

GENERAL TERMS AND CONDITIONS (GTC)
of Smart Factoring Ltd.

These General Terms and Conditions (“GTC”) are valid from 13.01.2025 and are applicable to all FACTORING SERVICES AGREEMENTS (“Factoring Agreement”),

***Concluded between** Smart Factoring EOOD, entered in the Commercial Register at the Registry Agency with UIC 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 Principals on the other.*

By signing the Factoring Agreement, the parties agree on the provision of factoring services by Smart Factoring EOOD to the Supplier, as defined in Art. 2, para. 2, item 12 of the Credit Institutions Act, the Obligations and Contracts Act and the terms and conditions of the Factoring Agreement, as well as these GTC, which constitute an integral part of the latter:

1. Definitions:

The terms used in the GTC and the Factoring Agreement have the meanings specified below for each individual Factoring Agreement:

“Advance Payment Amount” means 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. In respect of each Debtor, the percentage up to which an advance payment is permitted is set out in the Factoring Agreement.

“ Transferred Receivables ” are receivables whose transfer has been accepted by the Factor.

“Available Amount” is the remainder of the funding limit at any time after deducting the current balance.

“Current balance” is the existing debt at any time when the payment account is credited with the amount of the advance payment, which means the debit balance of the trading account at any time.

“Date of Transfer Form” is the date on which the Supplier has submitted the transfer form to the Factor. The date of submission shall be noted on the transfer form by the Supplier and signed by him.

“Transfer Date” 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 Contract.

“Debtors” are third parties against whom there are claims.

“Debtor Credit Limit” is the maximum limit of liability of the Factor for each Debtor of the Supplier, specified as an amount and as a percentage of each receivable in the list of Debtors in the Factoring Agreement and

representing the maximum amount for which the transfer of receivables against a specific Debtor is carried out, in accordance with these GTC, without the right of recourse by the Factor against the Supplier.

“Dispute” is any situation in which a Debtor does not accept the goods or invoice and makes a claim, objection or counterclaim or makes a request for set-off, including (but not limited to) any objection arising from/related to a request by any third party that the receivables 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 the receivable” is the period between the day on which the Supplier issues the invoice relating to the relevant receivable and the day on which such receivable becomes overdue.

“Nominal value” is the net value of the transferred receivables plus the value of VAT on 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, which is registered in the territory of the Republic of Bulgaria, in relation to its Debtors, which are registered outside the territory of the Republic of Bulgaria.

“List of Debtors” – a list of Debtors, the receivables against which the Supplier has the right to offer to 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 Supplier’s payment account specified (with IBAN, BIC and other individualizing characteristics) in the Factoring Agreement, into which any amount due from the Factor to the Supplier will be paid.

“Receivables” are the Supplier’s non-overdue trade receivables 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 right of the Factor to claim monetary compensation from the Supplier in the event that the Debtor fails to pay its obligations within the time limits set out in Article 6 of these GTC, the amount and terms of payment of the compensation being set out in Article 6 below. In cases where the right of recourse is applicable to any assigned receivable (or part thereof) under the GTC and the Factoring Agreement, the Supplier shall be liable for the solvency of the Debtor.

“Supplier Credit Limit” is the maximum limit of liability of the Factor for the payment of the transferred receivables from the Supplier’s Debtors, i.e. the maximum amount up to which the transfer of receivables is made, in accordance with the GTC 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 percentage of liability of all transferred receivables.

"Total transferred receivables" is the total nominal value of the transferred receivables.

"Trade Account" is the special account that the Factor maintains pursuant to Article 8 of these GTC, in which all transactions between the parties leading to the emergence of receivables and payables for both parties are registered.

"Factor's Percentage Responsibility" – the percentage of the portion of the Debtor's credit limit for which the Factor is responsible.

"Transfer Form" - a special document that should be prepared in the form (according to a template) specified 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, collateral, invoices, the agreement from which they arise /e.g. sales contracts, orders (if any)/, etc.), as well as their due date.

"Payment under guarantee" - crediting the Supplier's payment account in connection with non-payment by the Debtor within 90 calendar days from the due date due to financial inability (and not due to a dispute, etc.) of receivables transferred without recourse.

2. Subject of the contract

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

2.02. The Guarantor undertakes to the Factor to be liable for the Supplier's debt 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 made by the Supplier by submitting a special document, referred to in these GTC as the "Transfer Form", which should be prepared in the form (according to a template) specified by the Factor. The Transfer Form must contain the date of the transfer form, the proposed receivables (individualized in the Transfer Form with their amount, the Debtor, collateral, invoices, the agreement from which they arise /e.g. sales contracts, orders (if any)/, 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 together with it, invoices and bills of lading, and any other documents, agreements, etc., which constitute evidence of the receivables and must necessarily contain the due date of each receivable, as well as all necessary documents required under the laws governing monetary, credit and tax obligations and relations, which documents certify the settlement of tax and social security 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 by means of a power of attorney with a notarized signature.

The list of authorized representatives of the Supplier with attached specimens of the signatures of the said legal representatives and other authorized persons and copies of the documents certifying their representative powers shall be attached to the Factoring Agreement and shall be signed by the Factor and the Supplier. Unless the Factor is duly notified of a change in the list of authorized representatives of the Supplier 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 deliver to the Factor the securities specified in this article, duly endorsed in favor of the Factor, and these 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 shall notify the Factor, stating separately in writing whether the receivables are secured by another type of collateral (e.g. pledges, mortgages, bank guarantees, etc.) or insured. If the receivables are secured by a Bank Guarantee issued for the Debtor in order to secure payment to the Supplier, the latter shall also submit 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) regarding the transferred receivables as defined above, constitutes both, on the one hand, a final and irrevocable proposal by the Supplier to transfer to the Factor the receivables described in the transfer form, and on the other hand, an official declaration-statement and confirmation by the Supplier to the Factor that as of the date of submission of 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, subject to judicial enforcement (in the event of default) and that there are no liens, pledges or other encumbrances imposed on them, as well as that the amount entered for each receivable in the transfer form represents the exact and actual amount due from the Debtor for the respective receivable.

The Supplier also declares that the following conditions have been met with regard to the receivables proposed in the transfer form:

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

b) The Supplier does not have a shareholding or connection within the meaning of the Credit Institutions Act 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 case where the above conditions are not met and the declarations under this Article 3.06 prove to be false, the assignment of receivables shall be deemed invalid with retroactive effect and the Factor shall be entitled to demand payment from the Supplier, and the Supplier shall be obliged to reimburse the Factor for all amounts 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 prove to be false.

3.07. The Factor has the right to refuse the transfer of any proposed claim within ten (10) business days from the date of transmission of the relevant transfer form by the Supplier to the Factor (*the date of transmission shall be entered in the transfer form*). In case of refusal, the Factor shall return to the Supplier a copy of the transfer form, in which it shall note the refused claims, as well as the originals of all provided data and documents

relating to these claims. The Factor shall inform the relevant Debtor only if this is requested in writing by the Supplier and at the Supplier's expense, that the holder of the relevant claim remains the Supplier. Acceptance of the transfer of the claims (or of part of them, if part of the claims under the transfer form have been refused) shall be carried out by:

a) certification of acceptance on the transfer form with the inscription "accepted" (if some of the receivables are refused, which ones are entered) and a signature of the representative(s) of the Factor company, as a copy of the transfer form, in which the acceptance is certified, shall be sent upon request to the Supplier, in which case the transfer date shall be mentioned by the Factor on the transfer form;

b) upon expiry of the period set for cancellation and failure to cancel in accordance with this Article 3, in which case, for clarity, a stamp and signature for approval by the Factor shall be placed on the transfer form (a copy of the transfer form with the approval data may be forwarded to the Supplier upon request);

c) by crediting the payment account under the terms of Article 4.01 - within the term, and with the amount of the respective receivable requested as an advance payment.

3.08. The Supplier undertakes to notify the Debtor of any receivable transferred to the Factor and to ensure that payments of the transferred receivables are made by the respective Debtor in favor of the Factor under the terms of this agreement. The Supplier undertakes to submit to the Debtor a written notification in a form approved by the Factor, with the transmission to be carried out in a manner 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 in a content and form approved by the Factor, the transfer data (the data of the new creditor of the receivable - the Factor - to whom payment should be made under the respective invoice). The Supplier is obliged to submit to the Factor copies, certified by him as true to the original, of the documents specified above in this clause (notification, invoice with marking), through which notifications to the Debtors are made. Notwithstanding the above, if any payment/payment on any assigned receivable is made in error by any Debtor directly to the Supplier, the latter must immediately and without waiting for a request from the Factor to transfer by bank transfer to the Factor all amounts received on such payment/payments, or to immediately forward to the Factor checks, bills of exchange, as well as any other payment instrument endorsed/transferred in favor of the Factor in accordance with the due procedure for it and not to negotiate them in any way. In case of failure to comply with the preceding sentence by the Supplier, the respective receivable shall be considered transferred, together with the interest, fees and commissions due with full right of recourse according to Article 6.02, letter "b", which means that the Supplier is liable to The factor as an independent and principal debtor, as of the date of default.

4. Financing – collection of transferred receivables

4.01. The Supplier has the right to request in writing the payment of the Advance Payment Amount for the relevant receivable by completing and submitting to the Factor a form approved by the Factor for this purpose - "Financing of Transferred Trade Receivables". The specific amount of the Advance Payment Amount to be transferred 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 agreement for the relevant debtor. The submission of the completed form may take place at any time up to the Maturity Date of each transferred receivable (in respect of such receivable) or together with the submission of the transfer form. Provided that the Factor accepts the transfer of the relevant receivable, within three (3) business days after the submission of the relevant request, the Factor has the right, at its discretion, to transfer the advance payment amount determined by it by crediting the payment account or to refuse advance financing without being obliged to justify its refusal. In the event of a refusal to finance, the Factor shall notify the Supplier by e-mail at the address specified in the

factoring agreement. The amount of the advance payment may not exceed the amount of the nominal value of the transferred receivables, after deducting from it the sum of the remuneration, interest, fees and commissions due from the Supplier to the Factor pursuant to Article 5, plus the VAT due therefor, and only if the Available Amount for Utilization is sufficient. In the event that the Available Amount for Utilization is not sufficient, the Factor shall credit the Payment Account with an amount determined by it pursuant to the preceding sentences, but up to a maximum of the amount of the free part of the Available Amount for Utilization at that time.

4.02. Provided that the transferred receivable is fully paid by the Debtor to the Factor, the latter shall pay to the Supplier on the next business day after payment by the Debtor by crediting his payment account the balance of the nominal value of the transferred receivable, after deducting the amount of the advance payment (in respect of such Debtor), provided that there is no overdue Debt at that time. If there is an overdue Debt and it is not equal to or greater than the amount received from the Debtor, the Factor shall deduct the amount of the advance payment and the Debt, and shall transfer 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 receivable. The specific percentage of the Factor's commission on the 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 transfer of each transferred receivable, unless otherwise agreed in the Factoring Agreement, directly by the Supplier to the Factor. In the event that it is not paid by the Supplier on such date, the Factor shall deduct such amount from the amount of the advance payment or such amount shall be paid by the Factor during the collection of the transferred receivables from the amount collected, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees.
- b) "Processing Fee" calculated as the amount due for the processing of each invoice and each credit/debit note for the transferred receivables. The specific amount 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 transfer of each transferred receivable, unless otherwise agreed in the Factoring Agreement, directly by the Supplier to the Factor. In the event that it is not paid by the Supplier on such date, the Factor shall deduct such amount from the amount of the advance payment or such amount shall be paid by the Factor during the collection of the transferred receivables from the amount collected, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees.
- c) "Factoring Document Review Fee" calculated as a percentage of the Supplier's Credit Limit. The specific percentage of the "Factoring Document Review Fee" will be entered in the Factoring Agreement. "Factoring Document Review Fee" plus an amount equal to the VAT due thereon shall be paid by the Supplier annually (once within a calendar year) with the first commission being payable on the date of signing the Factoring Agreement, and each subsequent one on the same date in the respective year. The Client shall also owe the "Factoring Documents Review Commission" upon submitting an application for consideration of an increase in the Supplier's Credit Limit, in which case it shall be calculated as a percentage of the requested limit increase and shall be 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 Supplier to the Factor. 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 by the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees.

- d) "Management Fee" - calculated as a percentage of the Supplier's Credit Limit. The specific percentage of the "Management Fee" will be entered in the Factoring Agreement. "Management Fee" plus an amount equal to the VAT due thereon shall be paid by the Supplier annually (once within a calendar year) with the first commission being payable on the date of signing the Factoring Agreement, and each subsequent one on the same date in the respective year. The Client shall also owe the "Management Commission" upon signing an annex for an increase in the Supplier's Credit Limit under an existing Factoring Agreement, in which case it shall be calculated as a percentage of the requested limit increase and shall be due on the date of signing the annex for an increase in the limit under an existing Factoring Agreement. If in the Factoring Agreement unless otherwise agreed, it is payable directly by the Supplier to the Factor. 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 by the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees.
- e) "New Debtor Consideration Fee" - calculated as an amount. The specific value of the "New Debtor Consideration Fee" will be entered in the Factoring Agreement. "New Debtor Consideration Fee" plus an amount equal to the VAT due 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 Supplier to the Factor. In the event that it is not paid by the Supplier on that date, the Factor shall deduct this amount from the amount of the advance payment or this amount shall be paid by deducting it by the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees.
- f) "Commitment Fee" - calculated as 0.5% (zero point five tenths of a 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 due thereon shall be paid by the Supplier each month. The Factor has the right to charge a "Commitment Fee" when the Supplier has not utilized at least once at least 30% (thirty percent) of the financing limit provided for in the Contract every three months after signing the Factoring Contract. If in the Factoring Contract unless otherwise agreed, the fee is payable directly by the Supplier to the Factor. 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 by the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees.

5.01.2. Interest:

- g) Annual interest on the amount of advance payments ("Interest"), calculated as a percentage of all amounts of advance payments paid to the Supplier. The interest is accrued daily on a 360-day per annum basis, starting from the date of transmission of the transfer by the Factor of the amount of advance payments to the payment account until the date of full payment of the relevant receivable by the Debtor

to the Factor. The specific percentage expression of the interest is entered in the Factoring Agreement as the sum of the base (EURIBOR, SOFR , “REFERENCE INTEREST RATE (RIR)” (abbreviation of Reference Interest Rate) and allowance.

“**REFERENCE INTEREST RATE (RIR)**” (abbreviation of Reference Interest Rate) this is the benchmark interest rate of Smart Factoring Ltd. in the respective currency. The applicable REFERENCE INTEREST RATE is reviewed and determined in accordance with the methodology for determining the REFERENCE INTEREST RATE, with any change in the methodology being made by decision of the competent internal body of the Factor. Any change in The REFERENCE INTEREST RATE shall enter into force for the relevant interest period under the factoring agreement following the date of the update in accordance with the applicable methodology for determining the REFERENCE INTEREST RATE. The Factor shall publish the current methodology for determining the RIR and any subsequent changes thereto after the adoption of the relevant decision on its website <https://smart-factoring.com/> and shall display it in publicly accessible places in its offices.

The interest is paid by the Supplier after the first deposit of an advance payment into the payment account at the end of each calendar quarter, starting from the date of deposit directly by the Supplier to the Factor (in case it is not paid by the Supplier on that date shall be paid by deducting it by the Factor during the collection of the transferred receivables from the collected amount 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 shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees).

- h) Annual interest on overdue debt (“Overdue Interest”), calculated as a percentage of the overdue Debt for the period of overdue. The Overdue Interest is calculated daily on a 360-day per annum basis, starting from the date of the occurrence of a Debt by the Supplier to the Factor until the date of full payment of such Debt. The specific percentage expression of the Overdue Interest is entered in the Factoring Agreement as the sum of the base (EURIBOR, SOFR , “Reference Interest Rate”) and a mark-up.

The default interest shall be paid by the Supplier on the first day of each calendar quarter for the previous calendar quarter, calculated as the amount of the Default Interest accrued for the previous calendar quarter, directly by the Supplier to the Factor (in case it is not paid by the Supplier on this date, the Factor shall deduct this amount from the amount of the advance payment or this amount shall be paid by deducting it by the Factor during the collection of the transferred receivables from the collected amount, or the amount shall be collected in accordance with Art. 5.02., to which the Supplier irrevocably and unconditionally agrees).

5.02. By signing the factoring agreement, in accordance with these general terms and conditions and in accordance with Regulation No. 3 on the terms and conditions for the execution of payment transactions and the use of payment instruments (Regulation No. 3), the Supplier gives its prior irrevocable and unconditional consent and authorizes Smart Factoring EOOD to collect from all its bank accounts the amounts due under the Factoring Agreement. For this purpose, the Supplier undertakes to provide the relevant required consent for payments by direct debit in accordance with Regulation No. 3 to all its payment service providers. Any exchange rate differences when debiting the bank accounts are entirely at the expense of the Supplier.

5.03. The collected fees and commissions are not subject to refund upon reduction or termination of the financing limits, or upon termination of the contract, regardless of the reason for the reduction or termination of the financing limits, or for termination of the contract.

6. Approval and change of limits. Responsibility of the Factor and the Supplier

6.01. Credit limit approval:

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

6.01.2. The Factor shall determine the limits at its own discretion and shall have the right to unilaterally reduce or reset any of the limits, notifying the Supplier as soon as possible under the circumstances. The change in the relevant limit shall take effect immediately, but after the Factor has sent a written notification in accordance with Article 14, specifying the new limit and the date of the change. The reduction/reset of a limit shall not affect the receivables transferred in accordance with Art. 3.06, 3.07 before the date of the change. When resetting a limit, any incoming payment or credit note from the relevant Debtor shall first close the invoices transferred without recourse and in chronological order. When requesting approval of a limit or when requesting a change to an existing limit for a Debtor, the Supplier shall provide the Factor in writing with any negative information or information on overdue receivables from the Debtor that it has at the time of the request. At any time during which the factoring contract is in force, the Supplier is obliged to immediately provide the Factor in writing with any negative information received by it 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 Supplier to the Factor and the respective liability of each of the contracting parties in the event of non-payment of the transferred receivables by the Debtors depend on the amount of the credit limit of each Debtor and the Factor's percentage of liability for each transferred receivable, as determined in the list of Debtors. 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, they shall be transferred **without recourse to the Factor against the Supplier**, up to the Factor's percentage of liability for each transferred receivable, unless the non-payment is the result of the Supplier's inaccuracy of the declarations under Article 3.06. and/or of such declarations being false and, above all, of deficiencies in 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 liable to the Factor as the principal debtor for the legal existence and due nature of each transferred receivable, and shall be liable to the Factor alone for the amount of the respective unpaid receivable in accordance with Article 6.04 below;

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

6.03. If a receivable 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 respective receivable), then:

a) The Factor shall not be entitled to demand payment of the relevant receivable from the Supplier, and may collect the transferred receivable only from the Debtor. If securities have also been provided/delivered to the Factor as security for this receivable, endorsed to its order, the Factor shall be entitled to demand payment on the securities or on the receivable secured by them.

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

aa) if a receivable transferred by the Debtor, undisputed by the Debtor, is not paid by the Debtor within 90 calendar days from its Due Date (or within another period if such is additionally specified in the factoring agreement) - on the first business day after the expiration of the aforementioned period, 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 to make payment in accordance with this Art. 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 in accordance with this letter "b" clause 1, the Factor undertakes to pay the Supplier the difference between the amount owed by the Factor and the debt.

c) If a payment has been made by the Factor to the Supplier in accordance with the hypothesis of Art. 6.03, "b", " aa " above (payment under guarantee), but nevertheless a dispute arises from the Debtor within 180 days after the due date of the invoice, then the payment thus made by the Factor shall be refunded to him by the Supplier at the latest, without the need for a reminder - on the first business day after the expiry of the dispute resolution period - sixty (60) calendar days from the date of the dispute.

d) If the receivable is transferred by the Factor to a third foreign person and this third party fails to collect it due to non-payment by the Debtor due to 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 transfers the receivable back to the Factor, then the Factor has the right to also transfer the receivable back to the Supplier and receive the price paid for it.

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

a) The Factor has the right, but not the obligation, to claim through legal means for the collection of the transferred receivable from the Debtor, and at its discretion has the right to call on the Supplier to take part in the legal proceedings against the Debtor.

b) The Supplier undertakes to pay (repay) to the Factor the amount of the advance payment that was paid to it by the Factor in relation to a specific transferred receivable, plus interest on the nominal value of such receivable from the date of its maturity until its full payment, if such interest has been accrued, as well as the fees due to the Factor under Article 5 and the costs under Article 7, in relation to the receivable 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 in the declarations provided by the Supplier under Article 3.06 or that these declarations are false, the Supplier undertakes to pay the amount specified in the notification in relation to the receivable in question immediately after notification by the Factor or bb) at the latest, without the need for a reminder - on the first business day after the expiry of a grace period of thirty (30) days from the due date of the unpaid transferred receivable.

c) In the event that the Debtor does not agree/objects and/or raises a dispute regarding the goods sold and services provided by the Supplier, the Supplier shall immediately notify the Factor in writing of the existence of a dispute, specifying the disputed claim, and resolve the dispute/objection directly with the Debtor. The Supplier shall provide monthly or upon request by the Factor any information regarding the dispute in the process of resolving it, as well as immediately notify the same upon resolution of the dispute. At the same time, the transferred claim(s) related to the above-mentioned objection/dispute shall be deemed 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 of sixty (60) calendar days from the date of notification, the Factor shall be entitled to reassign the disputed receivables to the Supplier, by notifying the Debtor that the holder of the receivables in question is no longer the Factor, but the Supplier. The Supplier shall be obliged to pay back to the Factor any amount of the advance payment it has received in connection with the transferred receivable, plus any interest on the nominal 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 reassignment of the receivable to which the dispute/objection relates. The disputed receivables shall be 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 in court after the notification of the dispute. The decision on the dispute must order payment of the claim by the Debtor within 30 days of the out-of-court settlement or the entry into force of the court decision. Payment under guarantee for re-accepted claims shall be made 14 days after the payment date specified in the court decision or out-of-court settlement, if these 14 days are after the initial payment date under guarantee.

In any of the cases described in Art. 6.04. "a", "b" and "c", the Factor has the right to reduce the Debtor's credit limit and/or the Supplier's credit limit and/or the financing limit by the nominal value of the receivable in question, or to limit/suspend or cancel any of the said limits at its discretion for such periods and under such conditions as the Factor deems appropriate.

6.05. In the event that there is a Bank Guarantee issued in respect of a specific Debtor in favour of the Supplier to secure the Supplier's claims against this Debtor, for payment of its transferred claims against the relevant Debtor, a copy of which has been provided to the Factor in accordance with Article 3.05., the Factor has the right to request directly from the said bank, on the basis of the order and authorization that the Supplier expressly provides to the Factor upon signing these 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 amount. 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. For the convenience of the Factor, the Supplier shall, upon request by the Factor, sign a document of special authorization and/or a 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 shall deliver to the Bank issuing the guarantee. The Factor shall have the right to retain for its own account the amount received from the Bank, but shall undertake immediately upon receipt of the amount and provided that it is sufficient to fully cover the obligation of the relevant Debtor, to return to the Supplier all documents and securities provided to it under Article 3 relating to the transferred claim in connection with which payment has been requested.

In all cases, and in particular if for any reason the Factor does not exercise the above-mentioned right or if the bank refuses for any reason to pay the requested amount, the Factor shall have the right to request in writing the Supplier to request payment from the issuing bank of the bank guarantee for an amount equal to the amount of the unpaid transferred receivable. At the latest within five (5) business days of receipt of the relevant written

request from the Factor, the Supplier shall request payment under the guarantee from the Issuing Bank and transfer to the Factor the amount received from the Bank, while the Factor, after receipt of payment and full repayment of the relevant receivable, shall return to the Supplier all documents and securities provided to it pursuant to Article 3 relating to the transferred receivable in relation to which payment was requested.

6.06. If the specified payment under the guarantee by 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 request for payment under the guarantee or due to the Supplier's omission or delay, or failure to comply with the legal requirements and procedures for presenting the Bank Guarantee for payment, or due to the Issuing Bank's refusal for any reason to pay the requested amount, the Supplier is obliged to pay the requested amount to the Factor, while the Factor, after receiving the payment and full repayment of the relevant claim, will return to the Supplier all documents and securities provided to it under Article 3, relating to the transferred claim in connection with which the payment was requested. Payment by the Supplier of the amounts due under Article 6.04 shall be made by the Supplier immediately and without the need for any notice/reminder from the Factor, and, if they are not paid immediately and directly by the Supplier, they shall be deducted at the time of collection of the transferred receivables or from the amount of the advance payment on the date of acceptance of the transfer of each transferred receivable by deducting from the Factor an amount equal to the amount due from the Supplier to the Factor.

6.07. In any case of payment by the Supplier to the Factor of the amounts specified in Article 6.04, the assignment shall be deemed to be cancelled (i.e. the claim shall be deemed to have been transferred back to the Supplier) and the Factor shall return to the Supplier all documents and securities provided to it under Article 3 relating to the claim paid by the Supplier. , Only if so requested by the Supplier and at its expense, shall the Factor notify the relevant Debtor that the holder of the relevant claim is no longer the Factor but the Supplier.

6.08. Notwithstanding the above provisions, in order for an obligation to pay by the Factor to the Supplier to arise, the non-payment of the obligation (or part thereof) by the Debtor must be due solely to the financial inability of the Debtor. The non-payment by the Debtor must not have been caused by civil conflict, political events (war, declared or not, revolution, coup, civil unrest, strikes and other events with a comparable effect), a legal moratorium, force majeure circumstances, natural disasters (earthquake, volcanic eruption, flood, as a result of a natural disaster, hurricane, fire of a natural disaster nature, nuclear explosion or pollution, regardless of the source, ionizing radiation or contamination with radioactive or toxic substances or waste and other events with a comparable effect), etc. similar including not being caused by the circumstances described in item 6.09. In the cases under the previous sentence and under art. 6.09. the respective receivable is considered transferred to the Factor with the right of recourse to the Supplier.

6.09. Cases in which a receivable is considered transferred to the Factor with the right of recourse to the Supplier regardless of what is agreed above in the GTC:

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 such non-fulfillment;

B) unilateral termination of the contract from which the transferred receivables arise or refusal to pay the transferred receivables by the Debtor, in cases of failure to fulfill an obligation by the Supplier due to a reason for which he is responsible;

C) non-performance, partial or incorrect 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

performance by the Supplier of the contract from which the transferred receivables arise or refusal to pay the transferred receivables by the Debtor, its subcontractor or other persons with whom it jointly performs part or all of the contract; intentional actions or omissions by the Supplier or its representative, preventing the performance of the contract from which the transferred receivables arise or refusal to pay the transferred receivables by the Debtor;

D) breach or failure by the Supplier, its representative or subcontractor of:

- a) the legislation in force in the Republic of Bulgaria, in the transit countries and the countries related to the performance of the supply contract or the making of payments under it;
- b) the terms of the factoring contract and these GTC;

E) violation or failure by the Supplier or the Debtor to comply with regulatory enactments, 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 the making of payments thereunder;

F) Political events, such as: declaration of a general moratorium on payments or changes in the foreign exchange payment regime; adoption or amendment of regulatory acts or decisions of a government or other body that prevent the performance of obligations under the supply contract by one or all parties thereto.

6.10. Receivables from the following types of transactions are not subject to non-recourse factoring and if transferred to the factor are considered transferred with the right of recourse to the Supplier regardless of what is agreed above in the GTC:

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, shipments or performance of services performed without the necessary license or, more generally, performed in violation of any applicable law or regulation related to the sales contract.

6.10.3. Receivable secured by an irrevocable letter of credit confirmed by a bank registered in the country in which the Supplier is registered.

6.10.4. A receivable that belongs to a third party or is subject to collateral with a third party (whether a credit institution or not).

6.10.5. A receivable 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 have not been met.

6.10.6. Collection from 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, rights and payments due 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 the actions related to it (transfer of receivables, payments, collection of receivables in judicial and extrajudicial order, etc.), such as court/state/bank and other fees/commissions, VAT or other tax payments, etc., taking into account the provision of Art. 9.03., are for the account of the Supplier. The Supplier shall also bear the costs of any nature for

the possible provision, registration or acquisition (transfer to the Factor) of any collateral to guarantee the Factor's claim against it, legal costs, execution costs, regardless of its termination, and in general any costs incurred on the occasion of or in connection with this contract or its execution.

7.02. In the event that the Factor pays, although it is not obliged to do so, any of the amounts specified above, the amounts paid shall be treated by the Factor as a debt of the Supplier and interest shall be due from the Supplier on them, in the amount agreed in Article 5.01.2 of the GTC and the provisions of the Factoring Agreement. The Supplier shall be obliged to pay them immediately, and the Factor shall be entitled to withhold any such amount from the amounts due by it to the Supplier.

8. Accounting and monitoring 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 provided factoring services, regulated in these GTC and the Factoring Agreement, is carried out through the trading account, which is a special account or accounts maintained by the Factor in accordance with its accounting policy.

8.02. The Factor shall send monthly statements to the Supplier of the movement and registrations/entries in the commercial account. The statements shall be deemed true and accurate unless the Supplier informs the Factor to the contrary within 30 calendar days from the date of sending the respective statement.

8.03. The tacit consent referred to in Article 8.02 shall apply to all accounting documents that the Factor sends to the Supplier as a supplement to the statement referred to above, regardless of whether they are issued on the initiative of the Factor or at the request of the Supplier.

8.04. The statement (or copy) issued by the Factor based on its books, containing the movement in the aforementioned commercial account(s) of the Supplier, constitutes full evidence of the transactions entered therein, as well as of the Factor's claims against the Supplier (the Supplier's debt) arising from this contract.

9. Collection by court order

9.01. The Supplier authorizes the Factor to take any and all legal actions regarding the collection of the transferred receivables, and undertakes to cooperate and assist the Factor in the collection of the transferred receivables through legal proceedings or through other procedures regulated in relevant regulatory acts, by providing all necessary documents and performing all actions and formalities that will/could assist the Factor in its 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 it and could affect the solvency and creditworthiness of the Debtor.

9.03. All costs incurred for and in connection with the collection of receivables transferred without recourse will be for the account of the Factor, while costs incurred for and in connection with the collection of receivables transferred with recourse will be for the account of the Supplier.

10. Suretyship

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

10.02. The guarantor, or in the case of multiple guarantors, each of them, is liable for the debt, regardless of any shortcomings in the representation of the Supplier.

10.03. The Guarantor undertakes to pay to the Factor any amount due from the Supplier to the Factor upon the first written demand from the Factor sent in accordance with Article 14.

10.04. By signing the Factoring Agreement, the Guarantor declares that he is familiar with all the terms and conditions of the GTC and the Factoring Agreement. As proof of this, the Guarantor undertakes to sign each page of the Factoring Agreement when a handwritten signature is used for the signing.

10.05. The Guarantor is liable to the Factor until full and final payment of any obligation of any nature of the Supplier arising from and in connection with this Agreement, even if the Supplier sends notice of termination of the Factoring Agreement.

10.06. The Guarantor undertakes to immediately inform the Factor of any adverse change in its assets or activities, as well as of any significant encumbrance with financial obligations to third parties and of any change in the shareholder structure /respectively in the partners in relation to all companies related to the Supplier and/or the Guarantor and of 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 legal or contractual rights. This right shall not be deemed to be waived or in any way precluded by any delay, single or consecutive failure to exercise the specific right or any future similar or different right.

11.02. The factoring contract, as well as any amendment thereto, shall be concluded only in writing, i.e. the written form shall be the main form. Counter-evidence against the terms of this contract or the existence of an additional contract shall be admissible only in writing and any other means of proof shall be excluded.

11.03. The revocation or invalidation of one condition of this contract shall 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 the Guarantor(s) of the Factor 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 debit due to objection or counterclaim of the Supplier or the Guarantor(s) against the Factor.

12.02. The Factor shall have the right to deduct/set off any of its obligations under these GTC, even if not past due, against any counterclaim/objection/claim of the Supplier or/and the Guarantor(s) against the Factor. The Factor shall not be obliged to exercise any of its contractual or legal rights of deduction/set off.

12.03. In cases where the Supplier is a Debtor under a factoring agreement concluded between the Factor and another supplier and has not met the deadlines for repayment of its obligation as a Debtor, the Factor shall have the right, at its discretion, to deduct/set off the Supplier's obligations to the Factor in its capacity as a Debtor under that other factoring agreement and the relevant transferred receivables with the Factor's obligations to the Supplier under the factoring agreement concluded between the Factor and the Supplier. In the event that the Factor has made a deduction/set-off in accordance with the preceding sentence, the relevant amount shall be 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 structure (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.). In addition, it undertakes to notify the Factor of any adverse change in its property or activities or of any significant financial burden on it 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 situation, 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 during inspections carried out by them at the Supplier's facilities. The Factor shall review the terms of the factoring contract once a year (once within a calendar year) and shall have the right to request changes to them, and the changes shall be reflected in an annex between the parties. In the event of disagreement on the part of the Supplier with a change in the terms, the Factor shall have the right to unilaterally terminate the contract by sending a written notification (notice of termination) to the Supplier. The notification shall be sent no less than 3 (three) business days before the desired date of termination. In the event of termination under this clause, the relations between the parties shall be governed by Article 19 of these GTC. During the review, the Factor has the right to temporarily suspend financing under Article 4.01. to the Supplier.

13.03. The Factor has the right to seek and receive information regarding the property and financial status of the Supplier from any Bulgarian and foreign credit institutions or intermediaries, from the BNB, the National Social Security Institute and others, for which, by 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 (powers 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, reminders, applications, statements and approvals provided for in these GTC and the Factoring Agreement, unless otherwise provided in the relevant provision of the GTC/Factoring Agreement, shall be made only in writing and shall be deemed to have been received if they reach the addresses of the parties listed as "correspondence addresses" in the Factoring Agreement by fax, personal delivery, by mail (registered or with return receipt), by notarial summons or by courier. In the event of a change in these addresses, the relevant party shall notify the other parties in writing, stating the new correspondence address. Until such notification is received, any and all communications that have arrived at the old address will be deemed to have been received.

14.02. Where the Factor and the Supplier (where applicable, and the Principal) have agreed in the Factoring Agreement on electronic addresses for communication between them, the written notices provided for in Article 14.01 shall be deemed to have been duly served when the electronic message sent by either party is received in the information system servicing the relevant electronic address of the other party.

14.03. In case the Supplier uses the Factor's "Client Portal" application (has a username and password for the portal), the former agrees that it may receive any notifications, reminders, 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 "Client Portal" application, for which the Supplier will also receive an electronic message at the electronic address specified by it in accordance with Art. 14.02 above.

15. Transfers

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

16. Additional provisions

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

16.02. In the event of a claim being overdue, the Supplier shall be obliged to take all measures that may be deemed necessary by both the Supplier and the Factor to prevent or mitigate the consequences of the Factor's recourse. The Supplier shall be obliged to exercise all rights in good time and to 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 take back the goods or to retain his or the Factor's rights, as well as to secure 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 that all its employees, workers and other representatives, as well as its legal/financial and other consultants do not disclose or allow third parties access to any or all information in the Factoring Agreement and its annexes.

16.04. These GTC may be amended and supplemented only at the initiative of the Factor, and the changes therein shall also bind any Factoring Agreement concluded up to the time of the change. The Factor shall inform each Supplier (and, where applicable, the respective Principal) in writing of the change in these GTC no later than 10 business days after their publication on the Factor's website – <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 performance

The place of performance of all obligations and clauses arising from this contract is the headquarters of the Factor in the city of Sofia (Sofia, PO Box 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 law.

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 lawsuit, debt collection procedure or any seizure/attachment 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) days. Termination shall occur on the day following the expiration of the notice period (termination date), unless the parties have agreed in writing on another Termination Date.

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 repayment of the relevant receivables and

c) all outstanding obligations of the Supplier to the Factor shall become overdue and due on the Termination Date of the Factoring Agreement, and interest shall be due on them under Article 5.01.2., in the amount individually agreed between the Factors and the Supplier, until their full payment.

19.03. The Factoring Agreement shall be terminated without any action being required by the Factor or the Supplier upon the opening of proceedings for the declaration of the Supplier as bankrupt or liquidated, or upon the termination of its activities. The date of termination of the Factoring Agreement shall be deemed to 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 1 (one) business day from the occurrence of the listed events under Art. 19.03.

19.05. The Factor has the right to terminate the factoring contract without complying with the 30-day period under Art. 19.01. with a unilateral written notice for a shorter period chosen by him, if the Supplier or the Guarantor has knowingly declared inaccurately or has omitted a circumstance under which the Factor would not have concluded the contract if he had known about it or in case of a breach by the Supplier/Guarantor of any condition under these GTC and the factoring contract, including all subsequent annexes.

19.06. The Factor has the right to unilaterally: i) reduce the financing limit or ii) terminate the factoring contract with a 30-day written notice to the Supplier, when the latter has not utilized at least 30% (thirty percent) of the envisaged financing limit every three months after signing the contract.