
FACTORING AGREEMENT

BETWEEN

[full legal name entity 1]

AND

[full legal name entity 2]

DATED

[date, year]

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FACTORING AGREEMENT

This Factoring agreement ("the Agreement") is considered a written confirmation of what has been agreed as from [date, year] ("Effective Date"),

BETWEEN

1. [full legal name entity 1], a company established under the laws of [country] and having its registered office at [full address], [country], duly represented by [full name and function], hereinafter referred to as "Factor";

AND

2. [full legal name entity 2], a company established under the laws of [country] and having its registered office at [full address], [country], duly represented by [full name and function], hereinafter referred to as "Client";

Jointly hereinafter referred to as "Parties"

PRELIMINARY STATEMENTS

- Factor and Client are both part of the [XYZ] group of companies;
- Client is a company engaged in the business of manufacturing and selling [insert description of products] and normally sells and delivers its merchandise to customers on credit;
- Client desires to obtain further commercial credit for operation of its business against its accounts receivable;
- Factor is willing to purchase Client's accounts receivable according to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, FACTOR AND CLIENT AGREE AS FOLLOWS:

Article 1 Definitions

1. For the purpose of this Agreement, the following terms shall have the meaning assigned to them below unless the context requires otherwise:
 - a) Advances Interest Rate shall have the meaning set forth in Section 3.2 hereof.
 - b) Cash Account means a personal account of Client at the Cash Network [insert url].

- c) Cash Network means the electronic payment system network on the Internet at [insert url], owned and operated by Factor, which is comprised of website and users interface, payment and security system, electronic documents, work flow, etc.
 - d) Client means the company or the person submitting the present Agreement to Factor for its Acceptance, best described in the Client Details schedule.
 - e) Client's Customer means a customer, who purchased goods or services from the Client.
 - f) Client Details means the schedule containing all the information about the Client and the due diligence submitted to Factor.
 - g) Credit Line shall have the meaning set forth in Section 2.3 hereof.
 - h) Factor's Commission shall have the meaning set forth in Section 5 hereof.
 - i) Insolvency Event means the case of a Purchased Account Receivable remaining unpaid by the Client's Customer.
 - j) Order Approval shall have the meaning set forth in Sections 2.2 and 2.3 hereof.
 - k) Over-Advances Interest Rate shall have the meaning set forth in Section 3.3 hereof.
 - l) Payable Date shall have the meaning set forth in Section 3.1 hereof.
 - m) Purchased Account Receivable shall have the meaning set forth in Section 2.1 hereof.
 - n) Purchase Price shall have the meaning set forth in Section 3.1 hereof.
 - o) Website means the website at [insert url] including payment and security system, electronic documents, etc.
 - p) Website's Member Section means the part of the Website reserved to a specific Member with access via login and password.
2. Unless there is something inconsistent in the subject or context, words denoting the singular number include the plural and vice versa; words denoting one gender include the other genders; words denoting individuals include corporations and vice versa; and references to "person" include a firm or corporation.

Article 2 Purchase of Accounts Receivable

1. Client hereby sells and assigns to Factor, and Factor hereby purchase from Client, those of Client's accounts receivable arising from Client's sales of merchandising or rendering of services to Client's Customer which the Client has designated as being sold to Factor through the Cash Network and for which Order Approval has occurred (collectively "Purchased Accounts Receivable" and individually "Purchased Account Receivable"). The sales and assignment of a Purchased Account Receivable to Factor is subjected to

or to such other address or addresses as either Party may, from time to time, designate as to itself.

Article 11 Applicable Law - Dispute Settlement

1. This Agreement shall be governed by and construed in accordance with and subject to the laws of [country].
2. Any dispute, controversy or claim arising under, out of, or relating to this Agreement and any subsequent amendments of this Agreement, including, without limitation, its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims, shall, if possible, be finally settled amicably by negotiation between Factor and Client. If such dispute, controversy or claim cannot be amicably settled, then the dispute, controversy or claim shall be brought exclusively before the courts in [country].

Article 12 Miscellaneous

1. Client shall not be entitled to pledge Factor's credit for any purpose whatsoever. During the term of this Agreement Client shall not sell or assign, negotiate, pledge or grant any security interest in any Receivables or Goods to anyone other than Factor.
2. If any tax, other than corporate income tax and/or Value Added Tax payable by Factor, is or may be imposed by any governmental authority on or as result of any transaction between Client and Factor, Client agrees to indemnify Factor in respect of such taxes repairing Factor the amount of any such taxes, which shall be charged to Client's Cash Account.
3. Client grants Factor an irrevocable power of attorney to execute and deliver any activities necessary to the collection of Purchased Account Receivable and other activities provided in the present Agreement.
4. Client certifies that its address as set forth in this Agreement is its mailing address, its chief place of business, and the office at which its records relating to Receivables are kept. Client shall not affect any change of its mailing address, its chief place of business, or the office in which its records relating to Receivables are kept, without first giving Factor thirty days prior written notice thereof.
5. This Agreement is intended solely for the benefit of Factor and Client and no other person, company and party, including any guarantor, is intended to be benefited hereby.
6. During the term of this Agreement and for a period of five (5) years following termination, each Party, its affiliates or any of their respective employees or agents or other representatives, shall maintain in confidence all information received from the other Party or thanks to the activities connected to this Agreement. Each party shall use confidential information of the other party only for the purpose for which it was