

INFORMATIVE SHEET "NON-RECOURSE MATURITY FACTORING TRANSACTIONS"

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

The 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.

The non-recourse Maturity Factoring

Factoring transaction where the factoring company assumes the risk of failed-payment by assigned debtors at contractual maturities.

The purchase of receivables is communicated to assigned debtors; the assignor and the factoring company may agree not to communicate the assignment to assigned debtors.

By using this service the assignor may reduce the internal management costs of its trade receivables, obtain from the factoring company the warranty of the payment at the scheduled maturity and have the availability of a source of funding.

Risks on the side of the client

The client warrants the existence of the assigned receivables, the properness of the supply as well as of the award of tenders; the completeness of every supporting evidence, concerning the entire assigned receivable; the inexistence of claims by the debtor and/or third parties against the client which could be set-off, even partially, against the assigned receivables.

The forfeiture cases of the warranty given by the factor are identified in the agreement and trigger the obligation on the side of the client to repurchase the assigned receivables.

MAXIMUM APPLICABLE FINANCIAL CONDITIONS

	ITEMS	COST
Fees	Fees in case of collection of receivables not subject to assignment	0.30%
	Fees for the collection of future receivables already subject to assignment and come into existence in the meantime, but not subject to quotation by Banca Farmafactoring or subject to failed acceptance of the quotation by the Supplier	1%
Fees	Fees for the purchase of receivables claimed against Entities of the National Healthcare System or Entities belonging to the Public Administration	The non-recourse purchase fee is calculated taking into account the time period in which the factor expects to collect all receivables, in compliance with the Average Global Actual Rate ("Tasso Effettivo Globale Medio" or "TEGM") observed by Bank of Italy in the reference period. The table setting out the performance of the abovementioned rate in force may be consulted on the web site of Banca Farmafactoring.
	Wire transfers fee	Euro 20.00 per wire transfer
Maximum applicable rate	Highest rate applicable to refunds relating to invoices subject to non-recourse assignments, in case of	3 months prior month average Euribor + 600 bps, on a 365 basis. Should the Euribor assume a

	ITEMS	COST
	termination of the Assignment	negative value, the same Euribor will be considered to be zero. As a consequence of the above the Bank will apply to the Client an interest rate equal to the spread until the Euribor goes back to a value equal to zero.
	Highest rate applicable to delayed refunds to Banca Farmafactoring and related to payments wrongfully executed by the assigned debtor on the customer's cash account instead than on that in the name of Banca Farmafactoring	ECB rate (the so-called refinancing rate) + 800 bps. Should the ECB rate assume a negative value, the same ECB rate will be considered to be zero. As a consequence of the above the Bank will apply to the Client an interest rate equal to the spread until the ECB rate will go back to a value equal to zero.
Other terms and expenses	Preliminary due diligence expenses	Euro 1,000.00
	Contract registration expenses	The agreement is perfected by way of business correspondence: 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
	Smart Doc	Euro 10,000.00
	Smart Flow	Euro 30,000.00
	Mail expenses	Shipping cost + 5%
	Expenses to document the assignment by way of public deed or private notarised deed and notification expenses through court bailiff or with equivalent manners pursuant to Law 21/01/1994 no. 53 on the right to serve civil, administrative and out-of-court deeds by means of lawyers and legal attorneys and relating implementing regulations.	Based on notarial rate books and the applicable stamp, registration and notification expenses currently in force
	Expenses for duplication and copying of 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	

	ITEMS	COST
	Expenses for serving communications to clients	Euro 5.00 per communication
Value dates	Value dates applicable to disbursements	2 business days after the credit value date of the consideration for the assigned receivables

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 Banca Farmafactoring's offices and on the web site www.bancafarmafactoring.it.

WITHDRAWAL, TERMINATION OF RELATION AND COMPLAINTS

Withdrawal

The non-recourse maturity factoring agreement may be terminated at any time, with no penalties and relationship termination expenses.

In case amounts have been credited pursuant to the non-recourse maturity factoring relation, the mere management, recovery and collection relation (if any) may not be terminated by the client until the Factor has collected all amounts relating to invoices credited on a non-recourse maturity basis, with limitation to debtors in respect of whom an exposure still exist.

The mere management, recovery and collection relation may in any case be terminated versus repurchase by the client of the receivables assigned on a non-recourse maturity basis and still outstanding and the payment of all relating charges.

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 contract

Immediate termination.

Each of the factor and the Supplier may, at any time, inform each other by means of registered letter, with no need for justification, of the respective intention to no longer proceed with the relation governed hereby, with exclusive reference to receivables not assigned yet, without prejudice to executed transactions.

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.

Assignor: 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.

Assignment: the contract by which the Supplier assigns to the Factor its existing and/or future receivables, as defined above; also Law No. 52/91 applies to the assignment of the receivables listed under item a) above, while only Articles 1260 et seq. of the Italian Civil Code apply in case of receivables under item b).

Consideration for the assignment of receivables: amount equal to the nominal value of assigned receivables, net of any amounts withheld by the debtor for any reason.

Payment of consideration: payment of the consideration for the assignment executed by the factoring company to the client, in the amount due at the time of the actual collection or maturity of the assigned receivables or, in case of assumption of Debtor insolvency risk, on the date agreed with the same assigning client.

Advanced payment of consideration: payment made by the factoring company to the assigning client of the whole or a part of the consideration for the assignment of the receivable, executed at the assigning client request and, at the discretion of the factoring company, prior to the maturity or collection date of the assigned receivables.

Waiver of the solvency warranty by the factoring company: assumption by the factoring company of the assigned debtor insolvency risk, subject to prior determination of the maximum threshold of the receivables amount for which the factoring company is willing to assume said risk.

Interests: periodic remuneration owed to the factoring company by the assigning client or assigned Debtor by virtue of, respectively, the advanced payment of the consideration for the assignment of the receivable effected by the factoring company or the granting by the latter of an extension for the payment of the payable.

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

Delay rate: rate due for the delayed payment of an amount of money.

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

Plusfactoring fee: fees calculated on a periodic basis on the residual receivables outstanding at a given date.

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.