

Go Greener SME Reward Terms for Equipment Finance

Contents

1.	What's the Go Greener SME Reward?	3
2.	Are you eligible for a cashback payment?	4
3.	How is the cashback payment calculated?	4
4.	How do you apply and submit evidence?	4
5.	What evidence should you supply and how will we review this?	5
6.	When a Cashback Payment will be made	5
7.	What happens if you don't use your Cashback Loan for the purpose you originally confirmed to us or otherwise breach the GGSR terms?	6
8.	VAT and taxes	7
9.	What's the additional eligibility criteria?	7
10.	Other important information we need to tell you	8

1. What's the Go Greener SME Reward?

Under the Go Greener SME Reward (**GGSR**) scheme, HSBC UK Bank plc (**we** or **Bank**) are supporting small to medium sized trading businesses by offering a cashback payment on certain eligible loans, provided they're used towards eligible activities. You may want to consider the GGSR scheme if you're intending to apply for one of the following loan products (**Eligible Products**):

- Hire Purchase
- Finance Lease
- Asset Loan

If:

- you're approved for an Eligible Product and go on to make a drawdown of that Eligible Product; and
- you provide us with evidence that the loan that you're going to drawdown from that Eligible Product (**Eligible Loan**), 90% of the Eligible Loan will be applied towards a purpose which is an eligible activity in accordance with our Go Greener SME Reward Eligibility Guide (**Eligibility Guide**),

then subject to the terms set out below, we may make a cashback payment to you in an amount equal to 1% (one per cent) of the total amount borrowed under your contract for your Eligible Product.

These terms, together with the terms in the Eligibility Guide, the Certification Letter and the Cashback Payment Letter (as defined below) are the **GGSR Terms**.

2. Are you eligible for a cashback payment?

You may be eligible for a cashback payment if:

- (a) you become a borrower of an Eligible Product and the Contract for the relevant Eligible Product is no less than £25,001 and no greater than £300,000;
- (b) at least 90% (ninety per cent) of the Eligible Loan will be applied towards a purpose which is classified as an eligible activity in accordance with our Eligibility Guide and you're able to provide evidence confirming this, in a form and substance acceptable to us in accordance with the GGSR Terms. Our Eligibility Guide can be found at business.hsbc.uk/go-greener-sme-reward;
- (c) you're a trading business in the United Kingdom with an annual turnover of less than £25,000,000 (twenty-five million pounds) or if you are a part of a wider group, your wider business group must have an annual turnover of less than £25,000,000 (twenty-five million pounds); and
- (d) you're in compliance with the GGSR Terms.

3. How is the cashback payment calculated?

If we pay you the cashback payment (the **Cashback Payment**) in accordance with these terms, it will be in an amount which is equal to 1% (one per cent) of the total amount borrowed under your contract of your Eligible Product. For these purposes, the total amount borrowed is the amount outlined in the contract that we issue issued for your Eligible Product (**Contract**) as at the date you make the first drawdown of the Eligible Loan(s).

4. How do you apply and submit evidence?

If you want to apply for a Cashback Payment, you'll need to submit the evidence (**Relevant Evidence**) together with a certification letter (**Certification Letter**). Although, where we're dealing directly with your chosen asset supplier, this requirement will be satisfied by the provision of their asset supply invoice. Where you're fulfilling this role and providing the invoice, it must be submitted before we issue the contract for your Eligible Product. When you provide the Certification Letter, you'll have to certify that the evidence is genuine and also confirm to us that (among other things) you agree the GGSR Terms and you agree your Eligible Loan will be applied towards the relevant purpose in the Eligibility Guide. Further terms and conditions may also apply.

5. What evidence should you supply and how will we review this?

If you want to apply for a Cashback Payment, you must supply us with evidence that at least 90% (ninety per cent) of the Eligible Loan will be applied towards a purpose which is an eligible activity in accordance with the Eligibility Guide. The types of evidence we might expect to see are included within the Eligibility Guide, however, we may subsequently ask for additional or different evidence and you'll have to supply this in order to be eligible for a Cashback Payment.

In addition to this evidence and the Eligibility Guide when considering your eligibility for a cashback payment, we'll also consider:

- (a) our own environmental and sustainability policies;
- (b) any relevant laws and regulations including (without limitation) environmental law and national environmental policies;
- (c) the broader transaction to which the Eligible Loan relate, as well as the nature of your business (as well as the business of your group of companies); and
- (d) any adverse impact to our reputation.

In each case, we may at our complete discretion (based on this evaluation, the evidence supplied, and the criteria in the GGSR Terms) decide not to make a Cashback Payment.

6. When a Cashback Payment will be made

If you're approved for a Cashback Payment in accordance with the GGSR Terms we'll confirm this to you by providing a cashback payment letter with the Contract for your Eligible Product (**Cashback Payment Letter**). The Cashback Payment will be made on or about the date of drawdown of the Eligible Loan for your Eligible Product. When we've issued the Cashback Payment Letter and you've drawn down an Eligible Loan, it shall be known as a **Cashback Loan**.

If approved, the Cashback Payment will be paid into the same account from which your Direct Debits are withdrawn for your Cashback Loan, providing it's a sterling current account solely in your name with a Bank in the United Kingdom. Any payment of the Cashback Payment by us will also be conditional on compliance with law and our internal policies (including without limitation laws and policies relating to money laundering, fraud and sanctions).

7. What happens if you don't use your Cashback Loan for the purpose you originally confirmed to us or otherwise breach the GGSR terms?

If you submit evidence to us under paragraph 4 above in order to be eligible for a Cashback Payment (and you are approved for the Cashback Payment) and:

- you:
 - use the Cashback Loan in such a way that means that less than 90% of the Cashback Loan is applied to the purpose which matches the Relevant Evidence you provided us with; or
 - are unable to provide us with evidence at any time that proves, to our satisfaction, that at least 90% of the Cashback Loan was applied to the purpose which matches the Relevant Evidence you initially provided us with; or
- you:
 - use any Cashback Loan in such a way that means that less than 90% of the Cashback Loan is applied to a purpose which is an eligible activity under our Eligibility Criteria then: or
 - are unable to provide us with evidence at any time that proves, to our satisfaction, that at least 90% of the Cashback Loan was applied in accordance with a purpose which is an eligible activity under our Eligibility Criteria; or
- you breach the GGSR Terms or any other terms of the Cashback Payment that we make you aware of in writing; or
- any of the Relevant Evidence (or any information you have supplied to a third party to prepare the Relevant Evidence) is not true and accurate in all respects,

then:

- you'll (if requested) have to repay us the Cashback Payment within two weeks of our request; and
- it will constitute an Event of Default under your Contract (or, if your Contract doesn't include this term, any other analogous term which means that we'll have the right to demand repayment of the Cashback Loan). In addition to any rights we may otherwise have under the Contract we may decide, as a result of the way the Cashback Loan was applied by you or your breach of the GGSR Terms or any other terms of the Cashback Payment, that you must repay the Cashback Loan and that no further amounts can be drawn down by you under the Contract and by agreeing to the GGSR Terms of the Cashback Payment you agree that we have the right to do this in relation to the Cashback Loan and the Contract.

This is without prejudice to any other rights we have in relation to the Contract and the Cashback Loan including (without limitation) any rights arising by a fraud on your part.

8. VAT and taxes

We'll treat the Cashback Payment as reducing the overall consideration of our supply to you under the Cashback Loan for VAT purposes. Accordingly, we intend that the amount will be the reversal of an exempt supply and therefore, no VAT is expected to arise on the Cashback Payment. If VAT were to arise, the Cashback Payment will be inclusive of any VAT and accordingly we won't be obliged to increase the amount of any Cashback Payment in respect of any VAT.

For corporation tax or income tax purposes, it's likely that the Cashback Payment will be treated as reducing your deductible interest payments or otherwise as a taxable receipt of your business. You should take your own tax advice as to the appropriate position to adopt.

If we're obliged to deduct or withhold any taxes from a Cashback Payment, we'll pay the Cashback Payment after making such deduction or withholding and we shall not be obliged to pay any additional amounts to you in respect of such deduction or withholding.

9. What's the additional eligibility criteria?

In addition to the other requirements of these the GGSR Terms, to be eligible for a Cashback Payment:

- (a) you must be incorporated in the United Kingdom or if you're not incorporated, you must be constituted in the United Kingdom and you (and all of your partners if you are a partnership) must have a permanent residential address in and a right to work in the United Kingdom;
- (b) when we've confirmed to you that your Cashback Loan is approved for Cashback Payment you must drawdown the Cashback Loan;
- (c) there can be no other lenders under your Eligible Product other than us;
- (d) no Event of Default (or similar default event or breach of terms) can be continuing under your Contract; and
- (e) you must at all times have been in compliance with the GGSR Terms and any other requirements in relation to the Cashback Payment which we make you aware of in writing.

Your eligibility for any Cashback Payment only applies to the Cashback Loan under the Contract where we've approved that Cashback Payment and confirmed this to you in writing in the Cashback Payment Letter. It does not apply to any other lending product you may have with us.

10. Other important information we need to tell you

- (a) The terms of the Contract and any other security document or other agreement between us and you, are not amended by the GGSR Terms (other than where specifically noted).
- (b) If you submit evidence to us under paragraph 4 above in order to be eligible for a Cashback Payment and are approved by us for a Cashback Payment, each of these terms and the Certification Letter and the Cashback Payment Letter are a related document for the purposes of the Contract under which we're making available the relevant Cashback Loan.
- (c) We're not waiving any provision of the Contract and we reserve all our rights under it.
- (d) The GGSR Terms are between you and us; therefore, a person who isn't a party to this letter, will not have any rights to enforce it.
- (e) The Laws of England and Wales apply to the GGSR Terms.
- (f) Nothing in the GGSR Terms obliges us to make an Eligible Loan or any other payment.

You confirm your acceptance of the GGSR Terms by making your application in accordance with clause 4 of these terms.

Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat service on our website, by visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service. To find out more, please get in touch. You can also visit business.hsbc.uk/accessibility or business.hsbc.uk/contact-us.

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