

VendorFS

Inventory Finance

VendorFS (Vendor Financial Service) is a UK company focused on providing innovative financial products to vendor's customers and channel partners in EMEA, LatAm and India with the ultimate goal of generating WIN-WIN-WIN solution for vendors, dealers and customers. With help of our financial partners, leading international or local banks, VendorFS develops customised finance programs tailored to vendor's products and end-users'/dealer' finance needs.

Payments:

- The Bank pays the Buyer 100% invoice amount within 5 business days after delivery
- The Buyer pays The Bank (invoice amount+ interest payments) within 90 days (subject to credit decision)

Terms & Conditions:

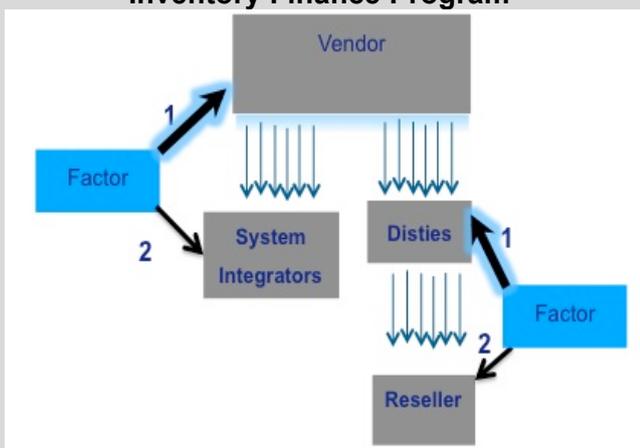
- Tenor – up to 90 days (for specific projects credit line could be extended up to 3 years)
- Currency – USD, EURO, local currency: RUB, EGP
- Requirements to dealers (subject to credit decision)

Available: UK, Germany, France, Spain, Italy, Poland, Nordic. Similar programs - in Russia, Egypt, India

Important integration process:

1. Factor integration into sales process for existing dealers credit line set up
2. Early stage Factor engagement throughout new Dealers acquisition process and credit line set up

Inventory Finance Program



Inventory Finance allows a Seller to receive unconditional payment from a Bank (called Factor) after delivery and provide to a Buyer (distributor or system integrator or reseller) a chance to pay within 90 days.

Inventory Finance could be done for direct sales (between Manufacturer and Distributors/System Integrators) and for indirect sales (between Distributors and Resellers).

Documents:

1. Master Finance Agreement between a Seller (Vendor or Disty) and a Factor Company
2. Dealer Agreements between Factor Company and all the Dealers

Advantages

Sales Growth and Management

- ▶ Extended payment terms for the dealers depending on their demands and commit
- ▶ Increased dealers loyalty

Risk Reduction

- ▶ Non-recourse to Vendors
- ▶ Critical/seasonal credit limit increase

Operating Cost decrease, Integration and Full Control

- ▶ No collections activity for Vendors
- ▶ Visibility via web based operating system
- ▶ Management reports
- ▶ Consistent automated payment to Vendor

Cash Management and Reduced Working Capital

- ▶ Reduced DSO
- ▶ Payments at exactly X days after delivery

Process

1. **Stage 1: set up.** Credit approval for dealers to be set up. Master Agreements to be signed.
2. **Stage 2: implementation.** Vendor invoices Dealer
3. Shipment. Factor receives copy of Dealer Invoice. Shipment docs signed by Dealer.
4. Vendor is paid according to negotiated terms
5. Dealer receives invoice for interest increased amount or interest-free subsidized period
6. Dealer pays Factor based on agreed upon terms