

INFORMATIVE SHEET

“FACTORING TRANSACTIONS” MERE MANAGEMENT 12 October 2020

Information about the Bank

Banca Farmafactoring S.p.A.

Registered office and headquarters: Via Domenichino no. 5 – 20149 Milan

Telephone number to obtain information and/or enter into the contract: +39 02/49905.227

Fax number: +39 02/49905.202

Email and web site: info@bancafarmafactoring.it, www.bancafarmafactoring.it

Tax Code and registration number with the companies' register 07960110158

Enrolment number with the Banks Register 5751 - - ABI Code 3435.5

Adhering to the F.I.T.D.

Parent company of the “Banca Farmafactoring S.p.A.” banking group - enrolled with the Register of Banking Groups

Share capital: euro 131.400.994,34

Adhering to Assifact – Italian Association for Factoring.

IDENTIFICATION DATA OF THE AGENT (FOR DOOR-TO-DOOR OFFERS)

To be filled in only in case of door-to-door offers, specifying the data (name, address, telephone, email), the qualification (e.g., employee, financial promoter, agent in financial activity) and possible enrolments with Registers or lists of the person who enters into contact with the client.

First Name and Surname/Legal Name:
Address/Telephone/Email:.....
Qualification:
Enrolment with Registers or Lists/Number:

WHAT IS FACTORING

Factoring is an agreement by which the factoring company purchases and/or manages trade receivables, claimed by the assignor against a predetermined pool of debtors, with the possibility to obtain the advance, in whole or in part, of the consideration for the same receivables, or to obtain the assumption of the risk of failed-payment due at contractual maturities.

Factoring - mere management

Transaction which is effected with the transfer of trade receivables claimed against all debtors belonging to the National Healthcare Service and/or Public Administration, or against a predefined pool of the aforementioned debtors, in respect of which the client has issued a collection proxy in favour of Banca Farmafactoring. The Factor manages, recovers and collects the aforementioned receivables.

Amounts collected are made available to the Supplier, without prejudice to the Factor right to set-off its receivables against the collections deriving from the receivables assigned in management.

Risks on the side of the client

The client warrants the existence of the managed receivables and is responsible for possible debtor contestations.

MAXIMUM APPLICABLE ECONOMIC TERMS

	ITEMS	COSTS
Fees	Management, recovery and collection fees	The cost will be quantified upon entering into the agreement and in any case, in percentage, may never exceed 1.50%, with granting of a minimum amount equal to euro 25,882.84 per annum
	Management, recovery and collection fees per turnover volumes	1% on the turnover volume
	Fee in case of collection of receivables not subject to assignment	0.50% on the collected amount
	Wire transfers fee	Euro 20.00 per wire transfer
Other terms and expenses	Preliminary due diligence expenses	Euro 1,000.00
	Contract registration expenses	Any registration expenses of the contract and/or deeds inherent thereto or in any case otherwise connected therewith are to be borne by the client.
	Expenses for application renewal	Euro 750.00
	Expenses for information on debtors	Euro 200.00 per debtor per year or upon occurrence of the event
	<i>Smart Doc</i>	Euro 10,000.00
	<i>Smart Flow</i>	Euro 30,000.00
Other terms and expenses (follows)	Mail expenses	Shipping cost + 5%
	Handling expenses, per each document representing receivables	Euro 2.50 per each uploaded document
	Expenses for duplicating and copying accounting documents	Euro 10.00 per page
	Expenses for statements produced for the benefit of auditors	Euro 10.00 per page
	Expenses for wire transfer advance notice	Euro 5.00 per notice
	Expenses for serving communications to clients	Euro 5.00 per communication

	ITEMS	COSTS
	Premium associated with the performance of collections of receivables in principal	100 % of the face value of Issued Debit Notes
	Premium associated with the performance of collections of Interests Debit Notes	50% of the total of delay interests recovered subsequent court and/or out-of-court actions.
	Fee for early withdrawal compared to the minimum duration provided for	In case of minimum duration of the agreement, the payment of 100% of the fees provided for but not debited subsequent to the early withdrawal by the client is provided for.
Value dates	Value dates applied to credit operations	2 value days are applied on transfers in favour of the Client.

In addition to the aforementioned economic terms, VAT refund, where due, shall be added.

The **AVERAGE GLOBAL ACTUAL RATE (TEGM)** provided for by Article 2 of Law 108/1996 (Italian Usury Law) in relation to factoring transactions, may be consulted at the Bank's offices and on the web site www.bancafarmafactoring.it.

WITHDRAWAL, TERMINATION OF RELATIONS AND COMPLAINTS

Withdrawal

The contract has a maximum duration of three years.

It shall be deemed automatically renewed for a one year period and so forth.

A party may withdraw, without penalties and relationship termination expenses, with a communication to be sent with registered letter with return receipt which shall be received by Banca Farmafactoring at least six months prior to the agreement expiry.

The factoring company shall inform the client with at least two-month advance notice of any unilateral amendment to the contract terms, in case this is allowed by the contract and only for justified reasons. Amendments are deemed approved if the client does not withdraw, without expenses, from the contract within the date scheduled for their effectiveness.

Maximum times to terminate the relation

In case of cancellation, the relation will be definitively closed, after one month from the expiry date of the agreement, unless the parties agree otherwise.

Complaints

Complaints shall be filed with the Complaints Department of Banca Farmafactoring S.p.a., to the attention of the Head of the Complaint Department (mail address Via Domenichino, 5 20149 Milan; Fax number: +39 02/49905.202; email address: reclami@bffgroup.it; cem address: reclami@pec.bancafarmafactoring.it) who shall respond within 60 days of receipt.

If the client is not satisfied with the response received or receives no response within 60 days, before going to court the client may contact the Banking and Financial Arbiter (*Arbitro Bancario Finanziario - ABF*). In order to know how to contact the Arbiter and the scope of its competence one can consult the website www.arbitrobancariofinanziario.it, ask the Branches of the Bank of Italy, or ask the intermediary. The handbook summarizing the information on the Banking and Financial Arbiter and the form to contact to the Arbiter may be downloaded from the website www.arbitrobancariofinanziario.it, the website www.bancafarmafactoring.it and are available at the offices of the company. Resorting to

the ABF exempts the client from conducting the mediation process as per the following paragraph, should he intent to the submit the dispute to the Judicial Authority.

For the purpose of the out-of-court settlement of disputes prior to going to court and, in respect of the obligation provided for by Legislative Decree 4 March 2010 no. 28, to conduct the mediation process prior to going to court, the Client and the intermediary may contact:

- the Conciliatore Bancario Finanziario (a body enrolled with the Register kept by the Ministry of Justice) with office in Via delle Botteghe Oscure ,54 - 00186 Rome, tel. 06.674821, website www.conciliatorebancario.it where the client can have access to ;i) Conciliation, ii) Arbitration, iii) Ombudsman – Giurì Bancario. In the website, the Client can find the specific forms and rules governing the three alternative dispute resolution services.
- another body enrolled with the specific register kept by the Ministry on Justice and specializing in banking and finance matters.

Key relating to the main notions referred to in the informative sheet

Factoring company (or factor): means, in addition to Banca Farmafactoring S.p.A., the foreign Factor or foreign correspondent company (bank) used or to be used thereby to perform its services at international level.

Client: the supplier which is the factor's customer, i.e. the counterparty of the factoring contract.

Debtor: the natural or legal persons, whether Italian or foreign, which has the obligation to pay the Supplier (assigning client) one or more receivables.

Receivable:

- a) the cash credits arisen or which will arise from contracts entered into or to be entered into by the Supplier in the exercise of its business and accordingly the amounts the Supplier is entitled to receive from the Debtor as consideration for goods or services.
- b) the amounts the supplier is entitled to receive from the Debtor as consideration for other reasons.

Interests: periodic remuneration owed to the factoring company by the client.

Value date: debit or credit date of an amount of money from which interests start accruing.

Handling expenses: processing and management expenses of each document submitted and/or released (*e.g.* invoices, notes, bills).

Interests Debits Nots: debit notes issued versus delayed payment of principal by the debtor.

Smart Doc: Smart Doc PA substitutive storage service.

Smart Flow: transmission service of electronic invoices to the Interchange System.

Complaint: every act by means of which a clearly identifiable client contests in writing (*eg.* letter, facsimile, email or CEM) to the intermediary an action or omission thereof.