

INFORMATION SHEET

**“FACTORING OPERATIONS”
MATURITY FACTORING**

DETAILS OF THE FACTORING COMPANY

UBI FACTOR S.P.A.

Company with sole shareholder UBI BANCA S.C.P.A.

Registered offices

Via Fratelli Gabba, 1 – 20121 MILAN

Telephone number which the client may contact for information and/or conclusion of contract: 02.7766.1

Fax number: 02.760000.09

E-mail: pianificazione.marketing@ubifactor.it

Website: www.ubifactor.it

Entered into the Register of Companies for Milan as No. 06195820151

Entered into the General Register of Financial Intermediaries as No. 28094

Entered into the Special Register of Intermediaries as No. 19048

Member of Assifact - *Associazione Italiana per il Factoring* [Italian Factoring Association]

Member of ABI – *Associazione Bancaria Italiana* [Italian Banking Association] - cod. 013565

Box to be filled in only for offers made “**out of office**”, with the details of the **INDIVIDUAL WHO ENTERS INTO CONTACT WITH THE CLIENT**

Staff of UBI Factor S.p.A.

Surname and name _____

Telephone _____ E-mail _____

Date _____ Signature _____

WHAT IS FACTORING

Factoring is a contract by which the factoring company acquires and/or manages credit, generally of a commercial nature, claimed by the client against a pre-defined group of debtors with the possibility of obtaining advances, either full or partial, on the consideration for the credit, or to transfer the risk of the failure to pay due to the insolvency of debtors.

The services, including financial and non-financial services, which constitute factoring also include the assessment of the credit standing of clientèle.

Maturity Factoring

A factoring operation which provides for the payment of consideration at a set date by mutual agreement between the Client and the Factoring Company. The date may coincide with the maturity of the assigned credits or may be later.

The Factoring Company may grant payment deferrals to the assigned debtors, for a fee, beyond the maturity of the assigned credits.

Maturity factoring may be with or without recourse.

The use of this service permits the Client to reduce its internal costs for managing its own commercial credit, to programme collection flows, to obtain – for factoring without recourse – a payment guarantee from the Factoring Company and to dispose of a source of funding.

Risks borne by the Client

The client warrants that the assigned credits exist, and that it is possible for the factoring company to collect those credits on maturity, and retains responsibility for any credits made by the assigned debtor.

For factoring with recourse, if the assigned debtors do not pay, the Client must return to the Factoring Company the sums advanced as consideration for the assigned credits, plus the interest, fees and commissions agreed.

| APPLICABLE CHARGES | | |
|---|--|--|
| | ITEM | COST |
| Interest rate on advances (with divider 365/366 for operations in Euros or with divider 360 for operations in currencies other than Euros) | Nominal annual percentage rate (TAN), in advance | 5.250% |
| | Nominal annual percentage rate (TAN), in arrears | 5.750% |
| | Actual annual percentage rate, in arrears | 5.875% |
| | Debtor interest rate | 5.750% |
| | Daily premium for deferral of maturity | 0.03% |
| Arrears | Interest rate on arrears | Reference ECB rate +7.000% (Legislative decree 231/02) |
| Commissions | Flat rate commissions gross with recourse | 6.00% |
| | Monthly commissions gross with recourse | 1.00% |
| | Flat rate commissions net with recourse | 6.00% |
| | Monthly commissions net with recourse | 1.00% |
| | Commissions with recourse debtor maturity | 6.00% |
| | Flat rate commissions gross without recourse | 6.00% |
| | Monthly commissions gross without recourse | 1.00% |
| | Flat rate commissions net without recourse | 6.00% |
| | Monthly commissions net without recourse | 1.00% |
| | Flat rate commissions for advances on future credits | 2.00% |
| | Commissions for failure to use debtor credit limit | 1.00% |
| | Daily commission without recourse | 0.02% |
| | Commissions for international bank transfers | 0.10% |
| | Plus factoring commissions | 0.50% |
| Fees | Fixed quarterly fees for maintenance of relationship | € 1,500 |
| | Fixed quarterly fees for administrative management of relationship | € 1,000 |
| | Preliminary treatment of procedure and contract registration fee | € 1,000 |
| | Fees for renewal of procedure | € 1,000 |
| | Debtor assessment fees | € 300 |
| | Quarterly account maintenance fees | € 180 |
| | Document handling fees | € 20 |
| | Fees for the recall of promissory notes, bills and/or other means of collection both paper and electronic | € 25 |
| | Fees for extensions to expiry of promissory notes, bills and/or other means of collection. | € 25 |
| | Fees for outstanding amounts on promissory notes, bills and/or other means of collection both paper and electronic | € 25 |
| | Fees for outcome inquiry on promissory notes and bills | € 25 |
| | Fees for notification of communications to debtors | € 5 |
| | Days discount for payment by direct remittance | 2 days |
| | Days increase in credits | 365 days |
| Value dates | Value date for payment receipt and account credit | 2 days |

| | ITEM | COST |
|--|--|---------|
| | Value date applied for disbursements by bank transfer | 2 days |
| | Value date for payment receipt and account credit in the form of discount or credit, subject to payment by debtor, by electronic means of payment (direct debit, collection order, payment against notice) | 6 days |
| | Value date for payment receipt and account credit by bills (promissory notes and drafts) in the form of discount or credit, subject to payment by debtor, or deferred to after collection. | 10 days |

The charges incurred by the Factoring Company for the dispatch of information and communications, will be proportionally and properly debited to the Client.

The forwarding of communications by the Factoring Company concerning the unilateral modification of the economical condition will be free of charge for the Client.

Concerning the requests of documentation for single individual operations, the Client has the right to obtain, at his charge and within 90 days, copy of the documentation for operations performed in the last ten years. Only the costs arisen for the production of this documentation can be debited to the Client.

In addition to the charges specified above, it is necessary to add the reimbursement of expenses and out-of-pocket expenses incurred by the factoring company, such as for example: bank charges, postage, legal fees and credit recovery fees, fees for collection through third parties, payment of stamp duty on promissory notes, accounting documents etc. and VAT where due, fees for extracts from the land register, for the registration of real securities (pledge and/or mortgage) where required for the purposes of financing activity, as well as solicitor's fees for the performance of such operations.

The Key to this Information Sheet describes the most significant items contained in the above table.

The **ACTUAL OVERALL AVERAGE RATE** (TEGM - *Tasso Effettivo Globale Medio*) provided for pursuant to Article 2 of the law on usury (law No. 108/1996), published every three months by the Ministry for the Economy and Finance, relating to factoring operations may be consulted at the offices and on the website (www.ubifactor.it) of the factoring company.

WITHDRAWAL, TERMINATION OF RELATIONSHIP AND CREDITS

Withdrawal

The Client and the Factoring Company may withdraw from the contract at any time, without penalties and any relationship closure fees.

If the Factoring Company unilaterally amends the contractual terms and conditions, where this is permitted under the contract and provided that there are justified grounds for it, the Factoring Company must give the Client advance notice of at least 2 months. Amendments are considered to have been accepted if the Client does not withdraw from the contract, without any fees, within the starting date of the proposed unilateral modification.

Maximum time-scale for termination of relationship

15 days

Complaints

Complaints should be sent to the Complaints Office of the factoring company (UBI Factor S.p.A. - Ufficio Reclami - Via F.lli Gabba 1 20121 Milano; email address: (ufficio.reclami@ubifactor.it) which shall respond within 30 days of receipt.

If the Client is not satisfied or has not received an answer within 30 days, before initiating court action he should contact the:

- Banking and Financial Arbitrator (BFA). For details on how to contact the Arbitrator please consult the website www.arbitrobancariofinanziario.it, ask at one of the branches of the Bank of Italy, or ask the factoring company.
- The practical guide summarising the information on the Banking and Finance Arbitrator and the form for applications to the Arbitrator may be downloaded from the website www.arbitrobancariofinanziario.it or from the website of the Factoring Company www.ubifactor.it.

- Arbitrator in Banking Disputes, located in Via delle Botteghe Oscure, 54 - 00186 Roma.
In order to know how to address the Arbitrator in Banking Disputes you can visit the website www.conciliatorebancario.it. The Rules and Regulations of the Arbitrator in Banking Disputes is available at the Factoring Company and on the website www.ubifactor.it. The Customer can address the Arbitrator in Banking Disputes also in absence of previous claims.

| KEY | |
|---|--|
| Flat rate commissions gross with recourse | Commissions which remunerate the operations of the Factoring Company after the acquisition by the same of credits, their financing for the Client, their administrative management and collection, calculated at the time of each individual credit assignment by the Client to the Factoring Company on the overall value of the invoices assigned. |
| Monthly commissions gross with recourse | Commissions which remunerate the operations of the Factoring Company after the acquisition by the same of credits, their financing for the Client, their administrative management and collection, calculated on the overall value of the invoices assigned at the time of each individual credit assignment by the Client to the Factoring Company, charged for each month of the envisaged duration of the credit starting from the time when the credit was taken over by the Factoring Company. |
| Flat rate commissions net with recourse | Commissions which remunerate the operations of the Factoring Company after the acquisition by the same of credits, their financing for the Client, their administrative management and collection, calculated at the time of each individual credit assignment by the Client to the Factoring Company, on the overall value of the assigned invoices after deduction of the credit notes indicated. |
| Monthly commissions net with recourse | Commissions which remunerate the operations of the Factoring Company after the acquisition by the same of credits, their financing for the Client, their administrative management and collection, calculated on the overall value of the assigned invoices at the time of each individual assignment of credit by the Client to the Factoring Company, and calculated on the overall value of the assigned invoices after deduction of the credit notes indicated at the same time as the assignment of the credits, charged for each month of the envisaged duration of the credit starting from the time when the credit was taken over by the Factoring Company. |
| Commissions with recourse debtor maturity | Commissions charged to the assigned debtor which obtains a deferral from the Factoring Company beyond the original maturity of the assigned invoices issued to it, the amount of which is calculated by applying a percentage to the overall amount of the assigned invoices subject to deferral; the commissions are charged to the Client in the event that the assigned debtor fails to pay the same, by virtue of the fact that the assignment of credits made between the Client and the Factoring Company is with recourse. |
| Flat rate commissions gross without recourse | Commissions which remunerate the guarantee for the solvency of the assigned debtor issued by the Factoring Company, received by the Factoring Company at the time of the credit assignment in one |

| | |
|---|--|
| | single payment calculated on the overall value of the invoices assigned that are subject to the provision of the guarantee. |
| Monthly commissions gross without recourse | Commissions which remunerate the guarantee for the solvency of the assigned debtor issued by the Factoring Company, calculated on the overall value of the invoices assigned on each individual credit assignment by the Client to the Factoring Company, received for each month of the envisaged duration of the credit starting from the date of issue of the invoices representing the assigned credit. |
| Flat rate commissions net without recourse | Commissions which remunerate the guarantee for the solvency of the assigned debtor issued by the Factoring Company, calculated on the overall amount of the invoices assigned on each individual credit assignment after deduction of the credit notes indicated by the Client to the Factoring Company. |
| Monthly commissions net without recourse | Commissions which remunerate the guarantee for the solvency of the assigned debtor issued by the Factoring Company, calculated on the overall value of the invoices assigned on each individual credit assignment after deduction of the credit notes indicated by the Client to the Factoring Company, received for each individual month of the envisaged duration of the credit starting from the date of issue of the invoices representing the assigned credit. |
| Flat rate commissions for advances on future credits | Commissions which remunerate the operations of the Factoring Company after the acquisition by the same of credits reaching maturity with the Client against the assigned debtor, their financing for the Client, their administrative management and collection, calculated on the amount financed by the Factoring Company. |
| Commissions for failure to use debtor credit limit | Commission which remunerates the Factoring Company for the provision on a revolving basis of payment guarantees on behalf of the assigned debtor (credit limit), due on the average overall amount of the Client's failure to use the facility and calculated on the quarterly average of the unused sums within the ambit of the credit line granted by the Factoring Company to the guaranteed debtor and notified to the Client. |
| Daily commission without recourse | Commission which remunerates the Factoring Company for the provision on a revolving basis of payment guarantees on behalf of the assigned debtor (credit limit), due from the Client on a daily basis, in line with the duration of the operation and the overall value of the credit for which the consideration has already been paid. |
| Plus factoring commissions | Commissions calculated as a % per month or part thereof to be applied to the balance of credits that have expired a pre-set number of days previously or, alternatively, per month or part thereof beyond the days agreed from the time when the credit was taken over by the Factoring Company, to be applied on the nominal value of the credit obtained on the last calendar day of the month. |
| Days discounted for payments by direct remittance | Additional banking days compared to the maturity of the credits pending collection. |
| Days increase in credits | Days of expected delay agreed with the Client compared to the natural maturity of the credits or the |

| | |
|---|--|
| | date of disbursement of the consideration by the Factoring Company to the Client. |
| Arrears | Interest rate due for the delay in payment of a sum of money beyond maturity. |
| Fixed quarterly fees for maintenance of relationship | Fixed flat-rate quarterly fee applied to the Client in relation to the following aspects of the operations of the Factoring Company: fees for preliminary treatment of procedure, fees for renewal of procedure, account management fees, chamber of commerce and land register extract fees. This fixed fee may be applied only as an alternative to the application of the individual cost items contained within these heads. |
| Fixed quarterly fees for administrative management of relationship | Fixed flat-rate quarterly fee applied to the Client in relation to the following aspects of the administrative activity of the Factoring Company: fees for assignment form, document handling, handling of promissory notes and other means of collection, fees for the recall, extension of maturity and outstanding amounts on promissory notes and other means of collection, for outcome inquiries on promissory notes and other means of collection, debtor assessment fees, postage. This fixed charge may be applied only as an alternative to the application of the individual cost items contained within these heads. |
| Document handling fees | Fees for handling by the Factoring Company of each document presented and/or issued by the Client (e.g. invoices, credit notes, promissory notes and other means of collection). |
| Interest rate on advances | Periodical consideration due by the Client to the Factoring Company in view of advances disbursed by the latter, as well as on reductions from payments due by the Client to the Factoring Company, unless paid at sight. |
| Nominal annual interest rate (TAN), in advance | Annual interest rate, expressed as a percentage, used in order to calculate in advance the interest due from the Client. Interest is calculated in advance for the operations in which the Client and the Factoring Company have agreed to payment of the consideration for the assignment in the form of a discount or actualisation, taking into account respectively the contractual date of maturity of the claim or of the term agreed for collection of the claim, where different from the original term for maturity. |
| Nominal annual interest rate (TAN), in arrears | Annual interest rate, expressed as a percentage, used in order to calculate periodically the interest due from the Client or from the debtor on the sums used. The interest is due from the Client or the debtor to the Factoring Company in view of the advances disbursed by the latter, as well as on reductions from payments due by the Client to the Factoring Company, unless paid at sight, or the granting by the latter of an extension to payment of the debt. The interest, calculated on an annual basis, is capitalised on a quarterly basis in arrears. |
| Actual annual interest rate, in arrears | Indicator expressed in percentage terms, corresponding to the nominal annual interest rate resulting from the part-yearly capitalisation on a quarterly basis as resulting from the following formula: $\{[1+T_n/(N \times 100)]^N - 1\} \times 100$ where T_n = nominal annual interest rate and N = number of |

| | |
|-------------------|---|
| | capitalisations per year. |
| Value date | Date of debit or credit of a sum of money on which interest is accrued. |