FACTORING AGREEMENT

BETWEEN

[full legal name entity 1]

AND

[full legal name entity 2]

DATED

[date, year]
TABLE OF CONTENTS

Article 1 Definitions 4
Article 2 Purchase of Accounts Receivable 5
Article 3 Purchase Price and Advances 7
Article 4 Warranties and Representations 8
Article 5 Commissions and Interest 8
Article 6 Disputes and Claims 9
Article 7 Termination and Default 9
Article 8 General Compliance 10
Article 9 Force Majeure 10
Article 10 Notices 10
Article 11 Applicable Law - Dispute Settlement 11
Article 12 Miscellaneous 11
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
6. Factor shall credit to Client all payment by Cash Network to the Client’s Cash Account. No check or other instrument received by Factor shall constitute final payment unless and until such check or other instrument shall have been actually collected by Factor in immediately available funds.

**Article 3  Purchase Price and Advances**

1. The purchase price of each Purchased Account Receivable sold and assigned hereunder shall be the net amount of the Purchased Account Receivable itself less Factor’s Commission (“Purchase Price”). The net amount shall mean the gross amount of the Purchased Account Receivable itself, less any discount made available or extended to the Client’s Customer, returns and allowances of any nature. Such Purchase Price, less (i) any reserves which Factor may have established, as provided in Section 3.3 hereof, (ii) any sums advanced, remitted or otherwise paid to Client or for Client’s account or debited to Client's account and (iii) any other charges authorized hereunder, shall be payable by Factor to Client's Cash Account five (5) business days after collection of the Receivables (“Payable Date”). However, if any of such Receivable shall not be paid by reason of the Client Customer's bankruptcy or insolvency, Factor will pay Client the Purchase Price thereof on the earlier to occur of: (a) the first business day of the second month following such customer's bankruptcy, or (b) after 120 days past the Payable Date, provided nonpayment of such Receivable is not as a result of a dispute.

2. Factor may, at Client's request but in Factor's sole discretion, make advance payments to Client with respect to the Purchase Price prior to the aforesaid time or times of Factor's obligation to make payment thereof in an amount up to 75% of the net amount thereof. Such advance payments, which shall be debited by Factor to Client's Cash Account, shall bear interest at the Advances Interest Rate provided on the Website's Member Section at the Client Details schedule from the date of such advance until the Payable Date.

3. Client may request advances from Factor in excess of the advance formula set forth in Section 3.2 hereof (“Over-Advances”). Factor may in its sole discretion make such extra advances. Over-Advances Interest Rate are provided on the Website's Member Section at the Client Details schedule and they shall be at least at a rate of [insert number]% per annum in excess of the Advances Interest Rate. All Over-Advances are discretionary by Factor, may be terminated at any time, and are payable on demand. It is being understood that Factor has no restriction in adjusting Over-Advances value and interest upward or downward based upon its sole discretion.

4. Factor may reserve out of the Purchase Price of all Receivables sold and assigned an amount which, in Factor's judgment, is sufficient to protect itself against possible claims, recourse, allowances and in general expenses to Client on such Receivables and against any other contingencies for which Client may be chargeable hereunder.
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