



Explanatory Notes

The Coronavirus Business Interruption Loan Scheme (CBILS)

The Coronavirus Business Interruption Loan Scheme (CBILS) is a UK Government Guarantee Scheme established in March 2020 with the aim of assisting SMEs to access finance during the Coronavirus (COVID-19) pandemic. It is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy. The CBILS Guarantee is provided by the UK Government to Us (as the lessor) and not to You (the hirer). It enables Us (as the lessor) to provide You (the hirer) with funding that We (the lessor) might otherwise have been unable to provide, due to the Coronavirus (COVID-19) pandemic.

Liability

The provision of the CBILS Guarantee does NOT remove any of Your (the Hirer's) liability for repaying Your (the Hirer's) CBILS-Supported Facility (nor, if applicable, does it reduce the liability of any Personal Guarantor of the CBILS-Supported Facility). In the event of You (the Hirer) defaulting on Your (the Hirer's) payments (for example, failing to make specific payments as and when they fall due), We (the Lessor) are entitled to seek to recover the full amount outstanding from You (the Hirer). Any monies received by Us (the Lessor) under the CBILS Guarantee does not reduce Your (the Hirer's) liability in any way.

Our ability to provide you with this facility is dependent upon our receiving a guarantee from the UK Government under the Coronavirus Business Interruption Loan Scheme (CBILS). The guarantee provides us with a partial guarantee should you default on paying amounts due under this hire purchase agreement.

The CBILS guarantee is provided to us and not to you. You remain responsible for paying the whole of the hire payments at all times.

Business Interruption Payment (BIP)

As part of Your (the hirer's) CBILS Supported Facility, you will be offered a Business Interruption Loan Payment (BIP). The BIP is an offer by the UK Government to You (the hirer) to cover payments of the rentals and any other fees We (the lessor) charge, associated with the granting and maintenance of the CBIL Facility for a period of 12 months (the "BIP Period"). We will provide You (the Hirer) with a BIP Offer Letter explaining the terms of the offer and if You (the Hirer) decide to accept this then the UK Government will pay directly to Us (the lessor) the interest and fee amounts payable in respect of Your (the Hirer's) CBILS Supported Facility for a period of twelve months (but this will not include any default interest if that becomes payable). We will also provide You (the Hirer) with a written estimate of the BIP at the time the CBIL Supported Facility is offered to You (the Hirer). No fee is payable by You (the Hirer) to Us (the lessor) or to the UK Government in relation to the provision of the CBILS Guarantee of Your (the Hirer) hire purchase agreement under the CBILS Scheme.