## KEY FACT DOCUMENT - FACTORING BUSINESS UNIT

Product/	Key Features, Benefits	Fees, Charges &	Procedure to be	Main Terms and	Applicable legal	Complaint
Service	and nature of the product	Interest rates	followed when	Conditions	provision related	Handling
	•		obtaining a facility		to the product	procedure
Recourse Factoring	<ul> <li>A tripartite arrangement between the entrepreneur, buyer (buys on credit) and the factoring company</li> <li>A product to meet the working capital requirement of a business</li> <li>Bridges cashflow constraints</li> <li>Granted against Credit sales to corporate entities</li> <li>Up front payments up to 80% against receivables/Credit invoices</li> <li>Sales ledger administration &amp; Debt collection services</li> <li>Online system to access and obtain management information</li> <li>Debtor credit evaluation &amp; monitoring service</li> <li>Dedicated Relationship Manager to coordinate</li> </ul>	Service fee – a percentage on the face value of the invoice based on the services provided Interest rate – as decided by ALCO on the funds advanced. Facility overdrawn charges if applicable as stated in offer letter One-time documentation fee Returned cheque charges if any Applicable Government tax/stamp duty and any other statutory charges	<ul> <li>Factoring facilities can be obtained from LOLC branches</li> <li>Factoring facility application form</li> <li>Initial discussions with the Marketer</li> <li>Submit required documents to process a facility including Audited/ Management accounts</li> <li>Valuation report from LOLC Finance panel valuer in the event a vehicle/property obtained as collateral</li> <li>Inspection by authorized staff officer</li> <li>Approval processtime frame varies with the value of the facility</li> <li>Preparation and signing of agreements, guarantee bonds, any other applicable documents including debtor assignments</li> <li>Property/vehicle pledge/mortgage</li> </ul>	<ul> <li>The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility</li> <li>Should be a business selling their products on credit terms to corporate/ established entity within the country</li> <li>The product sold should be a factorable product</li> <li>The respective business and performance should fall within the credit evaluation criteria of the company</li> <li>The terms and conditions of the facility approval will be at the sole discretion of the company</li> <li>The facility is recourse to the client. In the event of nonpayment by the debtor, commercial dispute or any other dispute the client should</li> </ul>	Legal provision based on the breach of contract on Civil procedure code and below acts where necessary     Recovery of Debt     Finance Business     Inland Revenue     Mortgage bond     Arbitration act     Mediation Board	Clients can make complaints to the Branch Manager of the respective branch Submit a written complaint addressed to the Regional Manager Write to The Head of Factoring LOLC Finance PLC 504, Nawala Road Rajagiriya  Website www.lolcfinance.com E-mail to info@lolcfinance.com  Required information Name NIC Number Contact Number Email address Facility number Reason for complaint Proof if available Date of complaint Anonymous complaints without a valid reason and adequate proof will not be considered

			<ul> <li>Activation of the facility</li> <li>The client can submit invoices to the respective branch and obtain funds up to 80% via CEFT transfers within the approved facility</li> </ul>	settle the advances obtained along with interest, fees and overdue interest if applicable to the company  • General conditions stipulated on the principle agreement and offer letter.		as a formal complaint  Acknowledgement of a formal complaint will be sent to the given email address  Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution  If not satisfied with the decision /solution given client can report to the Financial Ombudsman.
Invoice     Discounting —     Post Dated     cheques	<ul> <li>A product to meet the working capital requirement of a business</li> <li>Bridges cashflow constraints of businesses who sells on credit</li> <li>Granted against Credit sales to SME sector who gives a post- dated cheque to settle the invoice</li> <li>Up front payments up to 80% against post -dated cheques</li> <li>Post dated cheque management services</li> <li>Online system to access and obtain management information</li> <li>Debtor credit management &amp; monitoring service</li> <li>Follow up on returned cheques if any</li> </ul>	<ul> <li>Service fee – a percentage on the face value of the post dated cheque</li> <li>Interest rate – as decided by ALCO on the funds advanced.</li> <li>Facility overdrawn charges if applicable as stated in offer letter</li> <li>One time documentation fee</li> <li>Returned cheque charges if any</li> <li>Applicable         Government tax/stamp duty and any other statutory charges</li> </ul>	<ul> <li>Invoice Discounting facilities can be obtained from LOLC branches</li> <li>Facility application form</li> <li>Initial discussions with the Marketer</li> <li>Submit required documents to process a facility including Audited/Management accounts</li> <li>Valuation report from LOLC Finance panel valuer for the vehicle/ property obtained as collateral</li> <li>Inspection by authorized staff officer</li> </ul>	The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility  Should be a business selling their products on credit terms to corporate or SME sector and collect post dated cheque to the value of the invoice  The post dated cheque to the ques should be within the approved facility credit period  The respective business and performance should	Legal provision     based on the breach     of contract on Civil     Procedure code and     below acts where     necessary     Recovery of Debt     Finance Business     Inland Revenue     Mortgage bond     Arbitration act     Mediation Board	Clients can make complaints to the Branch Manager of the respective branch Submit a written complaint addressed to the Regional Manager Write to The Head of Factoring LOLC Finance PLC 504, Nawala Road Rajagiriya  Website www.lolcfinance.com E-mail to info@lolcfinance.com  Required information Name

	Dedicated Relationship Manager to coordinate		•	Approval process- time frame varies with the value of the facility Preparation and signing of agreements, guarantee bonds, any other applicable documents including RMV registration if applicable Property/vehicle pledge/mortgage Activation of the facility The client can submit invoices to the respective branch along with post-dated cheques and obtain funds up to 75% via CEFT transfers within the granted facility limit	•	fall within the credit evaluation criteria of the company The terms and conditions of the facility approval will be at the sole discretion of the company The facility is recourse to the client. In the event of returned cheques upon presenting the post dated cheque on the banking date the client should settle the advances obtained along with interest, fees and overdue interest if applicable to the company immediately General conditions stipulated on the principle agreement and offer letter.			de clie	NIC Number Contact Number Email address Facility number Reason for complaint Proof if available Date of complaint Anonymous complaints without a valid reason and adequate proof will not be considered as a formal complaint Acknowledgement of a formal complaint will be sent to the given email address Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution not satisfied with the cision /solution given ent can report to the ancial Ombudsman.
Debtor     Cheque     Discounting –     Post Dated     cheques	<ul> <li>A product to meet the working capital requirement of a business</li> <li>Bridges cashflow constraints of businesses who sells on credit</li> <li>Granted against Credit sales to SME sector (Traders/Distributors) who</li> </ul>	<ul> <li>Service fee – a         percentage on the         face value of the         post dated cheque</li> <li>Interest rate – as         decided by ALCO         on the funds         advanced.</li> <li>Facility overdrawn         charges if</li> </ul>	•	Debtor Cheque Discounting facilities can be obtained from LOLC branches Facility application form Initial discussions with the Marketer Submit required documents to process	•	The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility Should be a business selling their products on credit terms to Wholesalers or SME	•	Legal provision based on the breach of contract on Civil Procedure code and below acts where necessary Recovery of Debt Finance Business Inland Revenue Mortgage bond	• (0 t	Clients can make complaints to the Branch Manager of the respective branch complaint addressed to the Regional Manager Write to e Head of Factoring

gives a post- dated cheque to	applicable as stated	a facility including	sector and collect	Arbitration act	LOLC Finance PLC
settle the supply	in offer letter	Bank/Financial	post dated cheque	Mediation Board	504, Nawala Road
Granted based on an	One time	statements	to the value of the		Rajagiriya
acceptable security/ collateral	documentation fee	Valuation report from	sale		
• Up front payments up to 80%	Returned cheque	LOLC Finance panel	<ul> <li>The post dated</li> </ul>		<ul> <li>Website</li> </ul>
against post -dated cheques	charges if any	valuer for the vehicle/	cheques should be		www.lolcfinance.com
Post dated cheque	Applicable	property obtained as	within the approved		E-mail to
management services	Government tax/	collateral	facility credit period		info@lolcfinance.com
Online system to access and	stamp duty and any	Inspection by	The respective		
obtain management	other statutory	authorized staff	business and		Required information
information	charges	officer	performance should		Name
Debtor credit management &		Approval process-	fall within the credit		NIC Number
monitoring service		time frame varies	evaluation criteria		Contact Number
Follow up on returned		with the value of the	of the company		Email address
cheques if any		facility	<ul> <li>The terms and</li> </ul>		Facility number
Dedicated Relationship		Preparation and	conditions of the		Reason for
Manager to coordinate		signing of	facility approval will		complaint
		agreements,	be at the sole		Proof if available
		guarantee bonds, any	discretion of the		Date of complaint
		other applicable	company		Anonymous
		documents including	<ul> <li>The facility is</li> </ul>		complaints without
		RMV registration if	recourse to the		a valid reason and
		applicable	client. In the event		adequate proof will
		<ul> <li>Property/vehicle</li> </ul>	of returned cheques		not be considered
		pledge/mortgage	upon presenting the		as a formal
		<ul> <li>Activation of the</li> </ul>	post dated cheque		complaint
		facility	on the banking date		Acknowledgement
		The client can submit	the client should		of a formal
		post-dated cheque	settle the advances		complaint will be
		batch to the	obtained along with		sent to the given
		respective branch and	interest, fees and		email address
		obtain funds up to	overdue interest if		Company will
		70% via CEFT	applicable to the		investigate on the
		transfers within the	company		complaint made
		granted facility limit	immediately		and will inform via
			<ul> <li>General conditions</li> </ul>		email/telephone
			stipulated on the		call of the decision
			principle agreement		taken/solution
			and offer letter.		If not satisfied with the
					decision /solution given
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						client can report to the
Client Cheque Discounting/ Packing Credit — Post Dated cheques (Revolving)	<ul> <li>A product to meet the working capital requirement granted on case by case basis to established businesses who sells on credit but not falling under any of the above products</li> <li>To purchase raw material based on confirmed purchase orders</li> <li>Granted against acceptable collateral/ security</li> <li>Up front payments up to 90% against post -dated cheques of the client business entity</li> <li>Online system to access and obtain management information</li> <li>Dedicated Relationship Manager to coordinate</li> </ul>	<ul> <li>Service fee – a percentage on the face value of the post dated cheque</li> <li>Interest rate – as decided by ALCO on the funds advanced.</li> <li>Facility overdrawn charges if applicable as stated in offer letter</li> <li>One time documentation fee</li> <li>Returned cheque charges if any</li> <li>Applicable Government tax/ stamp duty and any other statutory charges</li> </ul>	<ul> <li>Client Cheque         Discounting facilities         can be obtained from         LOLC branches in         main cities</li> <li>Facility application         form</li> <li>Initial discussions         with the Marketer</li> <li>Submit required         documents to process         a facility including         Audited Financial         statements</li> <li>Valuation report from         LOLC Finance panel         valuer for the vehicle/         property obtained as         collateral</li> <li>Inspection by         authorized staff         officer</li> <li>Approval process-         time frame varies         with the value of the         facility</li> <li>Preparation and         signing of         agreements,         guarantee bonds, any         other applicable         documents including         RMV registration if         applicable         Property/vehicle         pledge/mortgage</li> <li>Activation of the         facility</li> </ul>	The applicant must be a Sri Lanka within the accepted age limit to obtain a finance facility  Should be an established entity who can submit confirmed purchase order or an acceptable working capital necessity  The post dated cheques should be within the approved facility credit period  The respective business and performance should fall within the credit evaluation criteria of the company  The terms and conditions of the facility approval will be at the sole discretion of the company  In the event of returned cheques upon presenting the post dated cheque on the banking date the client should settle the advances obtained along with interest, fees and overdue interest if applicable to the	Legal provision based on the breach of contract on Civil Procedure code and below acts where necessary     Recovery of Debt     Finance Business     Inland Revenue     Mortgage bond     Arbitration act     Mediation Board	Clients can make complaints to the Branch Manager of the respective branch Submit a written complaint addressed to the Regional Manager Write to The Head of Factoring LOLC Finance PLC 504, Nawala Road Rajagiriya  Website www.lolcfinance.com E-mail to info@lolcfinance.com  Required information Name NIC Number Contact Number Email address Facility number Reason for complaint Proof if available Date of complaint Anonymous complaints without a valid reason and adequate proof will not be considered as a formal complaint Acknowledgement of a formal complaint will be

The client can submit post-dated cheque batch to the respective branch and obtain funds up to 70% via CEFT transfers within the granted facility limit	company immediately  General conditions stipulated on the principle agreement and offer letter.	sent to the given email address  Company will investigate on the complaint made and will inform via email/telephone call of the decision taken/solution If not satisfied with the decision /solution given client can report to the Financial Ombudsman.
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