

## GENERAL TERMS AND CONDITIONS of Smart Factoring EOOD

*These General Terms and Conditions ("T&C") are valid from 15.02.2024 and are applicable to all AGREEMENTS FOR FACTORING SERVICES (" Factoring Agreement"),*

***Concluded between** Smart Factoring EOOD, entered in the Commercial Register at the Registration Agency with EIC 207214254, with registered office and management address: Sofia, Triaditsa district, Positano Square No. 2, Perform Business Center (hereinafter referred to as **the Factor**), on the one hand, and the Suppliers and Guarantors on the other.*

*By signing the Factoring Agreement, the parties agree on the provision of factoring services from Smart Factoring EOOD of the Supplier, as defined in art. 2, para. 2, item 12 of the Law on Credit Institutions, the Law on Obligations and Contracts and the terms and conditions of the Factoring Agreement, as well as the present GTC, which are an integral part of the latter:*

### 1. Definitions:

The terms used in the GTC and the Factoring Agreement shall have the meaning set forth below for each individual Factoring Agreement:

**"Advance Payment Amount"** is any amount deposited by the Factor into the Payment Account prior to the Due Date of the Transferred Receivables, which may never exceed the amount available for disbursement. With respect to each Debtor, the percentage at which advance payment is allowed is entered in the Factoring Agreement.

**"Assigned Receivables"** are the receivables whose assignment has been accepted by the Factor.

**"Available Drawdown Amount"** is the remainder of the funding limit at any time after deducting the current balance.

**"Current Balance"** is the debt existing at any time when the Payments Account is credited with the amount of the Advance Payment, meaning the debit balance of the Trading Account at any time.

**"Transfer Form Date"** is the date on which the Supplier submitted the transfer form to the Factor. The date of handover is marked on the transfer form by the Supplier and signed by him.

**"Date of transfer"** is the date on which the Factor, after accepting the transferred receivables, registers them (in its accounting books). The transfer date is also noted on the transfer form by the Factor.

**"Debt"** means all obligations of any nature of the Supplier to the Factor arising from this contract or arising in connection with these GTC and the Factoring Agreement.

**"Debtors"** are the third parties against whom there are claims.

**"Credit limit of the Debtor"** is the maximum liability limit of the Factor for each Debtor of the Supplier, specified as an amount and as a percentage of each claim in the list of Debtors in the Factoring Agreement and

representing the maximum amount for which the transfer of claims against a certain Debtor, according to these GTC, with no right of recourse by the Factor against the Supplier.

**"Dispute"** is any situation in which a Debtor does not accept the goods or the invoice and makes a claim, objection or counterclaim or makes a request for set-off, including (but not limited to) any objection arising out of/in connection with a claim whatsoever is a third party, the receivables to be paid to him (and not to the Factor).

**"Internal Factoring"** means factoring services provided to the Supplier in connection with its Debtors, in cases where both the Supplier and the Debtor are registered on the territory of the Republic of Bulgaria.

**"Due Date"** is the date on which, if not paid, a receivable becomes overdue as of the business day following that date.

**"Duration of claim"** is the period between the day the Supplier issues the invoice relating to the relevant claim and the day this claim becomes overdue.

**"Nominal value"** is the net value of the transferred receivables plus the VAT value of the transaction from which the transferred receivables arise, both of which are recorded on the face of the relevant invoice.

**"Funding Limit"** is the maximum funding limit, which means the maximum amount of funding that the Provider is entitled to receive.

**"International factoring"** means factoring services provided to the Supplier who is registered on the territory of the Republic of Bulgaria in relation to its Debtors who are registered outside the territory of the Republic of Bulgaria.

**"List of Debtors"** - list of Debtors, the receivables against which the Supplier has the right to offer the Factor for transfer, the list being approved by the Factor and included in the Factoring Agreement or in a subsequent annex thereto.

**"Payment Account"** is the payment account of the Supplier specified ( with IBAN , BIC and other individualizing characteristics) in the Factoring Agreement, into which any amount payable by the Factor to the Supplier will be deposited.

**"Receivables"** are the non-overdue trade receivables of the Supplier from its Debtors arising from the sale of goods or the provision of services.

**"Right of recourse"** means, for the purposes of these GTC and the Factoring Agreement, the Factor's right to demand monetary compensation from the Supplier in the event that the Debtor does not pay its obligations within the terms set out in Article 6 of these GTC, such as the amount and terms of payment of compensations are defined in Article 6 below. In cases where, according to the GTC and the Factoring Agreement, the right of recourse is applicable to any transferred claim (or part thereof), the Supplier will be responsible for the Debtor's solvency.

**"Credit limit of the Supplier"** is the maximum limit of liability of the Factor for the payment of the transferred receivables from Debtors of the Supplier, i.e. the maximum amount up to the amount of which the transfer of receivables takes place, according to the OU and the Factoring Agreement, without the right of recourse by the

Factor against the Supplier. This amount is equal to the sum of the Debtors' credit limits (for each Factoring Agreement), but not greater than the liability percentage of all transferred receivables.

**"Total Transferred Receivables"** is the total nominal value of transferred receivables.

**"Trade account"** is the special account that the Factor keeps according to Article 8 of these TOU, in which all transactions between the parties leading to the emergence of claims and liabilities for both parties are registered.

**"Percentage responsibility of the Factor"** - the percentage expression of the part of the Debtor's credit limit for which the Factor is responsible.

**"Transfer form"** - a special document that should be drawn up in the format (according to the model) determined by the Factor and will contain, among other things, the date of the transfer form, the proposed receivables (individualized in the Transfer Form with their amount, The debtor, securities, invoices, the agreement from which they derive (eg sales contracts, orders (if any)/ etc.), as well as their due date.

**"Guarantee payment"** - crediting the Supplier's payment account in connection with non-payment by the Debtor within 90 calendar days of its due date due to financial impossibility (and not due to dispute, etc.) of receivables transferred without right of regression.

## **2. Subject of the contract**

**2.01.** For the period of validity of the Factoring Agreement, the Supplier undertakes to offer for transfer to the Factor all its claims against Debtors, described in the list of Debtors. Receivables approved by the Factor are transferred against a fee calculated on the basis of the actual administrative work and risks assumed by the Factor.

**2.02.** The Guarantor undertakes to the Factor to be responsible for the debt of the Supplier under the conditions specified in Article 10 of these GTC, in confirmation of which the Guarantor signs a copy of the Factoring Agreement.

## **3. Transfer of receivables**

**3.01.** Receivables must have a duration specified in the Factoring Agreement.

**3.02.** The offer of one or more receivables for transfer to the Factor is carried out by the Supplier, by submitting a special document, called in these GTC "Transfer Form", which should be prepared in the form (according to the model) determined by the Factor. The transfer form must contain the date of the transfer form, the proposed receivables (identified in the Transfer Form with their amount, the Debtor, collateral, invoices, the agreement from which they arise /eg sales contracts, orders (if any)/ and etc.), as well as their due date. The transfer form must be submitted to the Factor, signed by an authorized representative of the Supplier, no later than thirty (30) calendar days from the date of issuance of the relevant invoice by the Supplier and invoices and bills of lading and any other documents must be submitted together with it , agreements, etc., which are proof of the claims and necessarily contain the due date of each claim, as well as all the necessary documents required by the laws governing monetary, credit and tax obligations and relationships, which documents certify the settlement of tax and insurance obligations .

**3.03.** The transfer form, invoices and other attached documents must be signed by the legal representative of the Supplier or by persons duly authorized by him through a power of attorney with a notarized signature. The list of the authorized representatives of the Supplier with attached specimens of the signatures of the specified legal representatives and other authorized persons and the copies of the documents certifying their representative powers applies to the Factoring Agreement and is signed by the Factor and the Supplier. Unless the Factor is duly notified of a change in the list of the Supplier's authorized representatives pursuant to Article 14 below, each signature on the transfer form and/or the relevant invoice and the documents related to it will be considered true and binding on the Supplier.

**3.04.** If bills of exchange or promissory notes, checks, or other securities have been issued for the receivables, then together with the above-mentioned documents (invoices, etc.) the Supplier undertakes to hand over to the Factor the securities specified in this article, duly indorsed in favor of The factor such securities are mentioned separately in the transfer form. These securities should be issued to guarantee/secure the receivables and not to settle them.

**3.05.** The Supplier undertakes to notify the Factor, mentioning separately in writing whether the receivables are secured by another type of security (for example, pledges, mortgages, bank guarantees, etc.) or are insured. If the receivables are secured by a Bank guarantee, issued for the Debtor in order to secure the payment to the Supplier, the latter should present to the Factor a certified copy of the Bank guarantee and subject to the conditions under Art. 6.05.

**3.06.** The submission of the transfer form and the related information and documents (invoices, securities) in relation to the transferred receivables as defined above, constitutes at the same time a final and irrevocable offer by the Supplier to transfer to the Factor the receivables described in the transfer form transfer, and on the other hand - an official declaration-statement and confirmation from the Supplier to the Factor that as of the date of handing over the transfer form, the receivables belong to him and he has the absolute right to dispose of them freely, that the receivables are existing, valid, legal , are subject to judicial enforcement (in case of default) and there are no liens, pledges or other encumbrances imposed on them, and that the amount entered for each claim in the transfer form represents the exact and actual amount owed by the Debtor for the respective claim.

The supplier also declares that the following conditions are met with respect to the receivables offered with the transfer form:

a) The terms and conditions for sales of the relevant Supplier applied to the receivables included in the transfer form correspond to the terms and conditions for sales of the Supplier to the relevant Debtors specified by the Factor Supplier when determining the credit limit of each of the Debtors pursuant to Art. 6.01., and are not changed unilaterally by the Supplier without the prior written consent of the Factor.

b) The Supplier has no shareholding or connection within the meaning of the Law on Credit Institutions with the company of its client (the relevant Debtor), nor does the client have a shareholding or connection with the Supplier's company.

In any event where the above conditions are not met and the declarations under this Article 3.06 are found to be false, the assignment of receivables will be deemed invalid retroactively and the Factor will be entitled to demand payment from the Supplier and the Supplier shall reimburse to The Factor all sums paid by the Factor to the Supplier (in advance or after maturity) in connection with the relevant receivable in respect of which any of the declared circumstances turns out to be false.

**3.07.** The Factor has the right to refuse the assignment of any proposed claim within ten (10) working days from the date of transmission of the relevant transfer form by the Supplier to the Factor (the *date of transmission is entered on the transfer form* ). In case of refusal, the Factor returns to the Supplier a copy of the transfer form, in which he notes the rejected claims, as well as the originals of all provided data and documents relating to these claims. The factor informs the respective Debtor only on the condition that this is requested in writing by the Supplier and at the Supplier's expense, that the holder of the relevant claim remains the Supplier. The acceptance of the transfer of the receivables (or part of them, if a refusal has been made for part of the receivables on the transfer form) is carried out by:

a) certification of acceptance on the transfer form with the inscription "accepted" (if part of the receivables are refused, enter which of them) and signature of the representative of the company-Factor, as a copy of the transfer form, in which the acceptance is certified , is sent at the Supplier's request, in which case the transfer date should be mentioned by the Factor on the transfer form;

b) with the expiry of the term set for refusal and the failure to make a refusal in accordance with this Art. 3, and in this case, for clarity, a seal and signature of approval by the Factor is also placed on the transfer form (a copy of the transfer form with approval data can be forwarded to the Supplier upon request);

c) with the crediting of the payment account under the terms of Art. 4.01 - within the term, and with the amount for the corresponding claim, requested as an advance payment.

**3.08.** The Supplier undertakes to notify the Debtor of any claim transferred to the Factor and to ensure that the payments of the transferred claims are carried out by the respective Debtor in favor of the Factor under the terms of this contract. The Supplier undertakes to deliver to the Debtor a written notification in a form approved by the Factor, with the delivery being carried out in a way that makes it clear that it has been received/accepted. In addition, the Supplier undertakes to include on the invoices issued by the Supplier to the Debtors for the receivables, legibly and with content and form approved by the Factor, the data for the transfer (the data of the new creditor of the receivable - the Factor - to whom payment should be made on the relevant invoice). The Supplier is obliged to hand over to the Factor copies, certified by him as true with the original, of the documents specified above in this clause (notification, invoice with marking), through which the notifications to the Debtors are made. Notwithstanding the above, if payments/payments under any transferred claim are made in error by any Debtor directly to the Supplier, the latter shall immediately and without waiting for a request from the Factor to remit by bank transfer to the Factor all amounts received on this payment/payments, or to immediately forward to the Factor checks, bills of exchange, as well as any other payment instrument drawn / transferred in favor of the Factor in the proper order and not to negotiate them in any way.

#### **4. Funding – collection of transferred receivables**

**4.01.** The Supplier has the right to request written payment of the Advance Payment Amount for the relevant receivable by filling out and submitting to the Factor a form approved by the Factor - "Financing of transferred trade receivables". The specific amount of the Advance Payment Amount to be remitted in respect of the relevant receivable is determined at the discretion of the Factor within the maximum advance payment percentage specified in the relevant factoring contract for the relevant debtor. Delivery of the completed form may be made at any time up to the Maturity Date of each Transferred Receivable (in respect of that Receivable) or together with the delivery of the Transfer Form. Provided that the Factor accepts the transfer of the relevant receivable, within three (3) working days after the submission of the relevant application, the Factor shall have the right, at its discretion, to transfer the amount of advance payment determined by it by crediting the payment account or to refuse the advance financing without being obliged to justify its refusal. In case of refusal

of financing, the Factor notifies the Supplier by e-mail at the address specified in the factoring contract. The amount of the advance payment cannot exceed the amount of the nominal value of the transferred receivables, after subtracting from it the sum of the remuneration, interest, fees and commissions pursuant to Article 5, plus the VAT payable thereon and only if the Amount Available for Utilization is sufficient. In the event that the Amount Available for Disbursement is insufficient, the Factor will credit the Payment Account with an amount determined by him according to the preceding sentences, but at most up to the amount of the free part of the Amount Available for Disbursement at that time.

**4.02.** Provided that the transferred claim is fully paid by the Debtor to the Factor, the latter is obliged to pay the Supplier on the next working day after the payment by the Debtor by crediting his payment account the remainder of the nominal value of the transferred claim, after deducting the amount of the advance payment (with respect to such Debtor), provided that there is no overdue Debt at such time. If there is an overdue debt and it is not equal to or greater than the amount that was received from the Debtor, the Factor deducts, apart from the amount of the advance payment and the Debt, and transfers the balance.

## **5. Remuneration of Smart Factoring EOOD**

**5.01.** The Supplier undertakes to pay the Factor remuneration for the services provided under the Factoring Agreement as follows:

### **5.01.1. "Fees and commissions":**

- a) "Factoring commission" calculated as a percentage of the nominal value of the claim. The specific percentage expression of the Factor's commission on receivables for each Debtor will be entered in the Factoring Agreement. "Factoring Commission" plus an amount equal to the VAT due thereon shall be paid by the Supplier on the date of assignment of each transferred receivable, unless otherwise agreed in the Factoring Agreement, directly by the Factor Supplier. In the event that it is not paid by the Supplier on this date, the Factor deducts this amount from the amount of the advance payment, or this amount is paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount is collected in accordance with Art. . 5.02., to which the Supplier irrevocably and unconditionally agrees.
- b) "Processing Fee" calculated as the amount payable for the processing of each invoice and each credit/debit note for the transferred receivables. The specific value of the "Processing Fee" will be entered in the Factoring Agreement. "Processing Fee" plus an amount equal to the VAT due thereon shall be paid by the Supplier on the date of assignment of each transferred receivable, unless otherwise agreed in the Factoring Agreement, directly by the Factor Supplier. In the event that it is not paid by the Supplier on this date, the Factor deducts this amount from the amount of the advance payment, or this amount is paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount is collected in accordance with Art. . 5.02., to which the Supplier irrevocably and unconditionally agrees.
- b) "Factoring document consideration fee" calculated as a percentage of the Supplier's Credit Limit. The specific percentage expression of the "Commission for consideration of factoring documents" will be entered in the Factoring Agreement. "Commission for consideration of factoring documents" plus an amount equal to the VAT due on it is paid by the Supplier annually (once within a calendar year), with the first commission payable on the date of signing the Factoring Agreement, and each subsequent commission on the same date in the respective year. The customer also owes the "Factoring document consideration fee" when submitting an application for consideration of an increase in the Supplier's

credit limit, in which case it is calculated as a percentage of the requested increase in the limit and is due on the date of submission of the application for consideration of an increase in the limit. If in the Factoring Agreement unless otherwise agreed, it is payable directly by the Factor Supplier. In the event that it is not paid by the Supplier on the dates specified in this clause, the Factor shall deduct this amount from the amount of the advance payment, or this amount shall be paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected by the order of art. 5.02., to which the Supplier irrevocably and unconditionally agrees.

- r) "Management commission" - calculated as a percentage of the Provider's Credit Limit. The specific percentage expression of the "Management Commission" will be entered in the Factoring Agreement. "Commission Management" plus an amount equal to the VAT due on it is paid by the Supplier annually (once within a calendar year), with the first commission payable on the date of signing the Factoring Agreement, and each subsequent commission on the same date in the respective year. The Client also owes the "Management Commission" upon signing an annex to increase the Supplier's Credit Limit under an existing Factoring Agreement, in which case it is calculated as a percentage of the requested limit increase and is due on the date of signing the annex to increase the the limit under an existing Factoring Agreement. If in the Factoring Agreement unless otherwise agreed, it is payable directly by the Factor Supplier. In the event that it is not paid by the Supplier on the dates specified in this clause, the Factor shall deduct this amount from the amount of the advance payment, or this amount shall be paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected by the order of art. 5.02., to which the Supplier irrevocably and unconditionally agrees.
  
- д) "New Debtor review fee" - calculated as an amount. The specific value of the "New Debtor Consideration Fee" will be entered in the Factoring Agreement. "Fee for consideration of a new Debtor" plus an amount equal to the VAT payable thereon shall be paid by the Supplier on the date of submission of an application for consideration of a new Debtor, unless otherwise agreed in the Factoring Agreement, directly by the Factor Supplier. In the event that it is not paid by the Supplier on this date, the Factor deducts this amount from the amount of the advance payment, or this amount is paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount is collected in accordance with Art. . 5.02., to which the Supplier irrevocably and unconditionally agrees.
  
- e) "Commitment Fee" - calculated as 0.5% (zero whole and five tenths percent) of the undrawn financing limit on an annual basis ( , unless otherwise expressly agreed between the Factor and the Supplier. "Commitment Fee" plus an amount equal to the VAT payable thereon shall be paid by the Supplier each month. The Factor has the right to charge a "Commitment Fee" when the Supplier has not used at least once at least 30% (thirty percent) of the funding limit stipulated in the Agreement every three months after signing the Factoring Agreement. If in the Factoring Agreement unless otherwise agreed, the fee is payable directly by the Factor Supplier. In the event that it is not paid by the Supplier on the dates specified in this clause, the Factor shall deduct this amount from the amount of the advance payment, or this amount shall be paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected by the order of art. 5.02., to which the Supplier irrevocably and unconditionally agrees.

#### **5.01.2. Interests:**

ж) Annual interest on the amount of advance payments ("Interest") calculated as a percentage of all amounts of advance payments paid to the Supplier. Interest is accrued daily on a 360 day per year basis, counted from the date of deposit of the amount of advance payments in the payment account until the date of full payment of the relevant claim by the Factor Debtor. The specific percentage expression of the interest is entered in the Factoring Agreement as the sum of the base (SOFIBOR, EURIBOR, LIBOR, "REFERENCE INTEREST RATE ( RIR )" (abbreviation of Reference Interest rate ) and an allowance.

"**REFERENCE INTEREST RATE ( RIR )**" ( abbreviation of Reference Interest Rate ) this is the benchmark interest rate of Smart Factoring EOOD in the respective currency . The applicable REFERENCE INTEREST RATE is revised and determines in accordance with the methodology for determining the REFERENCE INTEREST RATE, as a change in the methodology is carried out by a decision of the competent internal body of the Factor . Any change in The REFERENCE INTEREST RATE comes into force for the relevant one interest period according to the factoring contract , following the date of the update according to the applicable methodology for determining the REFERENCE INTEREST RATE . The factor published the current RIR determination methodology and all its next ones changes after adopting the relevant decision on its website [https:// smart - factoring . com /](https://smart-factoring.com/) and her exhibits in publicly accessible places in its offices .

**Interest** is payable by the Supplier upon first depositing an advance payment into the Payments Account at the end of each calendar quarter from the date of deposit directly by the Factor Supplier (in the event that it is not paid by the Supplier on that date shall be paid by deducting it from the Factor at the time of collection of the transferred receivables from the amount collected or from the amount of the advance payment on the date on which the transfer is accepted, by deducting an amount equal to the interest for the previous calendar quarter on the first day of each calendar quarter with an amount equal to the interest for the previous calendar quarter, or the amount is collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees).

з) Annual Interest on Overdue Debt ("Overdue Interest") calculated as a percentage of overdue Debt for the overdue period. Interest for overdue payment shall be charged daily on a 360-day basis per year, calculated from the date of occurrence of a Debt by the Supplier to the Factor until the date of full payment of this Debt. The specific percentage expression of the Overdue Interest is entered in the Factoring Agreement as the sum of the base ( SOFIBOR , EURIBOR , LIBOR , " Reference interest rate " and surcharge.

Default Interest is payable by the Supplier on the first day of each calendar quarter for the previous calendar quarter, calculated as the sum of the Default Interest charged for the previous calendar quarter directly by the Factor Supplier (in the event that it is not paid by the Supplier of this date The Factor deducts this amount from the amount of the advance payment or this amount is paid by deducting it from the Factor during the collection of the transferred receivables from the collected amount, or the amount is collected in accordance with Article 5.02., for which the Supplier is irrevocably and unconditionally agrees).

**5.02.** By signing the factoring contract, in accordance with these general terms and conditions and in accordance with Ordinance No. 3 on the terms and conditions for the execution of payment operations and the use of payment instruments (Ordinance No. 3), the Supplier gives his irrevocable and unconditional consent in advance and authorizes Smart Factoring EOOD to collect from all his bank accounts the sums due under the Factoring Agreement. For this purpose, the Supplier undertakes to provide the corresponding required consent for direct debit payments in accordance with Ordinance No. 3 to all its payment service providers. Any exchange rate differences when debiting the bank accounts are entirely for the account of the Supplier.



**5.03.** Fees and commissions collected are non-refundable upon reduction or termination of funding limits or termination of the contract, regardless of the reason for reduction or termination of funding limits or termination of the contract.

## **6. Approve and change limits. Liability of the Factor and the Supplier**

### **6.01. Credit limit approval:**

**6.01.1.** The Factor shall determine a credit limit for each Supplier Debtor, the Factor's percentage of responsibility for each transferred receivable, the Supplier's credit limit, the Supplier's financing limit, the limit of the maximum nominal value of the receivables for each Debtor, the financing limit and the grace period for each Debtor based on the information provided by the Supplier, the Supplier undertaking to provide any information necessary to the Factor to determine the above limits. The Supplier is not entitled to change the deferred payment period under its commercial contracts for Debtors transferred to the Factor without the express written approval of the Factor.

**6.01.2.** The factor determines the limits at its own discretion and has the right to unilaterally reduce or cancel any of the limits by notifying the Supplier in the shortest possible time according to the specific circumstances. The change of the relevant limit shall take effect immediately, but after the Factor sends a written notification in accordance with Article 14, indicating the new limit and the date of the change. The reduction/resetting of a given limit will not affect the transferred receivables according to Art. 3.06, 3.07 before the change date. When resetting a given limit, any incoming payment or credit note from the relevant Debtor will first close the invoices transferred without recourse and in chronological order. When making a request for approval of a limit or when making a request to change an existing limit for a Debtor, the Supplier is obliged to provide in writing to the Factor any negative information or information about overdue receivables from the Debtor that it has at the time of the request. At any moment when the factoring contract is in force, the Supplier is obliged to immediately provide the Factor in writing with any negative information received by him about the Debtor, or information about a possible future inability to pay the obligations.

**6.02.** The consequences of the transfer of receivables from the Factor Supplier and the respective liability of each of the contracting parties in case of non-payment of the transferred receivables by the Debtors, are dependent on the amount of the credit limit of each Debtor and the Factor's percentage of liability of each transferred claim, set forth in the list of Debtors. More specifically, the Supplier's receivables from a given Debtor are transferred as follows:

a) if the receivables are within the credit limit of the respective Debtors, are transferred **without recourse to the Factor against the Supplier**, up to the percentage of the Factor's responsibility from each transferred receivable, unless the non-payment is the result of inaccuracy of the Supplier's declarations under Article 3.06. and/or that these declarations are untrue and, above all, of deficiencies in terms of the quality/quantity of the goods/services sold by the Supplier or the presentation of other objections by the Debtor, in which case the Supplier shall be solely liable to the Factor as main debtor for the legal existence and demandable nature of each transferred claim, obliging itself to the Factor to pay the amount of the corresponding unpaid claim in accordance with Art. 6.04 below;

b) if the receivables or part of them exceed the Debtor's credit limit or the Factor's liability percentage of each transferred receivable, the same (or the corresponding part) are transferred **with full right of recourse to the Factor against the Supplier**, which means that the Supplier is liable to The factor as an independent and main debtor, both for the legal existence and the required nature of each transferred claim (or the relevant part), and for its exact and full payment on time by the relevant Debtor.

**6.03.** If a claim that has been transferred without recourse to the Factor by the Supplier is not paid by the Debtor on the due date, due to financial impossibility (and not, for example, because there is a dispute regarding the relevant claim), then:

a) The factor has no right to demand payment of the corresponding claim from the Supplier, and can collect the transferred claim only from the Debtor. If the Factor has also been granted/given securities as security for this claim, endorsed to his order, the same has the right to seek payment on the securities or on the claim they secure.

b) The Factor undertakes to pay the Supplier by crediting the payment account the balance of the nominal value of the transferred receivable, after deducting the amount of advance payment and the fees due to the Factor pursuant to Article 5 in relation to the respective receivable, as follows:

aa ) if an undisputed claim transferred by the Debtor is not paid by the Debtor within 90 calendar days from the Due Date (or within another period if such is additionally mentioned in the factoring agreement) - on the first working day after the expiration of the above-mentioned term, or

bb ) if the transferred claim, undisputed by the Debtor, is paid by him within the above-mentioned period - on the next business day after receipt of payment on the Factor's account. The factor undertakes the obligation to make payment in accordance with the procedure of this Article. 6.03 "b", insofar as there is no overdue debt as of the dates determined in accordance with "b" " aa " and " bb " above. If there is a debt with an amount smaller than the amount of the Factor's payment obligation to the Supplier determined according to this letter "b" ex. 1, the Factor undertakes to pay the Supplier the difference between the amount owed by the Factor and the debt.

c) If a payment was made by the Factor to the Supplier according to the hypothesis of Art. 6.03, "b", " aa " above (payment under guarantee), but nevertheless a dispute arises from the Debtor up to 180 days after the due date under the invoice, the payment thus made by the Factor should be reimbursed by the Supplier at the latest, without the need for a reminder - on the first working day after the expiration of the dispute resolution period - sixty (60) calendar days from the date of the dispute.

d) If the claim has been transferred by the Factor to a third foreign party and this third party fails to collect it due to non-payment by the Debtor due to the termination of the relevant legal process due to the applicability of a jurisdiction other than that of the Debtor's country, and this third party transferred the Factor's claim back, the Factor is also entitled to transfer the claim back to the Supplier and receive the price paid for it.

**6.04.** In all cases of non-payment by the Debtor of a transferred claim, for which the Factor has a right of recourse against the Supplier, due to the non-existence or due to the unclaimable nature of the transferred claim or due to the inaccuracy of the Supplier's declarations under Article 3.06. or if they turn out to be false in content, or due to disagreement/objections on the part of the Debtor (and in particular in connection with a dispute regarding deficiencies in the quality/quantity of the goods sold by the Supplier or the services provided by him, or other complaints by of the Debtor) or due to the initial transfer of the relevant claim with full right of recourse pursuant to Article 6.02 letter "b", then:

a) The factor has the right, but not the obligation, to claim through a court of law the collection of the transferred claim from the Debtor, and at its discretion has the right to call the Supplier to take part in the legal proceedings against the Debtor.

b) The Supplier undertakes to pay (reimburse) to the Factor the amount of advance payment that was paid to him by the Factor in connection with a specific transferred claim, plus interest on the nominal value of this claim from the date of its maturity until its full payment, if such interest shall be accrued, as well as the fees due to the Factor under Article 5 and expenses under Article 7, in relation to the claim in question as follows: aa ) Provided that the Debtor has expressed disagreement/objected, raised a dispute or the Factor considers that there is an inaccuracy of the declarations provided by the Supplier under Article 3.06 or that these declarations are false, the Supplier undertakes to pay the amount indicated in the notification in relation to the claim in question immediately after being notified by the Factor, or bb ) at the latest, without the need for a reminder - on the first working day after the expiration of a grace period of thirty (30) days from the due date of the unpaid transferred claim.

c) In the event that the Debtor disagrees/objects and/or raises a dispute regarding the goods sold and the services provided by the Supplier, the Supplier undertakes to immediately notify the Factor in writing of the existence of a dispute specifying the disputed claim and resolve directly with the Debtor the dispute/objection. The Supplier is obliged to provide monthly or at the request of the Factor any information regarding the dispute in the process of its resolution, as well as to immediately notify the same when the dispute is resolved. At the same time, the transferred receivable/receivables related to the above-mentioned objection/dispute are considered transferred with the right of recourse of the Factor against the Supplier, until the final resolution of the relevant dispute between the Supplier and the Debtor. In the event that the dispute remains unresolved for more than the dispute resolution period - sixty (60) calendar days from the date of notification, the Factor has the right to transfer the disputed claims back to the Supplier, notifying the Debtor that he is no longer the holder of the claims in question the Factor, and the Supplier. The Supplier shall pay back to the Factor any amount of the advance payment received in respect of the transferred receivable, plus any interest on the face value of the receivable in question from the date of its maturity until the date of resolution of the dispute, or until the date of the reverse transfer of the claim for which the dispute/objection is. Disputed receivables are accepted back by the Factor if the dispute is resolved in favor of the Supplier within 180 days out of court or within 3 years judicially after notification of a dispute. The decision on the dispute must stipulate payment of the claim by the Debtor within 30 days of the out-of-court settlement or of the entry into force of the court's decision. A bond payment for readmitted claims is made 14 days after the payment date specified in the court decision or in the out-of-court settlement, if those 14 days are after the original bond payment date.

In each of the cases described in Art. 6.04. "a", "b" and "c", the Factor has the right to reduce by the nominal value of the claim in question the credit limit of the Debtor and/or the credit limit of the Supplier, and/or the financing limit, or to limit/suspend or cancel any of the specified limits at its discretion for terms and conditions as the Factor deems appropriate.

**6.05.** In the event that a Bank Guarantee has been issued in respect of a specific Debtor in favor of the Supplier to secure the Supplier's claims against that Debtor, for payment of transferred claims against the relevant Debtor, a copy of which has been provided to the Factor pursuant to Article 3.05., the Factor has the right to request directly from the specified bank, on the basis of the order and authorization that the Supplier expressly provides to the Factor with the signing of the present GTC and the Factoring Agreement, payment under the Bank Guarantee of an amount equal to the amount of the unpaid transferred claim, and to receive the corresponding sum. By signing the Factoring Agreement, the Supplier waives its right to withdraw the said authorization, given the fact that it also affects the interest of the Factor as an authorized party and holder of the claim secured by the guarantee. In order to facilitate the Factor, the Supplier signs, at the request of the Factor, a special authorization document and/or request for payment under the relevant guarantee in a form approved by the Factor, depending on the terms of payment of the relevant guarantee, which document/documents the Factor hands over to the Bank -issuer of the guarantee. The factor has the right to retain the amount received from the Bank for his own account, but he is obliged immediately after receiving the amount and under the conditions that it is sufficient to fully cover the obligation of the relevant Debtor, to

return to the Supplier all the documents and securities provided to him in accordance with Article 3 relating to the transferred claim in respect of which payment was requested.

In all cases, and in particular if for any reason the Factor does not exercise the above right or if the bank refuses for any reason to pay the amount demanded, the Factor has the right to demand in writing that the Supplier demand payment from the issuing bank of the bank guarantee for an amount equal to the amount of the unpaid transferred claim. At the latest within five (5) working days of receiving the corresponding written request from the Factor, the Supplier is obliged to request payment under the guarantee from the Issuing Bank and transfer to the Factor the amount received from the Bank, while the Factor after receiving the payment and full repayment of the relevant claim shall return to the Supplier all documents and securities provided to him pursuant to Article 3 relating to the transferred claim in connection with which payment was requested.

**6.06.** If the specified payment under the guarantee from the Issuing Bank to the Factor is not achieved for any reason, and in particular due to the fault or refusal of the Supplier to sign the special authorization document and/or the demand for payment under the guarantee or due to the omission or delay of the Supplier, or failure to comply with the legal requirements and procedures for presenting the Bank guarantee for payment, or due to refusal by the Issuing Bank for any reason to pay the requested amount, the Supplier is obliged to pay the Factor the requested amount while the Factor after receipt of payment and full settlement of the relevant claim shall return to the Supplier all documents and securities provided to it pursuant to Article 3 relating to the transferred claim in respect of which payment was requested. Payment by the Supplier of amounts due under Article 6.04 shall be performed by the Supplier immediately and without the need for sending any notification/reminder from the Factor, which, if the same are not paid immediately and directly by the Supplier, will be deducted during the collection of the transferred claims or from the amount of the advance payment of the date of acceptance of the transfer of any transferred claim by the deduction by the Factor of an amount equal to the amount owed by the Supplier to the Factor.

**6.07.** In any case of payment by the Supplier to the Factor of the specified sums in accordance with Article 6.04., the transfer shall be deemed canceled (ie the claim shall be deemed transferred back to the Supplier) and the Factor shall return to the Supplier all documents and securities provided to him under Article 3 , relating to the claim paid by the Supplier. , Only on the condition that this is requested by the Supplier and at his expense, the Factor notifies the relevant Debtor that the holder of the relevant claim is no longer the Factor, but the Supplier.

**6.08.** Regardless of the above provisions, in order for a payment obligation to arise from the Factor to the Supplier, the non-payment of the obligation (or a part thereof) by the Debtor should be due solely to the financial impossibility of the Debtor. Non-payment by the Debtor should not be caused by civil conflict, political events (war, declared or not, revolution, coup, civil disturbances, strikes and other events of comparable effect), legal moratorium, force majeure, natural disasters (earthquake, volcanic eruption, flood, as a result of a natural disaster, hurricane, fire in the nature of a natural disaster, nuclear explosion or pollution, regardless of the source, ionizing radiation or contamination with radioactive or toxic substances or waste and other events of comparable effect) and etc. similar including that it was not caused by the circumstances described in item 6.09. In the cases under the previous sentence and under Art. 6.09. the corresponding claim is considered transferred to the Factor with the right of recourse to the Supplier.

**6.09.** Cases in which a claim is considered to be transferred to the Factor with the right of recourse to the Supplier regardless of what was agreed above in the OU:

**6.09.1.** Non-payment by the Debtor due to any of the following circumstances ( alleged or proven):

A) unfulfilled obligations of the Supplier to the Debtor, regardless of the reason for this non-fulfilment;

B) unilateral termination of the contract from which the transferred receivables derive or refusal of payment of the transferred receivables by the Debtor, in cases of non-fulfillment of an obligation of the Supplier due to a reason for which he is responsible;

C) non-fulfillment, partial or inaccurate performance of the contract from which the transferred receivables arise or refusal to pay the transferred receivables by the Debtor or other agreements concluded in connection with the Supplier's performance of the contract from which the transferred receivables originate or refusal of payment of the transferred claims by the Debtor, his subcontractor or other persons with whom he jointly performs part or all of the contract; intentional actions or inaction on the part of the Supplier or his representative, preventing the performance of the contract from which the transferred claims arise or refusal to pay the transferred claims on the part of the Debtor;

D) breach or non-fulfillment by the Supplier, its representative or subcontractor of:

- a) the current legislation in the Republic of Bulgaria, in the transit countries and the countries related to the execution of the delivery contract or the making of the payments under it;
- b) the conditions of the factoring contract and the current GTC;

E) violation or non-fulfillment by the Supplier or the debtor of normative acts, acts of the Government or other administrative bodies relating to the implementation of foreign trade and currency operations in the Debtor's country or in a third country related to the performance of the supply contract or making payments under it;

F) Political events, such as: announcement of a general moratorium on payments or changes in the regime of currency payments; adoption or amendment of regulations or decisions of a government or other authority that prevent the performance of obligations under the supply contract by one or all of the parties to it.

**6.10.** Receivables from the following types of transactions are not subject to non-recourse factoring, and if they are transferred to the factor, they are considered transferred with the right of recourse to the Supplier, regardless of what is agreed on - up in OU:

**6.10.1.** Receivables arising from Sales/Delivery Contracts concluded between the Supplier and a related company/person.

**6.10.2.** Claims arising from Deliveries, dispatch or performance of services carried out without the necessary license or, generally speaking, carried out in violation of any applicable law or by-law related to the contract of sale.

**6.10.3.** Collection secured by an irrevocable letter of credit confirmed by a bank registered in the country where the Supplier is registered.

**6.10.4.** A receivable that belongs to a third party or is secured by a third party (whether a credit institution or not).

**6.10.5.** Claim covered by an insurance policy transferred in favor of the Factor, for which any of the conditions related to the insurance and its validity and the validity of the credit limits under it are not fulfilled.

**6.10.6.** Collection by a Debtor with whom the Supplier has other commercial relations on the basis of which the Supplier's obligations to the Debtor could arise or exist.

## **7. Taxes and expenses**

**7.01.** All taxes, fees, contributions, duties and due payments of any kind in favor of the State/Public Administration or any third party, imposed on the occasion of or in connection with this contract and related actions (assignment of claims, payments, collection of claims by judicial and extrajudicial order, etc.), such as judicial/state/banking, etc. fees/commissions, VAT or other tax payments, etc., taking into account the provision of art. 9.03., are at the Supplier's expense. The Supplier shall also bear the costs of any nature for the possible provision, registration or acquisition (transfer of the Factor) of any collateral to guarantee the Factor's claim against him, legal costs, costs of execution, regardless of its completion, and in general any expenses that are incurred on the occasion of or in connection with this contract or its performance.

**7.02.** In the event that the Factor pays, although he is not obliged to do so, any of the sums specified above, the sums paid shall be made by the Factor as a debt of the Supplier and interest shall be due on them from the Supplier, at an amount as agreed in article 5.01.2 of the OU and the provisions in the Factoring Agreement. The Supplier shall pay them forthwith and the Factor shall be entitled to withhold any such amount from the sums due by it to the Supplier.

## **8. Accounting and tracking of transferred receivables**

**8.01.** Monitoring of transferred Receivables, including transfers made to the Factor, payments of transferred receivables, transfers and all operations in connection with the factoring services provided, regulated in these GTC and the Factoring Agreement, is carried out through the commercial account, which is a special account or accounts, which are maintained by the Factor according to its accounting policy.

**8.02.** The Factor sends monthly statements to the Supplier for the movement and registrations/entries in the commercial account. Statements are assumed to be true and accurate, in case the Supplier does not inform the Factor to the contrary within 30 calendar days from the date of sending the relevant statement.

**8.03.** The tacit consent mentioned in Art. 8.02 shall apply to all accounting documents that the Factor sends to the Supplier in addition to the statement mentioned above, regardless of whether they are issued at the initiative of the Factor or at the request of the Supplier.

**8.04.** The statement (or the copy) issued by the Factor on the basis of his books, containing the movement on the above-mentioned commercial account/accounts of the Supplier, constitutes full proof of the transactions entered in it, as well as of the Factor's claims against the Supplier (the Supplier's debt), which derive from this contract.

## **9. Collection by court order**

**9.01.** The Supplier authorizes the Factor to perform any and all legal actions in relation to the collection of the transferred receivables, as well as undertakes to assist and assist the Factor in the collection of the transferred receivables through court proceedings or through other procedures regulated in relevant legal acts, by ensuring all necessary documents and complete all actions and formalities that will/could help the Factor in his legal actions to collect the amounts due.

**9.02.** The Supplier undertakes to immediately notify the Factor of all facts and circumstances that have become known to him and could affect the solvency and creditworthiness of the Debtor.

**9.03.** All costs incurred for and in connection with the collection of non-recourse receivables will be for the account of the Factor, while costs incurred for and in connection with the collection of non-recourse receivables will be for the account of The supplier.

## **10. Guarantee**

**10.01.** The guarantor, or in the presence of more than one guarantor, each of them, undertakes towards the Factor to be jointly and severally liable with the Supplier for the debt (as this term is defined in art. 1.07 above) under the conditions agreed in these GTC and The factoring contract. The guarantor/s will be responsible to the Factor until the full and final payment of the debt incl. the transferred receivables, interest, fees, commissions, costs and any other obligation of any nature arising under or in connection with the Factoring Agreement and OU, incl. for the costs incurred by the Factor in connection with the legal actions and the collection of the amounts due, taken against the Supplier and/or the Guarantor.

**10.02.** The guarantor, or in the presence of several guarantors, each one of them, is responsible for the debt, regardless of omissions regarding the representation of the Supplier.

**10.03.** The Guarantor undertakes to pay to the Factor any sum due from the Supplier to the Factor upon the first written demand by the Factor sent pursuant to Article 14.

**10.04.** By signing the Factoring Agreement, the Guarantor declares that he is familiar with all the terms and conditions of the General Terms and Conditions and the Factoring Agreement. In proof of this, the Guarantor undertakes to sign each page of the Factoring Agreement when a manual signature is used for signing.

**10.05.** The Guarantor shall be liable to the Factor until full and final payment of any obligation of any nature whatsoever of the Supplier arising out of and in connection with this Agreement, even if the Supplier gives notice of termination of the Factoring Agreement.

**10.06.** The Guarantor undertakes to immediately inform the Factor of any adverse change in its property assets or activities, as well as of any significant burden of financial obligations to third parties and of any change in the shareholder structure /respectively in the partners in relation to all related to the Supplier and/ or the Guarantor's companies and for any change in the representation of the Guarantor.

## **11. Exercise of rights - Amendments - Partial invalidity**

**11.01.** The factor has the exclusive right to exercise any of its statutory or contractual rights. This right shall not be deemed waived or in any way precluded as a result of delay, single or consecutive failure to exercise the particular right or any future similar or different right.

**11.02.** The factoring contract, as well as any amendment to it, is made only in writing, i.e. the written form is essential. Counter-evidence against the terms of this contract or the existence of an additional contract is allowed only in writing and any other means of proof is excluded.

**11.03.** The cancellation or annulment of one condition of this contract does not affect in any way the validity of its remaining conditions.

## **12. Right of set-off/deduction**

**12.01.** All payments to the Supplier or to the Factor's Guarantor/Guarantors made under/in connection with the provisions of these GTC shall be made by the Supplier/Guarantor to the Factor without reduction due to deduction/set-off or liability due to objection or counterclaim of the Supplier or The Guarantor/Guarantors against the Factor.

**12.02.** The Factor has the right to deduct/set off any of its obligations under these GTC, even if it has not expired, against any counter claim/objection/claim of the Supplier or/and the Guarantor/Guarantors to the Factor. The factor is not obliged to exercise any contractual or statutory right of deduction/set-off.

**12.03.** In cases where the Supplier is a Debtor under a factoring contract concluded between the Factor and another supplier and has not met the terms for repayment of its obligation as a Debtor, the Factor has the right at its discretion to deduct/set off the Supplier's obligations to the Factor in its capacity as Debtor under this other factoring agreement and the corresponding assigned receivables with the Factor's obligations to the Supplier under the Factoring Agreement entered into between the Factor and the Supplier. In the event that the Factor made a deduction/set-off according to the previous sentence, the corresponding amount is deducted from the amounts under Article 4.02.

### **13. Provision of financial and other information**

**13.01.** The Supplier undertakes to inform the Factor immediately of any change affecting its representation or shareholder composition (respectively, a change in its partners) and to submit to the Factor the necessary documents provided for in the relevant laws and certifying the relevant change (court decision, certificate of current legal status, etc. .under .). In addition, he undertakes to notify the Factor of any adverse change in his property or activities or of his significant financial burden with financial obligations towards third parties.

**13.02.** The Supplier undertakes to provide the Factor with accurate, true and timely information on its general financial status, on the factual and legal status of its assets, to provide the necessary documents immediately upon request and to assist, respectively provide assistance and access to the Factor's employees in the checks carried out by them at the Supplier's sites. The factor once a year (once within a calendar year) reviews the terms of the factoring contract and has the right to request changes to them, and the changes will be reflected in an annex between the parties. If the Supplier does not agree to a change in the conditions, the Factor has the right to unilaterally terminate the contract by sending a written notification (notice of termination) to the Supplier. The notification is sent no less than 3 (three) working days before the desired date of termination. In the event of termination in accordance with this clause, the relations between the parties shall be governed by Article 19 of these TOU. During the review, the Factor has the right to temporarily suspend funding under Article 4.01. of the Supplier.

**13.03.** The factor has the right to seek and receive information about the property and financial situation of the Supplier from any Bulgarian and foreign credit institutions or intermediaries, from the BNB, NOI and others, for which upon signing the Factoring Agreement and in accordance with these GTC, the Supplier irrevocably and unconditionally authorizes the Factor.

**13.04.** The Supplier undertakes to notify the Factor in writing of any change in the list of authorized representatives pursuant to Art. 3.03., as well as to submit to the Factor duly certified copies of the documents certifying the authorization/authorization and representative power of the new authorized/authorized representatives (power of attorney, court certificates, etc.), as well as original specimens of their signatures (the



signatures should be certified by a notary or placed before an employee of the Factor or another person working for the Factor).

#### **14. Notifications**

**14.01.** All notices, reminder letters, applications, statements and approvals provided for in these TOU and the Factoring Agreement, unless otherwise provided in the relevant provision of the TOU/Factoring Agreement, shall be made only in writing and shall be deemed received if through fax, personal delivery, by post (registered or with return receipt), by notarized invitation or by courier to the addresses of the parties entered as "address for correspondence" in the Factoring Agreement. In the event of a change of these addresses, the relevant party shall notify the other parties in writing, mentioning the new address for correspondence. Until such notification is received, any and all communications received at the old address will be deemed received.

**14.02.** When the Factor and the Supplier (and, when applicable, the Guarantor) have agreed in the Factoring Agreement electronic addresses for communication with each other, the notifications in writing provided for in Art. 14.01 shall be considered duly served when the electronic message sent by either party is received in the information system serving the respective electronic address of the other party.

**14.03.** In the event that the Supplier uses the Factor's "Client Portal" application (has a username and password for the portal), the foregoing agrees that it may receive any notifications, reminder letters, applications, statements and approvals provided for in these GTC and the Factoring Agreement. The Supplier agrees that the moment of delivery of each individual document will be considered its sharing in the "Customer Portal" application, for which the Supplier will also receive an electronic message to the e-mail address specified by him in accordance with Art. 14.02 above.

#### **15. Transfers**

The Supplier undertakes not to transfer for any reason to a third party any claim that it has offered to transfer to the Factor, in accordance with this contract, the Factor has the right to freely assign any of its claims against the Supplier, which arises from this contract, and also transfer any of its rights or obligations under this contract to any third party. In addition, it has the right to conclude factoring contracts with or without right of recourse and in any other form with intermediaries/other persons with headquarters in Bulgaria or abroad and to transfer in accordance with these contracts the receivables it acquires under this contract as well as the right to insure the receivables acquired under the terms of the factoring contract in an insurance company of his choice, under the conditions he sees fit.

#### **16. Additional provisions**

**16.01.** These GTC are effective from the date mentioned on the first page of these General Terms and Conditions and form an integral part of and govern each Factoring Agreement.

**16.02.** In the event of an overdue claim, the Supplier has the obligation to take all measures that may be considered necessary by both the Supplier and the Factor to prevent or reduce the consequences related to recourse by the Factor. The Supplier is obliged to timely exercise all rights and take all necessary legal and factual actions with at least the same due care and professionalism as if they had not been transferred to the

Factor, including the rights to receive back the goods or to preserve his or the Factor's rights , as well as to secure the payment of the claim.

**16.03.** By signing the Factoring Agreement, the Supplier agrees that all information in the Factoring Agreement and its annexes is confidential and the Supplier undertakes not to disclose and to ensure all its employees, workers and other representatives, as well as its legal/ financial etc. consultants not to disclose or allow third parties access to any or all of the information in the Factoring Agreement and its annexes.

**16.04.** The present General Terms and Conditions can be amended and supplemented only at the initiative of the Factor, and the changes in them bind every Factoring Agreement concluded up to the time of the change. The Factor informs each Supplier (and, when applicable, the respective Guarantor) in writing about the change in the present General Terms and Conditions no later than 10 working days after their publication on the Factor's website - [https:// smart - factoring . com /](https://smart-factoring.com/), and in case of disagreement with the changes, the Supplier may terminate the Factoring Agreement in accordance with the procedure provided for in Article 19 of these GTC.

### **17. Place of execution**

The place of performance of all obligations and clauses arising from this contract is the headquarters of the Factor in the city of Sofia (city of Sofia, p.k. 1000, Triaditsa district, Positano Square No. 2, Perform Business Center).

### **18. Applicable Laws - Competent Courts**

**18.01.** These GTC and the Factoring Agreement are subject to Bulgarian legislation.

**18.02.** Any dispute arising from these GTC and the Factoring Agreement that may arise in the future, including disputes about the validity of the Factoring Agreement, as well as any process, debt collection procedure or any foreclosure/distrain is under the exclusive jurisdiction of the Bulgarian courts in the city of Sofia.

### **19. Contract duration - termination:**

**19.01.** The duration of the Factoring Agreement is indefinite and it may be terminated, in whole or in part, in writing, at any time by either party by giving written notice (notice of termination) to the other party within a period of not less than 30 (thirty) working days. Termination shall occur on the day following the expiration of the notice period (Termination Date), unless the parties have agreed to a different Termination Date in writing.

**19.02.** Termination of the Factoring Agreement leads to the following results:

a) The factor stops accepting transfers of new receivables,

b) the terms of the Factoring Agreement remain valid for the receivables already transferred to the Factor until the relevant receivables are repaid and

c) all non-overdue obligations of the Supplier to the Factor become overdue and due on the Date of termination of the Factoring Agreement, and interest is due on them according to Article 5.01.2., in the amount individually agreed between the Factors and the Supplier, until their full payment.

**19.03.** The factoring contract shall be terminated without the need for any action by the Factor or the Supplier upon initiation of bankruptcy or liquidation proceedings for the Supplier, or upon termination of its activity. The date of termination of the Factoring Agreement shall be the date of the court decision or other act or fact certifying the occurrence of these events.

**19.04.** The Supplier is obliged to notify the Factor in writing no later than within 1 (one) working day of the occurrence of the listed events under Art. 19.03.

**19.05.** The factor has the right to terminate the contract even without observing the 30-day period under Art. 19.01. with unilateral written notice for a shorter period chosen by him, if the Supplier or the Guarantor has knowingly declared inaccurately or kept silent about a circumstance in which the Factor would not have concluded the contract if he had known about it or in the event of a breach by the Supplier/Guarantor of which and to be a condition of the current GTC and the factoring agreement including all subsequent annexes.