assigning supplier.

**Conventional interest:** periodic payment due to the Factor by the Assigning supplier on advances on the consideration due for the assigned receivables.

**Indexation parameters:** money market reference index on which the variability of contractual rates are based.

**Periodicity of account closure and capitalisation of bank charges and interest:** period in which receivable and payable interest, together with other bank charges are calculated.

**Supplier dossier/revision fee:** fees debited upon every new dossier or integration to existing dossiers requested by the Assigning supplier.

**Stress time:** indicates the increase in the DSO, expressed in days, agreed upon between the Factor and the Assigning supplier in order to absorb any eventual delays in the payment of the receivables assigned.

Interest on arrears/default interest: interest due for the delayed payment of a sum of money.

**Value date:** debit/credit date of monetary sums from which receivable and payable interest is obtained.

