



# TERMS AND CONDITIONS

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## 1. General Provision

- 1.1. These Terms and Conditions establish the procedure for provided by FLEXIDEA services, rights and obligations of FLEXIDEA and the Customer, and the liability of the Parties upon non-performance or unsatisfactory performance of obligations, unless otherwise stated under Invoice Financing Agreement and/or Flex Loan Agreement.
- 1.2. These Terms and Conditions are an essential part to any transaction entered into between FLEXIDEA and the Customer and they shall be binding on the Parties.
- 1.3. All relations between the Parties not regulated by these Terms and Conditions shall be subject to the provisions in the legislation of the Republic of Latvia.
- 1.4. The titles of the chapters and clauses in these Terms and Conditions only serve to facilitate the reading and they do not impact the interpreting of the contents of the chapters and clauses in any way.
- 1.5. In these Terms and Conditions words and terms written with initial capital letters shall have the meanings specified in Section 2 of the Terms and Conditions, unless suggested otherwise by their context. If the context so requires, words in the singular in the Terms and Conditions may indicate the plural and vice versa.

## 2. Definitions

<b>FLEXIDEA</b>	SIA "Flexidea", a company that is registered in compliance with legislation of the Republic of Latvia, registration No. 40203061404, legal address: 58a Bauskas street, Riga, LV-1014, Latvia, <a href="http://www.flexidea.eu">www.flexidea.eu</a> , e-mail: <a href="mailto:info@flexidea.eu">info@flexidea.eu</a> . Flexidea is the owner and administrator of the Portal;
<b>Parties</b>	mean FLEXIDEA and the Customer;
<b>Portal</b>	means a e-service environment located at <a href="http://www.flexidea.eu">www.flexidea.eu</a> (and accordingly .lv, .lt, .ee domains) on the internet, through which FLEXIDEA services the Customer and where the Customer will be able to sign Invoice Financing Agreements and/or Flex Loan Agreements;
<b>User Agreement</b>	means the agreement concluded between the Customer and FLEXIDEA under which FLEXIDEA is providing services to the Customer via the Portal;
<b>Invoice Financing Agreement</b>	means the agreement, concluded between FLEXIDEA and the Customer on the Portal under which the Customer assigns the specific Claim arising from the relevant Invoice to FLEXIDEA. Invoice Financing Agreement includes these Terms and Conditions, the relevant Offer and any annexes, supplements or amendments concluded by the Parties on the Portal or in other way;
<b>Flex Loan Agreement</b>	means the agreement, concluded between FLEXIDEA and the Customer on the Portal under which FLEXIDEA lends the Customer money by transferring the specified amount of money under the Flex Loan Agreement to the Customer's account within the specified period, and the Customer repays it accordingly in accordance with the terms established in the Flex Loan Agreement. The Flex Loan Agreement includes these General Terms and Conditions, the relevant Offer, as well as any appendices, additions, and amendments agreed upon by the Parties through the Platform or by other means;
<b>Customer</b>	means a legal person that has been registered on the Portal and has entered into the User Agreement and/or the Invoice Financing Agreement and/or the Flex Loan Agreement;
<b>Customer Identification</b>	actions performed by FLEXIDEA for identification and verification of the authority and capacity of the Customer and the Customer's representatives (natural persons who have legal capacity and authority to represent the Customer under the law);
<b>Username</b>	e-mail of the Customer intended for the Customer's identification on the

	Portal;
<b>Password</b>	a combination of figures or/and letters of the Latin alphabet intended for access by the Customer to the Portal and its use;
<b>Electronic signature</b>	electronic data, which confirms the Customer's identity. FLEXIDEA and the Customer shall equal the Username and the Password, entered in the Portal for approval of the Offer to the electronic signature. This type of signature provides the same legal standing as a handwritten signature;
<b>Claim</b>	means a monetary claim against the Debtor including principal amount, Value Added Tax (VAT), other taxes (if applicable), auxiliary rights and all adverse claims which may arise in the future;
<b>Debtor</b>	means a legal person who must pay the Claim;
<b>Invoice</b>	a payment document issued to a Debtor by the Customer for the fulfillment of a financial obligation for goods supplied, services rendered or works completed, which certifies the existence of the Claim;
<b>Contract</b>	means an arrangement for the sale of goods or the provision of services concluded between the Customer and the Debtor, on the basis of which the Customer procures, mediates or sells goods or provides services to the Debtor, including a confirmed order and/or correspondence in which the Debtor and the Customer have achieved an arrangement on the material terms and conditions of the sale of goods or the provision of services;
<b>Offer</b>	means an offer made to the Customer by FLEXIDEA through the Portal for the conclusion of the Invoice Financing Agreement and/or the Flex Loan Agreement;
<b>Payment Date</b>	means a deadline by which the Debtor must pay the Invoice. If the payment dates determined by the Contract and the Invoice do not match, for the purpose of the Invoice Financing Agreement the payment date specified in the Invoice shall prevail;
<b>Invoice Value</b>	means the price of goods supplied, works completed or services rendered indicated on the Invoice by the Customer, which the Debtor is obligated to pay to the Customer;
<b>Invoice Advance</b>	means a part of the Invoice Value, within which FLEXIDEA finances the Customer for the Claim. Advance rate is determined by the Offer;
<b>Invoice Reserve</b>	means a part of the Invoice Value withheld by FLEXIDEA until the Invoice Value is received from the Debtor by FLEXIDEA, which shall be transferred to the Customer after the Debtor has paid the Invoice or the Invoice Value has been repaid by the Customer, less all and any charges, fees, penalties due to FLEXIDEA under the Invoice Financing Agreement. The Invoice Reserve is the Customer's retention amount;
<b>Discounting Fee</b>	means the fee payable by the Customer to FLEXIDEA determined by the Offer;
<b>Redemption obligation</b>	the Customer's obligation to redeem from FLEXIDEA the Claim as it is prescribed by these Terms and Conditions;
<b>Payment schedule</b>	the dates specified in the Flex Loan Agreement by which the Customer makes corresponding payments to FLEXIDEA;
<b>Maturity Date</b>	the final deadline specified in the Flex Loan Agreement by which the Customer makes all payments provided for by the Payment schedule but not yet made, and also pays other amounts provided for by these General Terms and Conditions.

### **3. Registration, Usage of the Portal and Identification**

- 3.1. In order to enter the Portal and use the services offered by FLEXIDEA, the interested legal person shall first have to register as a Customer of the Portal. Legal persons are able to register themselves as Customers of the Portal provided that they meet all the requirements established for the Customer and FLEXIDEA does not have a good reason to refuse to register the person as the Customer. Only persons who have legal capacity and authority to represent the Customer under the law may only register an interested legal person as the Customer of the Portal.
- 3.2. To perform the registration of the Customer the legal person must provide information required by the Portal such as a company name, a registration number, first and last name of the person who has a legal capacity and authority to represent the Customer, contact information and any other information FLEXIDEA deems necessary.
- 3.3. Upon registration on the Portal, the Customer shall enter its e-mail, which will be used as the unique Username and choose the Password. The Portal verifies submitted e-mail upon registration.
- 3.4. The User Agreement is deemed as concluded as soon as the Customer has registered on the Portal. Only registered Customers can enter Portal and the services provided by FLEXIDEA can only be used by registered Customers who, upon registration, have entered into a User Agreement with FLEXIDEA on the terms and conditions stipulated in these Terms and Conditions and thereby undertake to comply with the Terms and Conditions.
- 3.5. All information submitted or confirmed or transactions performed in the Portal under specific Username and confirmed by the Password shall be considered to be made on behalf of the Customer connected to this specific Username and the Password and shall be legally binding to the Customer.
- 3.6. The Customer must immediately inform FLEXIDEA if the person who has a legal capacity and authority to represent the Customer loses by any reason his/her right to represent the Customer.
- 3.7. FLEXIDEA at any time has the right to require from the Customer and the person who has a legal capacity and authority to represent the Customer an additional verification by:
  - 3.7.1. approval with e-signature, Mobile-ID or Smart-ID tool integrated at the Portal;
  - 3.7.2. approval with the Customer's password at the Portal;
  - 3.7.3. mobile approval (for this purpose, the Customer discloses mobile phone number to which a new PIN shall be sent and the PIN shall have to be entered in the Portal upon request);
  - 3.7.4. approval by any other means that are considered to be sufficient by FLEXIDEA and which are in accordance with the legislation.
- 3.8. The Customer shall:
  - 3.8.1. not use the Portal for illegal transactions or operations, including fraud;
  - 3.8.2. submit to FLEXIDEA only true information and documents;
  - 3.8.3. keep the tools required for logging and identifying itself in the Portal, including the Electronic Signature, Password, ID card, Mobile-ID and/or Smart-ID and/or any other electronic identification device in such a manner that other persons do not gain possession thereof. The Customer shall immediately inform FLEXIDEA of the fact that third parties have gained possession of the data and tools specified previously;
  - 3.8.4. inform FLEXIDEA on changes in their submitted data;
  - 3.8.5. provide additional information and documents about itself, the Debtor and the Claim if requested so by FLEXIDEA.
- 3.9. FLEXIDEA has the right to restrict or cancel the Customer's right to use the Portal and respectively to terminate the User Agreement straight away if it becomes evident that:
  - 3.9.1. the Customer is in a breach with the Terms and Conditions;

- 3.9.2. the Customer has given to FLEXIDEA false, misleading and/or inaccurate information and/or documentation;
- 3.9.3. the Customer acts vulgarly or disregards the moral standards generally accepted in society;
- 3.9.4. the Customer has used or is using without FLEXIDEA's written consent any automated means which are not provided by FLEXIDEA (included but not limited to harvesting bots, robots, spiders, trojans, scrapers or other automatic devices or programs) to access the Portal and collect any data from the Portal;
- 3.9.5. the Customer is using framing techniques to enclose any of the data or content to the Portal or otherwise affect the Portal;
- 3.9.6. other reasons deemed suitable by FLEXIDEA.

## **4. Invoice Financing Agreement**

### **4.1. Invoice Financing**

- 4.1.1. According to the Invoice Financing Agreement FLEXIDEA shall remit the Invoice Advance to the Customer in exchange to the Claim, and the Customer shall assign the Claim to FLEXIDEA and shall pay the Discounting Fee and all other charges under these Terms and Conditions.
- 4.1.2. By acquiring the Claim, FLEXIDEA shall not acquire the Customer's obligations against the Debtor arising out of the Contract in connection with the quantity, quality, completeness, delivery of the goods, works and services, warranty undertakings and other Customer's obligations to the Debtor.
- 4.1.3. If FLEXIDEA decides to finance the Invoice, it sends to the Customer via the Portal the relevant Offer, and if the Customer approves it, the following procedure shall be in force:
  - 4.1.3.1. FLEXIDEA on behalf of the Customer sends a notification to the Debtor on the Claim assignment to FLEXIDEA and the change of requisites of the Invoice,
  - 4.1.3.2. FLEXIDEA within 3 (three) days receives the Debtor's confirmation of the Invoice concerning the correctness and acceptance thereof for payment,
  - 4.1.3.3. FLEXIDEA remits the Invoice Advance to the Customer's account withholding the Discounting Fee specified in the relevant Offer; at this moment the Invoice Financing Agreement is deemed as concluded.
- 4.1.4. The Invoice Financing Agreement shall be deemed to have been performed appropriately:
  - (i) if the Debtor has paid the Invoice Value and the value of the Invoice Advance and other payments according to these Terms and Conditions have been repaid to FLEXIDEA under the provisions established in the Invoice Financing Agreement or (ii) if the Customer has paid the Invoice Advance and other payments according to these Terms and Conditions to FLEXIDEA, and FLEXIDEA has reassigned the Claim back to the Customer.

### **4.2. Invoice and Claim**

- 4.2.1. Via the Portal the Invoice Financing Agreement may only be concluded for Invoices, which have been issued in euros or in another accepted by FLEXIDEA currency.
- 4.2.2. The Invoice shall be correctly entered in the Portal by the Customer and a copy of the Invoice shall be uploaded. The Customer shall upload to the Portal the same Invoice as provided to the Debtor.
- 4.2.3. The Customer shall indicate the following information upon uploading the Invoice:
  - 4.2.3.1. Invoice number and date;
  - 4.2.3.2. Invoice Value;
  - 4.2.3.3. Payment Date;
  - 4.2.3.4. Debtor's name and registration number;
  - 4.2.3.5. Debtor's contact persons and contact details;
  - 4.2.3.6. other information requested by FLEXIDEA on the Portal.

- 4.2.4. The Invoices uploaded to the Portal must not be subject to claim assignment restriction, and the Debtor must not have set-off claims against the Customer, the term of which has arrived or has not been established or has been established at the moment of the uploading of the Invoice.
- 4.2.5. The Invoice Value shall be at least 500 (five hundred) euros and Payment Date shall not be longer than 90 (ninety) days as of the date of the Invoice Financing Agreement save when FLEXIDEA approves smaller amount and/or longer period.
- 4.2.6. According to the Invoice Financing Agreement the Customer shall assign to FLEXIDEA Claims that are not due yet. The Invoice uploading for the claims before goods have been supplied, services have been rendered or works have been completed is forbidden. The Invoice should be issued in compliance with legislation and contain the information and conditions requisite under legislation.
- 4.2.7. The Invoice uploading for the claims where the Debtor is an undertaking, in which the Customer has direct or indirect majority holding or control or in which the Customer could exercise controlling authority over its managerial decisions or vice versa is forbidden.
- 4.2.8. The Invoice shall be presented in appropriate format. The Invoice must not have any corrections, deletions, crossed text, other defects and insertions, crossed out or added handwritten information, except the signatures of the person issuing and/or accepting the Invoice or the person transferring and accepting the goods or services. If the Invoice comprises multiple documents, all documents part of the Invoice shall be uploaded to the Portal.
- 4.2.9. FLEXIDEA has a right to remain silent on reasons for rejecting the financing of the Invoice.

### **4.3. Settlements**

- 4.3.1. All payments by the Debtor related with the Claim must be transferred to FLEXIDEA's account specified in the notification sent to the Debtor and the Customer shall put its best efforts that the payment is remitted in this specific manner. If the Debtor has paid the Invoice Value to any account owned by the Customer or paid it in cash, the Customer shall immediately inform FLEXIDEA hereof and ensure payment of the respective sum to FLEXIDEA immediately, however not later than within 2 (two) days as of the erroneous entry by the Debtor.
- 4.3.2. When the Debtor pays the Invoice Value in full and in an adequate manner, to the FLEXIDEA's account, FLEXIDEA shall remit the Invoice Reserve to the Customer after deducting of all charges established by these Terms and Conditions, including Interest on Arrears.
- 4.3.3. If the Debtor pays the Invoice Value before the Payment Date, FLEXIDEA shall recalculate the Discounting Fee and respectively add the surplus to the Invoice Reserve payable to the Customer (if applicable). If the Debtor pays the Invoice Value later than the Payment Date, FLEXIDEA shall recalculate the Discounting Fee and respectively deduct the surplus from the Invoice Reserve payable to the Customer (if applicable).
- 4.3.4. All payments related with the Claim must be in the currency of the Invoice. If the Debtor or the Customer made the payment in another currency, FLEXIDEA has right to exchange the received amount to the currency of the Invoice by any available exchange rate and only after to settle the Claim according to these Terms and Conditions. FLEXIDEA does not take any currency exchange risk and the Customer has no rights to claim about it.

### **4.4. Warranties and Obligations of the Parties**

#### **4.4.1. Warranties and Obligations of the Customer**

4.4.1.1. Every time with uploading the Invoice to the Portal, the Customer warrants that:

- 4.4.1.1.1. the Claim, arising from the Invoice against the Debtor is existing and transferable and the Customer is a sole owner of the Claim,
- 4.4.1.1.2. the Customer is not involved in money laundering, financing of terrorism, proliferation, sanctions regime violations or other inappropriate actions,

- 4.4.1.1.3. specified in the Invoice goods have been supplied, services have been rendered or works have been completed and the abovementioned fact can be immediately certified to FLEXIDEA upon demand,
  - 4.4.1.1.4. the Debtor has not submitted any claims against quantity, quality, completeness, delivery of the goods, works and services, warranty undertakings and other Customer's obligations to the Debtor,
  - 4.4.1.1.5. the Customer has not applied or offered as well as will not apply or offer any discounts to the Debtor for the goods, services or works in respect of which the Invoice is uploaded to the Portal for financing, unless the Invoice Value has already been stated after the discount,
  - 4.4.1.1.6. the Customer does not have any obligations towards the Debtor that enable offsetting and if these are created, the Customer undertakes to inform FLEXIDEA immediately thereof and shall not use or enable the offsetting option,
  - 4.4.1.1.7. the Debtor has no overdue debts towards the Customer,
  - 4.4.1.1.8. the Customer and the Debtor have finally agreed on the Invoice Value (price of the goods, services or works) between each other and the payment term thereof. The Customer is unaware of any circumstances which would enable the Debtor to abstain from satisfying the Claim, and the satisfaction of the Claim has not been determined as a result of the agreements concluded between the Customer and the Debtor or any third parties,
  - 4.4.1.1.9. the Customer is in possession of all resolutions, authorisations, consents and approvals of the Customer's management bodies and of other kind required for the conclusion of the Invoice Financing Agreement and performance of the obligations hereunder supporting that the conclusion of the Invoice Financing Agreement and the performance of the obligations herein are not in breach of any legal regulation, a court or arbitration judgment or transaction which the Customer is a party to, the Articles of Association of the Customer, other documents as well as that its representative approving the Offer via the Portal has been vested with required authorisations,
  - 4.4.1.1.10. the Customer agrees with the Redemption Obligation applicable to the Invoice presented to FLEXIDEA and the Customer is not aware of any circumstances or conditions serving as basis to the Redemption Obligation,
  - 4.4.1.1.11. the Customer is not aware of any circumstances relating to the Debtor, based on which it may be concluded that the Debtor is not able or is not willing to pay the Invoice,
  - 4.4.1.1.12. the Customer is not aware of bankruptcy or comparable proceedings, incl. reorganisation, debt restructuring or other proceedings, that have been initiated against the Debtor,
  - 4.4.1.1.13. the Debtor is not an undertaking, in which the Customer has direct or indirect majority holding or control or in which the Customer could exercise controlling authority over its managerial decisions or vice versa,
  - 4.4.1.1.14. the Customer has valid licenses, permits, documents, authorisations, etc, which are required for operating in the fields, in relation to which the Invoice was issued and the export or import of the invoiced goods is not on contrary with the international legal regulation of any country of origin or destination of the goods and the Customer does not violate and has not violated upon performance of the contract serving as basis to the Invoice any laws, regulations or other legislation,
  - 4.4.1.1.15. the Customer is not in arrears in connection with the social insurance contributions and taxes to be paid to relevant state authorities.
- 4.4.1.2. The Customer shall:

- 4.4.1.2.1. not transfer the Claim and the relevant Invoice to third parties, pledge or encumber it with other limited real rights or perform other operations with the Claim, incl. conclude factoring contracts or transfer the obligations, arising from the Contract, which the Invoice is based on, to third parties,
  - 4.4.1.2.2. present the Contract with all of its annexes immediately, if so requested by FLEXIDEA,
  - 4.4.1.2.3. present on demand all required licenses, permits, documents, authorisations, etc., which are necessary for operating in the fields related to the Invoice or for delivering the goods or rendering the service specified in the Invoice,
  - 4.4.1.2.4. inform FLEXIDEA immediately of the commencement of bankruptcy proceedings or other similar proceedings against the Debtor, declaration of the Debtor insolvent or of any information received on the Debtor, based on which it may be assumed that the Debtor's financial condition is deteriorating or has deteriorated or that the Debtor is unable to fulfill its payment obligations on previously agreed conditions, incl. to pay the invoice as required,
  - 4.4.1.2.5. inform FLEXIDEA of the payment of an Invoice assigned to FLEXIDEA in any other way than to FLEXIDEA's account and transfer the paid amount to FLEXIDEA's account according to these Terms and Conditions; use the revenue received under the Invoice only for making payments to FLEXIDEA as agreed under the Invoice Financing Agreement until they are repaid in full,
  - 4.4.1.2.6. not upload the Invoice to the Portal, if even one of the Customer's warranties are not valid for this Invoice,
  - 4.4.1.2.7. upon disputing the Invoice by the Debtor or any other third party or undue payment, make its best efforts to ensure that the Debtor pays to FLEXIDEA the amounts owed under the Invoice in full and/or that an agreement, satisfying FLEXIDEA, is reached with the Debtor on the payment of the invoice.
- 4.4.1.3. The Customer shall be liable for the validity of the Contract with the Debtor and the contents thereof as well as compliance with the provisions of the Invoice Financing Agreement. Submission of the Contract and/or any documents requested by FLEXIDEA or drafts thereof to FLEXIDEA shall not imply that FLEXIDEA is under any obligation to carry out a legal analysis thereof and /or assume any liability in connection therewith; and the Customer who had provided FLEXIDEA with the Contract cannot rely on the fact that FLEXIDEA was aware the provisions of the Contract which were in breach of the provisions of the Invoice Financing Agreement and consented to them. The Customer shall not be entitled to terminate the Contract or amend it, unless such amendment does not have any impact on FLEXIDEA's rights (does not reduce accounts payable, does not change the payment terms and conditions, etc.), withdraw the claim, waive it, perform a set-off and/or amend the Invoice Value without a written approval of FLEXIDEA.

#### 4.4.2. Rights and Obligations of FLEXIDEA

- 4.4.2.1. FLEXIDEA is entitled to refuse to finance the Invoice uploaded by the Customer without stating the reasons for such refusal.
- 4.4.2.2. By uploading the Invoice, the Customer agrees that FLEXIDEA may perform a verification of the Invoice and the Claim, including to contact the Debtor in any manner in order to verify the existence of the Invoice to be financed, the receipt of the Invoice by the Debtor and the acceptance of payment, and whether services have been rendered or goods delivered pursuant to the Invoice, what kind of legislation is this Contract subject to, as well as to carry out an analysis of financial statements and request documents and data necessary for performing the verification from the Customer.



4.4.2.3. FLEXIDEA has right to cancel the Offer, if it does not receive the Debtor's confirmation of the Invoice within 3 (three) days. In this case FLEXIDEA sends the relevant notification to the Customer via the Portal.

4.4.2.4. Regardless of what has been stated in the payment order, FLEXIDEA shall first cover any expenses incurred in connection with submitting a claim to have a monetary obligation performed, any Interest on Arrears, any Discounting Fee due by the Customer, other penalties claimed for inappropriate performance of the Invoice Financing Agreement, other fees provided for in the Invoice Financing Agreement against the sums received from/paid by the Customer/Debtor, and only then cover the remaining arrears of the Customer.

4.4.2.5. If FLEXIDEA provides the Customer with the information and notices in connection with the Invoice Financing Agreement and/or the conclusion thereof verbally (on the phone, etc.), FLEXIDEA shall be entitled to record the conversation.

4.4.2.6. When the Payment Date matures, FLEXIDEA shall be entitled to claim that the Customer provides a written explanation stating the reasons for non-payment.

4.4.2.7. The Parties hereby agree that FLEXIDEA at any time shall be entitled to reassign the Claim assigned to it by the Customer in full or in part to any third person.

#### 4.4.3. Disputes with the Debtor

4.4.3.1. If the Debtor makes any claims as to technical, quantity, completeness, quality or other defects of the goods, services or works received from the Customer, performs a set-off, disputes the Contract, the Claim whereby has been assigned to FLEXIDEA or fails to make payments under the Invoice due to other reasons, the Customer shall engage FLEXIDEA in the disagreements in connection with the Contract. If for the purpose of adequate representation FLEXIDEA requires legal services to be purchased, all reasonable expenses in connection with such services shall be borne by the Customer.

4.4.3.2. The Customer shall put its best efforts to resolve any dispute with the Debtor, which is the basis for any claims, set off, etc. being made, at its own expense and within the shortest period to facilitate the Debtor paying the amounts due to FLEXIDEA under the assigned Claim.

4.4.3.3. If the Debtor's claims are reasonable and the Customer agrees to replace a product that is in breach of the provisions of the Contract with a new one or rectify the defects of the product or works at its expense or compensate for the Debtor's expenses in connection with the rectification of the goods or works, then the Customer shall perform this at its expense as well as compensate for the Debtor's expenses in connection therewith and the losses incurred as well as notify FLEXIDEA thereof.

4.4.3.4. FLEXIDEA shall not be bound to assess the Debtor's claims and the dispute; and the occurrence of such dispute shall be sufficient ground to claim from the Customer to perform the Redemption Obligation according to this Terms and Conditions.

#### 4.5. **Redemption obligation**

4.5.1. The Customer is responsible towards FLEXIDEA for the Debtor to pay the Invoice Value in full. If the goods, services or works do not comply with the provisions of the Contract or the Contract is terminated before its expiry, declared null and void, or if the Debtor makes any claims as to technical, quantity, completeness, quality or other defects of the goods, services or works received from the Customer, performs a set-off, disputes the Contract or the assigned to FLEXIDEA Claim or fails to make payments under the Invoice due to other reasons, and this causes the Invoice Value not being paid within the Payment Date, FLEXIDEA shall be entitled to claim the Customer to repurchase the Claim from FLEXIDEA.

4.5.2. The Repurchase Term is the Payment Date + 30 (thirty) calendar days. After the expiry of the Repurchase Term, the Customer is obligated to pay Invoice Advance received from FLEXIDEA and not yet repaid, the recalculated according to these Terms and Conditions Discounting Fee and the Interest on Arrears to FLEXIDEA.

- 4.5.3. In case the Redemption Obligation applies for any reasons stipulated in these Terms and Conditions, the Customer is obliged to pay FLEXIDEA the Invoice Advance received from FLEXIDEA and not yet repaid, the recalculated Discounting Fee and the Interest on Arrears determined by the Offer. If the Debtor has partly paid the Invoice by the Repurchase Term, the Redemption Obligation shall be applied to the unpaid part of the Invoice, the recalculated Discounting Fee and the Interest on Arrears payable by the Customer to FLEXIDEA for the partial re-assignment of the Claim upon the arrival of the Redemption Obligation shall be the unpaid amount of the Invoice Advance.
- 4.5.4. FLEXIDEA shall immediately send the Customer a notice via the Portal about the incurred Redemption Obligation and the amounts payable.
- 4.5.5. The Redemption Obligations described in this section is an unconditional obligation of the Customer, which the Customer shall always be obligated to fulfill, regardless of whether the obligation arises due to a breach of obligations by the Debtor or the Customer or due to force majeure.
- 4.5.6. If the Debtor pays to FLEXIDEA the Invoice Value after the Customer fulfills the Redemption Obligation, FLEXIDEA shall transfer the received amount to the Customer's account within 2 (two) days or uses these for satisfying other Customer's obligations against FLEXIDEA in accordance with these Terms and Conditions.

## **5. Flex Loan Agreement**

### **5.1. Disbursement of the Flex Loan**

- 5.1.1. If FLEXIDEA decides to grant the Customer the Flex Loan, it sends the Customer an Offer through the Platform, and if the Customer confirms it, at that moment the Flex Loan Agreement is considered concluded.
- 5.1.2. FLEXIDEA disburses the Loan Amount to the Customer by transferring it to the Customer's account in accordance with the provisions of the Flex Loan Agreement.
- 5.1.3. It is considered that the Customer has received the Loan Amount at the moment of transfer FLEXIDEA disburses the Loan Amount before the specified term provided by the Flex Loan Agreement.
- 5.1.4. FLEXIDEA is entitled to cease disbursement of the Loan Amount at any time if the Customer fails to fulfill the obligations provided by the Flex Loan Agreement, as well as in cases where (1) additional verification of the accuracy and compliance of the documents provided by the Customer for obtaining the Loan with the terms and rules of the Flex Loan Agreement is necessary before the completion of such verification, (2) the Customer fails to fulfill its obligations arising from other agreements concluded with FLEXIDEA, (3) according to FLEXIDEA's assessment, the solvency and/or economic situation of the Customer has deteriorated to such an extent that there is a likelihood of the Customer not fulfilling its obligations under the Flex Loan Agreement.

### **5.2. Repayment of the Flex Loan**

- 5.2.1. The Customer repays the Loan to FLEXIDEA in accordance with the terms of the Flex Loan Agreement and the Payment Schedule.
- 5.2.2. Interest and Interest on Arrears are calculated according to the rate specified in the Flex Loan Agreement, assuming that there are 360 days in a year.
- 5.2.3. The Customer is entitled to repay the entire or partial outstanding amount, according to the Payment Schedule, unpaid Interest on Arrears, and other payments according to the General Terms and Conditions in advance. In case the Customer makes payments in advance and in a greater amount than specified in the Payment Schedule, FLEXIDEA credits the corresponding amount towards the next payment(s) and acknowledges it (them) as the next payment(s) by the Customer.

### **5.3. Payments**

- 5.3.1. The repayment of the loan is carried out by the Customer transferring the corresponding amount to the account specified in the Flex Loan Agreement to FLEXIDEA on the day provided by the Payment Schedule.
- 5.3.2. If the Customer made the payment in another currency, FLEXIDEA is entitled to exchange the received amount to the currency of the Loan currency by any available exchange rate and only after to settle the debt according to these Terms and Conditions. FLEXIDEA does not take any currency exchange risk and the Customer has no rights to claim about it.
- 5.3.3. All funds of the Customer, which are or will be at the disposal of FLEXIDEA, are pledged in favor of FLEXIDEA as financial collateral. If the Customer fails to make the corresponding payment on time, as well as in cases where FLEXIDEA has claims against the Customer according to these Terms and Conditions, FLEXIDEA is entitled to debit the necessary amount from any sums due to the Customer without prior notice.
- 5.3.4. The Parties have agreed that the Customer does not have the right to set off to fulfill its obligations.

#### **5.4. Fulfillment of obligations**

- 5.4.1. Payment obligations under the Flex Loan Agreement are fulfilled in the Loan currency.
- 5.4.2. The Flex Loan Agreement is considered fully executed only when the Customer has made all payments provided for by the Flex Loan Agreement.

#### **5.5. Warranties and Obligations of the Parties**

##### 5.5.1. Warranties and Obligations of the Customer

- 5.5.1.1. The Customer is a legally capable entity according to legal acts and has unrestricted rights and authority to enter into the Flex Loan Agreement and fulfill the obligations provided for by the Flex Loan Agreement;
- 5.5.1.2. The Flex Loan Agreement is binding for the Customer and establishes unconditional obligations, the fulfillment of which is subject to at least the same grounds as any other obligations that exist or will exist for the Customer, unless the law provides otherwise;
- 5.5.1.3. The Customer has all necessary licenses, permits, documents, authorities, etc., required to conduct activities in its field;
- 5.5.1.4. The Customer has no debts to the budget;
- 5.5.1.5. the Customer is not involved in money laundering, financing of terrorism, proliferation, sanctions regime violations or other inappropriate actions;
- 5.5.1.6. The Customer's representative confirms that there are no circumstances that would restrict or prevent him/her from entering into the Flex Loan Agreement, and he/she has all the rights to enter into the Flex Loan Agreement. Their powers are valid, not annulled, or revoked.

##### 5.5.2. The Customer shall:

- 5.5.2.1. not encumber or burden its assets with real rights, as well as not carry out other transactions with its assets, including entering into security agreements with third parties and not transfer its obligations to third parties;
- 5.5.2.2. allow FLEXIDEA to view/control/analyze/download/study all the Customer-owned current accounts that it uses in its activities. For this purpose, the Customer grants FLEXIDEA rights/access, using the appropriate IT solution available by FLEXIDEA;
- 5.5.2.3. upon FLEXIDEA's request, to provide all necessary licenses, permits, documents, etc., required to conduct activities in its field of operation;
- 5.5.2.4. immediately notify FLEXIDEA of any changes in the composition of the Supervisory board (Council), management board, and/or articles of association of the Customer, but no later than within 5 (five) days from the date of adoption of the relevant decision;

- 5.5.2.5. immediately inform FLEXIDEA about the commencement of insolvency proceedings, legal protection or bankruptcy procedures, or other procedures, including reorganization, write-off or debt restructuring, which are carried out in relation to the Customer, from which it may be concluded that the financial condition of the Customer has deteriorated to such an extent that it is unable to fulfill its financial obligations on previously agreed terms, including making payments according to the Payment Schedule;
- 5.5.2.6. immediately notify FLEXIDEA of the conclusion of any transaction, the expenses of which exceed the expenses of transactions within the framework of the Customer's normal commercial activities;
- 5.5.2.7. during the performance of its obligations, prioritize FLEXIDEA over any other creditor;
- 5.5.2.8. not pay dividends (the Customer undertakes to inform its shareholders that the Flex Loan Agreement requires obtaining prior written permission from FLEXIDEA to make a decision on dividend payments).

### 5.5.3. Rights of FLEXIDEA

- 5.5.3.1. FLEXIDEA is entitled to cancel the Offer if it does not receive confirmation from the Customer within 3 (three) days;
- 5.5.3.2. Regardless of what has been stated in the payment order, FLEXIDEA shall first cover any expenses incurred in connection with submitting a claim to have a monetary obligation performed, any Interest on Arrears, any Fee due by the Customer, other penalties claimed for inappropriate performance of the Flex Loan Agreement, other charges provided for in the Flex Loan Agreement against the sums received from/paid by the Customer, and only then cover the remaining debts of the Customer;
- 5.5.3.3. If FLEXIDEA provides the Customer with the information and notices in connection with the Flex Loan Agreement and/or the conclusion thereof verbally (on the phone, etc.), FLEXIDEA shall be entitled to record the conversation;
- 5.5.3.4. The Parties hereby agree that FLEXIDEA at any time shall be entitled to reassign the claim assigned to it by the Customer in full or in part to any third person.

## 6. **Liability**

- 6.1. If the Customer fails the payment terms determined by the Invoice Financing Agreement and/or the Flex Loan Agreement and delays the payments for more than 5 (five) days, the Customer shall pay the Interest on Arrears as specified in the Offer and/or the Flex Loan Agreement. The Interest on Arrears is calculated on an outstanding amount for every day of delayed payment, based on the rate of Interest on Arrears and the number of days of delayed payment. The calculating of the Interest on Arrears shall begin on the 5<sup>th</sup> day following the payment term determined by the Invoice Financing Agreement and/or the Flex Loan Agreement and shall end on the day the outstanding payment is made.
- 6.2. FLEXIDEA shall be entitled to terminate the Invoice Financing Agreement and/or the Flex Loan Agreement unilaterally:
  - 6.2.1. in case of the Invoice Financing Agreement the Customer delays any payments for more than 10 (ten) calendar days or makes them in breach of the procedure established by these Terms and Conditions;
  - 6.2.2. in case of the Flex Loan Agreement (1) the Customer delays the second payment in order according to the Payment Schedule, or (2) the Customer revokes the right provided according to the section 5.5.2.2 to view/control/download/analyze/study all Customer-owned current accounts, or (3) the Customer is in debt to FLEXIDEA according to any other concluded agreement or fails to fulfill its obligations to third parties.
  - 6.2.3. the Customer has given to FLEXIDEA false, misleading and/or inaccurate information and/or documentation;
  - 6.2.4. the Customer has committed a material breach of these Terms and Conditions;

6.2.5.the Customer's management body passes a decision on winding up or restructuring the Customer, initiating bankruptcy proceedings against the Customer or instigating out-of-court bankruptcy proceedings, or provided the Customer's financial position has essentially deteriorated, judicial proceedings have been instigated against the Customer (a civil claim has been lodged, etc.), the end whereof may have a material adverse impact on the Customer's financial position, the Customer has declared in public that it will not be able to or will not fulfill its obligations, also provided any other significant events have occurred which have an effect on the performance of the Customer's obligations;

6.2.6.the Customer fails to perform its obligations after FLEXIDEA's reminder.

- 6.3. If the Invoice Financing Agreement is terminated under section 6.2, the Customer shall repay full Invoice Advance received from FLEXIDEA and not yet repaid, the recalculated Discounting Fee, the Interest on Arrears, any expenses in connection with sending reminders to the Customer regarding the failure to perform its obligations and other charges according to these Terms and Conditions as well as indemnify FLEXIDEA of all losses incurred by FLEXIDEA not later than within 3 (three) days.
- 6.4. If the Flex Loan Agreement is terminated under section 6.2, the Customer must fully execute all payments provided for by the Payment Schedule but not yet made, the Interest on Arrears, any expenses in connection with sending reminders to the Customer regarding the failure to perform its obligations and other charges according to these Terms and Conditions as well as indemnify FLEXIDEA of all losses incurred by FLEXIDEA not later than within 3 (three) days.
- 6.5. Termination of the Invoice Financing Agreement and/or Flex Loan Agreement shall not excuse the Customer from repaying the amounts due, paying the Interest on Arrears and compensating the losses as well as any charges as set forth in these Terms and Conditions. The Invoice Reserve may also be used after the Invoice Financing Agreement was terminated.
- 6.6. The moment when full settlement has been made to FLEXIDEA shall imply the remittance of the sum of money of the debt to any account owned by FLEXIDEA, regardless of who remits this sum of money.
- 6.7. In the event of any violations of the provisions of the Terms and Conditions, FLEXIDEA has rights at its discretion to withhold and compensate any payment due from the Customer from one or multiple simultaneous remedies received from the Customer, including from the Invoice Advance and the Invoice Reserve. Any failure to exercise the rights or remedies under this section by FLEXIDEA shall not invalidate those rights.
- 6.8. The Parties shall compensate for each other's losses caused as a result of the failure to perform or mal-performance of their obligations under these Terms and Conditions. FLEXIDEA shall not be liable for any failure to perform or mal-performance of the Customer's obligations against the Debtor. Also, FLEXIDEA shall not be liable for the Customer's losses in connection with any failure to pay or reduction of the Invoice Advance and/or the Loan Amount or performance of other rights of FLEXIDEA under the Invoice Financing Agreement and/or the Flex Loan Agreement provided FLEXIDEA was in compliance with the provisions of these Terms and Conditions.

## **7. Amendments of Terms**

- 7.1. For the purposes of the development of the services and the improved and securer use thereof, FLEXIDEA shall have the right to unilaterally amend and modify these Terms and Conditions at any time.
- 7.2. The Customers shall be notified of the amendment of the Terms and Conditions via the Portal. Amendments and modifications shall enter into force within 4 (four) weeks as of sending the notification.
- 7.3. Upon disagreement with the amendments and modifications, Customers shall have the right to terminate the User Agreement within 4 (four) weeks as of the notification of the amendment, only if the obligations towards FLEXIDEA arising from the Invoice Financing Agreements and/or the Flex Loan Agreement have been fulfilled.

## **8. Validity and Termination**

- 8.1. The User Agreement shall come into effect upon the Customer's registration on the Portal and accepting these Terms and Conditions. The Invoice Financing Agreement and/or the Flex Loan Agreement shall come into effect upon approval of the relevant Offer.
- 8.2. The Customer shall be entitled to terminate the User Agreement by giving a notice to FLEXIDEA 7 working days in advance only if the obligations towards FLEXIDEA arising from the Invoice Financing Agreements and/or the Flex Loan Agreements have been fulfilled.
- 8.3. FLEXIDEA has the right to terminate the User Agreement ordinarily without a reason, by notifying the Customer via the Portal at least 30 (thirty) days in advance.
- 8.4. After cancellation and termination of the User Agreement, the User Agreement shall remain valid in terms of the Invoices, financed by FLEXIDEA or disbursed by FLEXIDEA loans and until the term, when all the rights and obligations of the Parties, stipulated in the Invoice Financing Agreement and/or the Flex Loan Agreement have been exercised and fulfilled and FLEXIDEA has no more claims against the Customer and/or the Debtor.

## **9. Disputes**

- 9.1. User Agreement, Invoice Financing Agreement and Flex Loan Agreement are regulated by and they shall be construed in accordance with the appropriate legislation of the Republic of Latvia.
- 9.2. Should any dispute arise between the Parties they will try to resolve such dispute through negotiations in good faith. If the Parties fail to resolve the dispute through negotiations, any dispute or disagreement shall be resolved at court pursuant to the law of the Republic of Latvia in a court of the location of FLEXIDEA.

## **10. Confidentiality**

- 10.1. The Parties shall not disclose any information in connection with the conclusion of the User Agreement, Invoice Financing Agreement and Flex Loan Agreement and the provisions thereof as well as the performance thereof to any third parties and shall take all measures within their control that this information is not disclosed to third parties, except to the extent it is necessary for the performance of the agreements, external and internal supervisions, for the shareholders or audit or supervisory authorities. The afore-mentioned information may be disclosed to third parties only with a prior written consent of the other Party or provided the duty to submit such information to competent state authorities has been established in the legislation of the Republic of Latvia. FLEXIDEA shall be entitled to disclose the information to third parties provided FLEXIDEA is exercising its right to re-assign the claim in respect of its full or partial rights and obligations under the Invoice Financing Agreement and/or the Flex Loan Agreement.
- 10.2. The confidentiality obligation stipulated in these Terms and Conditions survives the termination of the User Agreement and remains in force indefinitely.

## **11. Data Processing**

- 11.1. Upon entry into the User Agreement, the Customer and its representatives give its consent to FLEXIDEA to process data according to the provisions of the Terms and Conditions.
- 11.2. FLEXIDEA is entitled to process all the data about the Customer and its representatives, which has been received from the Customer in accordance with this Terms and Conditions. FLEXIDEA is also entitled to search for and collect data about the Customer and its representatives from publicly accessible sources in the course of providing services to the Customer under the Terms and Conditions.
- 11.3. If the Customer and its representatives have submitted to FLEXIDEA the contact data (such as postal or e-mail address, phone number etc.), the Customer and its representatives are considered to have given its consent to FLEXIDEA to receive any information from FLEXIDEA using these respective means of communication. The Customer has the right to notify FLEXIDEA at any time of the wish not to receive personal offers or advertisement from FLEXIDEA.

- 11.4. FLEXIDEA shall upon the occurrence of any payment problems inter alia have the right to communicate the personal data of the Customer to the relevant duly licensed credit info agency who shall use the received data for maintaining a register that allows persons with legitimate interest to assess the creditworthiness of the persons entered in the register. By accepting an Offer, the Customer grants its consent to the respective communication of information.
- 11.5. FLEXIDEA has the right to communicate the personal data of the Customer and its representatives to a person who provides legal, accounting or auditing services to FLEXIDEA, on the condition that the provider of the respective services has undertaken an obligation towards FLEXIDEA not to disclose the respective personal data to third persons.
- 11.6. FLEXIDEA is entitled to record all Customer's data received by means of communication (e.g. postal mail, telephone, e-mail, Portal etc.).