

**Trade Receivable Purchase Contract via undisclosed assignment on the platform
TrustBills
from XXXX/XX/XX XX:XX:XX transaction code XXXXX**

concerning the invoice of

company supplier, any street X, 12345 any city, <Country>
with the invoice number XXXXXX from XXXX/XX/XX to

company debtor, any street X, 12345 any city, <Country>,
invoice amount of the trade receivable (nominal value) <Currency> XXXX.XX, date of payment
XXXX/XX/XX,

between

company buyer (in the following buyer)
any street X
12345 any city

registered in district court any city under registration number HRB12345678
(VAT identification number: DE12345678)

and

company seller (in the following seller)
any street X
12345 any city

registered in district court any city under registration number HRB12345678
(VAT identification number: DE12345678)

under an issued guarantee of legal validity and existence by the seller in the amount of XX%

at a price of <Currency> XXXX.XX

Trade receivable purchase contract and undisclosed assignment on the TrustBills platform

The following provisions apply between seller and buyer of all traded trade receivables on TrustBills.com under undisclosed assignment.

§ 1 Conclusion of contract

- 1.1 This trade receivable purchase and assignment contract becomes effective by the seller's offer and the buyer's acceptance of offer on the international marketplace platform for trade receivables TrustBills.com in accordance to the respective valid platform terms and conditions and the provisions of this contract.
- 1.2 Via the platform TrustBills will send an email to the buyer and the seller including the trade receivable purchase and assignment contract if the acceptance is received and a buyer is set after the end of auction. If the contract documents are not sent on request of the participant or for other reasons, this has no influence on the conclusion of the contract. The mailing of the documents is for information and documentation purpose only.

§ 2 Undisclosed assignment

- 2.1 Hereby the seller assigns the bought trade receivable to the buyer according to § 1. The buyer accepts the assignment.
- 2.2 The trade receivable's debtor will not be informed about the assignment and the sale. The trade receivable is automatically passed over to the buyer with acceptance of bid and conclusion of the receivable purchase contract. The buyer authorises the seller to collect the trade receivable from the debtor for the buyer on his own behalf.

§ 3 Securities

- 3.1 No security rights and ancillary rights are passed to the trade receivable's buyer with the bought and assigned trade receivable, unless it is provided for by statute or explicitly otherwise agreed between the seller and the buyer. Such an agreement must be in writing.
- 3.2 As far as ancillary rights are not passed by operation of law, on request the seller shall be obligated to pass ancillary rights free of cost to the buyer if these rights serve for judicial enforcement of the trade receivable.

§ 4 Del credere liability of the buyer

- 4.1 The buyer bears the risk of the debtor's insolvency for the bought trade receivable (del credere

liability).

- 4.2 To avoid the release of documents according to § 10, the seller may pay the buyer the trade receivable's invoice amount less possible instalments already paid for by the debtor to the buyer. In this case, the buyer is obligated to re-assign the respective trade receivable to the seller.
- 4.3 The seller shall be constantly informed about judicial disputes and arbitration between buyer and debtor. The seller shall not claim towards the buyer that the legal dispute with the debtor was incorrectly decided or that the buyer deficiently conducted the legal proceedings if the buyer requested the seller for participation under deadline.

§ 5 Liability of the seller for the sold trade receivable

- 5.1 Until fulfilment the seller guarantees the existence and assignability of the sold trade receivable as well as that it is free from objections and pleas. He guarantees that the trade receivable will not be subsequently altered in its legal validity. Especially not through agreements with the debtor; or expiration through revocation, appeal or set-off; and/or the goods delivered or services provided to the debtor are not contractually. He guarantees that the debtor may not claim for e.g. offsetting, appeal, price reduction, rescission, indemnity, subsequent performance or rectification. The seller guarantees to the buyer that the trade receivable can be assigned without certain form and especially that a written form requirement was not agreed on. The seller guarantees to the buyer that no exclusion of assignability was agreed on or that at least such an exclusion is not valid according to § 354a German Commercial Code (HGB). The seller guarantees to the buyer that the invoice amounts underlying the trade receivable as well as the payments terms the seller and the debtor agreed on are merchantable. The seller guarantees to the buyer that the trade receivable is not between affiliated companies (no intercompany trade receivable).
- 5.2 The seller may offer alternative liability guarantees with his offer, which possibly impact the purchase price. Depending on the choice of offer made by the seller when submitting the offer on the platform TrustBills.com, the purchase contract comes into existence with either alternative 2 or with a reduced guarantee according to alternative 1. With no specification made the seller provides guarantee according to alternative 2.
- 5.2.1 **1. Alternative:** The seller provides guarantee for the existence of the trade receivable for only up to 80% of the receivable's invoice amount. That means if 20% or less of the trade receivable's invoice amount are not existent, e.g. through cash discount, objections and pleas, especially like offsetting, contract modifications etc., the seller is in so far not obligated to be responsible for the trade receivables existence. Whereas more than 20% of the sold trade receivable are not existent, the buyer may claim the whole amount of the trade receivable (100%) based on the seller's guarantee.

- 5.2.2 **2. Alternative:** The seller provides guarantee for the existence of the trade receivable for 100% of the receivable's invoice amount. It includes the freedom of claims for reduction resulting from cash discount, objections and pleas especially like offsetting, contract modifications, etc.
- 5.3 The seller guarantees the buyer that he paid the correct amount of value added tax (VAT) of the assigned receivable/s to the respective tax office and releases the buyer from the internal liability. On request by the buyer, the seller shall proof that he has paid the VAT correctly.
- 5.4 Irrespective of whether a restriction to 80% according to 5.2.1 is agreed, the seller ensures and guarantees that the debtor is obliged to pay 80% or 100% of the invoice amount of the trade receivable to the purchaser, without retention of withholding tax or other deductions. A possible restriction to 80% according to 5.2.1 does not apply to withholding taxes and deductions, for these the seller is always liable to 100%.

§ 6 Purchase price

- 6.1 The purchase price is the amount determined through auction according to § 1. The buyer pays the seller immediately after purchase of the trade receivable. With end of auction the purchase price is due immediately.

§ 7 Payment processing

- 7.1 Immediately after end of auction TrustBills electronically instructs the account-holding bank via EBICS-system to transfer the agreed purchase price from the bank account of the buyer to the listed bank account of the seller. This transfer is based on the account authorisation for the listed bank account given to TrustBills from the buyer. According to the case-law of the German Federal Finance Court (Bundesfinanzhof BFH) and the European Court of Justice (Europäischer Gerichtshof EuGH) the difference between the trade receivable's purchase price and the trade receivable's nominal amount (in the following "discount") can be classified as payment for a collection service. The legal situation is insofar uncertain. To standardise the processes for all participants, TrustBills automatically issues an invoice of the so-called discount to the seller on behalf and in authority of the buyer after the purchase of the trade receivable on the platform. Thereby TrustBills is entitled to opt for the VAT and to disclose VAT in the amount of 19% regardless if the VAT can be assessed in the individual case.
- 7.2 The users are obliged to check the actual and tax correctness of all invoices and advices issued by TrustBills and correct these documents independently towards the other party if necessary.
- 7.3 In case the debtor pays to a seller's bank account (so called invoice account) and this account is listed with TrustBills, TrustBills electronically instructs the account-holding bank via EBICS-system to transfer the received payment from the bank account of the seller to the listed bank

account of the buyer. This transfer is based on the account authorisation for this listed invoice account given to TrustBills from the seller. Hereby a delay may occur in the time frame which is common for bank transfers. If an invoice account is not listed with TrustBills and the seller has not given TrustBills the account authorisation for this account, but for a separate billing account, the seller transfers the debtor's payment to the invoice account outside the platform to the billing account. Afterwards, TrustBills electronically instructs the account-holding bank via the EBICS-system, based on the account authorization given for the billing account, to transfer the payment received on the billing account to the listed bank account of the buyer. The seller is liable for possible delays caused by the transfer of the payment to be made by the seller. To make sure that a receipt of money actually refers to the sold trade receivable and therefore is entitled to the buyer, TrustBills may ask the seller in case of receipts of money in which particular data (purpose of transfer, invoice number, amount, name of the transferring person) do not correspond completely to the relevant data of the sold receivable. The seller is obligated to cooperate for the clarification of these atypical cases. TrustBills is entitled to make an intended purpose of the payment in case of allocation difficulties. If misallocations of payments due to allocation difficulties occur, TrustBills will not make any rescissions of the payment. If a payment initiation made by TrustBills to the seller's bank is not executed due to illiquidity of the seller, in particular in the event of insufficient account coverage or pre-insolvency, TrustBills shall not be liable for the transfer of the payment amount to the buyer.

- 7.4 TrustBills sends payment reminders to the original holder of the trade receivable (contractual partner of the debtor) if no payment by the debtor took place with maturity of the sold trade receivable. Furthermore, TrustBills sends an information about the non-payment to the buyer. If no payment has been made by the debtor after the payment reminders, TrustBills informs the original holder of the trade receivable and the buyer of the respective trade receivable about it. The number of payment reminders, the dates on which the payment reminders will be send and the form (email or letter) is determined by TrustBills to reasonable discretion. At any time, the buyer is able to instruct TrustBills to stop the payment reminder process. If no payment has been made by the debtor after the payment reminders, TrustBills informs the buyer of the respective trade receivable about it. Then it is the responsibility of the buyer to take actions in his discretion to collect the trade receivable. The seller is obligated to fully support the buyer in this case. TrustBills will announce the disclosure of the deposited invoice as well as, if necessary, other deposited documents to the buyer 40 days after maturity of the trade receivable. 70 days after maturity of the trade receivable the documents will be disclosed as evidence. Until 150 days after maturity the seller shall not instruct the debtor to pay to a different bank account. This also holds for instructions to a third party, e.g. legal firms or collection agencies, to make such an instruction. So that TrustBills is able to see if a receipt of payment has occurred to the bank account monitored by TrustBills up to 150 days after maturity.
- 7.5 In case the transfer of the trade receivable's purchase price to the seller and the transfer of payments made by the debtor to the buyer are not performed by TrustBills, the contract parties

shall perform this by themselves directly.

§ 8 Warnings and further prosecution measures by the buyer

- 8.1 Warning measures and further prosecution measures of the bought trade receivable rest on the buyer.
- 8.2 Before taking warning and prosecution measures against the debtor the buyer shall contact the seller to inform him about his further actions, unless barred by compelling reasons. This is to safeguard the need for protection in relation of seller and debtor which characterises the undisclosed assignment.
- 8.3 In relation to the seller, the buyer will be charged with the costs of prosecution measures if they resulted from creditworthiness (§ 4). On the other hand, if the legal measures result in liability of the seller (§ 5), he has to bear the occurred costs.

§ 9 Safeguarding the buyer's interests by the seller

- 9.1 The seller is obligated to immediately give notice if the debtor, for whatever reasons, denies his payment obligation fully or partly or enforces counterclaims.

§ 10 Special cooperation duties of the seller

- 10.1 The seller will support the buyer to the best of his ability with the enforcement of the trade receivable by providing information, documents and data. The seller will make all statements, which might be necessary to enforce the trade receivable. In case of breach of these duties, the seller is obligated to compensate the damage occurred to the buyer.
- 10.2 Provided that the debtor has not demonstrably and fully paid for the trade receivable despite payment warnings and reasonable deadline by the trade receivable's buyer, the buyer is entitled to enforce the trade receivable against the debtor judicially. In this case the seller is obligated to immediately hand over all documents necessary to enforce the trade receivable to the buyer. Further, he is obligated to make all statements which might be or will be necessary to enforce this contract. The seller of the trade receivable is particularly obligated to reveal all information regarding the trade receivable (e.g. correspondence with the debtor, invoices and contracts relating to the receivable); and to support the buyer with the enforcement of the trade receivable. The seller authorises the buyer and TrustBills to use this information for the purpose of enforcement of the trade receivable. This includes the passing on to law firms, collection agencies and other third parties.

§ 11 Obligations for crime control; embargos

- 11.1 Buyer and seller commit themselves to prevent trade receivable purchases with criminal

background, especially in connection with money laundering and terrorist financing as well as other criminal offences, and to contribute to reveal those. They commit themselves to observe the provisions of the act on tracing of profits from serious offences (German Anti-Money Laundering Act – “GwG”).

- 11.2 The trade receivable assignment is subject to the reservation that it is not prevented by national or international regulations, especially the German Foreign Trade and Payments Act with regard to embargos or other sanctions.

§ 12 Applicable law, authoritativeness, place of performance, partial retention

- 12.1 This agreement is subject to German law. The German version of this agreement is authoritative. The place of performance is Hamburg. In case a provision is invalid, the respective contents of the contract shall comply with the legal provisions (§ 306 paragraph 2 German Civil Code “BGB”). The remainder of the contract will continue to be valid and enforceable, unless the hold on to the contract, also considering the intended amendment according to clause 2, is an undue hardship for one contracting party.

This contract is valid without signature.