

Go Greener SME Reward Terms

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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, providing 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**):

- Flexible Business Loan
- Commercial Business Loan
- Commercial Mortgage
- Property Development Loan
- The Growth Guarantee Scheme

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 of all of the loan(s) you're going to drawdown from that Eligible Product (**Eligible Loan(s)**), 90% of these Eligible Loan(s) 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 facility limit for your Eligible Product. These terms, together with the terms in the Eligibility Guide, the Certification Letter and the Cashback 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 facility limit 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(s) 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're 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 facility limit of your Eligible Product. For these purposes, the facility limit is the total facility limit outlined in the facility offer letter that we issue issued for your Eligible Product (**Facility Letter**) 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**).

This evidence must be provided to us before we issue to you the Facility Letter for your Eligible Product (or if multiple drafts of a Facility Letter are sent, the first draft of the Facility Letter). If you'd like to know more about the likely date of issue of your Facility Letter and how to submit the Certification Letter, please speak with your usual Bank contact.

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(s) 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(s) will be applied towards 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. We may also later ask you for evidence that your Eligible Loan(s) were used for the purpose you told us they'd be used for and in accordance with the Eligibility Guide - if we ask for this, you must provide it in a form and substance satisfactory to us (at our complete discretion).

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(s) 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 Facility Letter for your Eligible Product (**Cashback Letter**). The Cashback Payment will be made on or about the date that you first drawdown an Eligible Loan for your Eligible Product. When we've issued the Cashback Letter and you've drawn down an Eligible Loan, all Eligible Loan(s) under the relevant Facility Letter shall be known as **Cashback Loan(s)**.

If approved, the Cashback Payment will be paid into the same account that the first drawdown of your Cashback Loan is also paid into, providing it's a sterling current account solely in your name with a Bank in the United Kingdom. If the account doesn't meet these requirements, we'll issue you a cheque for the Cashback Payment. 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(s) for the purpose you originally confirmed to us or otherwise breach the GSSR 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 any Cashback Loan(s) in such a way that means that less than 90% of the Cashback Loan(s) 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(s) were applied to the purpose which matches the Relevant Evidence you initially provided us with; or
- you:
 - use any Cashback Loan(s) in such a way that means that less than 90% of the Cashback Loan(s) is applied to a purpose which is eligible 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(s) were applied in accordance with a purpose which is eligible under our Cashback Criteria; or
- you breach the GSSR 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 Facility Letter (or, if your Facility Letter doesn't include this term, any other analogous term which means that we'll have the right to demand repayment of the Cashback Loan(s)). In addition to any rights we may otherwise have under the Facility Letter we may decide, as a result of the way the Cashback Loan(s) were applied by you or your breach of the GSSR Terms or any other terms of the Cashback Payment, that you must repay the Cashback Loan(s) and that no further amounts can be drawn down by you under the Facility Letter and by agreeing to the GSSR Terms you agree that we have the right to do this in relation to the Cashback Loan(s) and the Facility Letter.

This is without prejudice to any other rights we have in relation to the Facility Letter and the Cashback Loan(s) 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 Loans 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 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(s) are approved for Cashback Payment you must drawdown at least one of these Cashback Loans;
- 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 Facility Letter; 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(s) under the Facility Letter where we've approved that Cashback Payment and confirmed this to you in writing in the Cashback Letter. It doesn't 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 Facility Letter 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 Letter are a “Document” for the purposes of the Facility Letter under which we’re making available the relevant Cashback Loan(s).
- c.** We’re not waiving any provision of the Facility Letter 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 with 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.

business.hsbc.uk

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