

EQUIPMENT LEASING

1 THE BASICS OF EQUIPMENT LEASING

A THREE-PARTY OPERATION

Equipment leasing is a three-party operation between:

- > **A customer (the lessee)** who selects the equipment to lease and negotiates payment and delivery terms with whichever supplier they choose. During the period defined in the contract, the lessee pays the lessor (the bank) the leasing fees for the right to use the equipment and bears various expenses as if they were the owner of the asset (maintenance, taxes, insurance, etc.). At the end of the contract, the lessee has the option of purchasing the equipment for a price (residual value) that was set at the beginning of the contract.
- > **An equipment supplier**
- > **A lessor (the bank)** who takes care of purchasing the equipment, pays the supplier, and leases the equipment to the customer. The lessor remains the owner of the equipment until all the leasing fees and the residual value have been paid in full.

THIS FINANCING SOLUTION IS FLEXIBLE AND ADJUSTABLE

- > Financing periods **between 3 and 7 years**
- > Leasing fees become due for payment on a **monthly, quarterly, or annual basis**
- > **Payment scales** tailored to the customer: linear, degressive, in stages, seasonal, and so on.
- > Option of making an additional **initial payment** to reduce the overall cost of the financing.

A SOLUTION THAT CAN BE ADAPTED TO DIFFERENT NEEDS

Equipment leasing is a solution **designed for self-employed craftsmen and merchants, the liberal professions, farmers, very small businesses and SMEs**. It enables them to finance a broad range of equipment, including:

- > **Industrial equipment:** machine tools, 3D printers, furnaces, etc.
- > **Civil engineering equipment:** lifting, handling, special-purpose vehicles, etc.
- > **High-tech equipment:** IT equipment, telephone systems, professional-grade cameras, etc.
- > **Means of transport:** cars, light commercial vehicles, industrial vehicles, coaches, etc.
- > **Medical equipment:** medical imaging machines, examination tables, dental chairs, lasers, automated systems, etc.
- > **Agricultural equipment:** tractors, combine-harvesters, harvesting machines, etc.

2 A FINANCING SOLUTION SPECIALLY CUSTOMIZED FOR YOU IF YOU WISH:

- > **Lease one or more pieces of equipment** for professional use with the benefit of a purchase option at the end of the contract
- > Get equipped **immediately**,
- > **Optimize your tax liability** and improve the profile of your balance sheet

3 THE ADVANTAGES

100% FINANCING OF YOUR INVESTMENT, INCLUDING ALL TAXES

- > You do not bear the advance payment of VAT, and recover it as and when the leasing fees are paid
- > Your cash flow is freed up to cover the needs of your business, so you can invest without delay.

AN OFF-BALANCE SHEET COMMITMENT

- > You keep your debt capacity intact
- > So investments financed by equipment leasing do not affect the profile of your balance sheet.

TAX AND ACCOUNTING BENEFITS

- > Equipment leasing payments are recorded as operating expenses and are therefore deductible from your taxable income.
- > If you decide to pay an additional cash contribution with your first leasing fee, it is legally deductible for tax purposes.

4 HOW IT WORKS

1. **You freely select** your equipment from the dealer or manufacturer of your choosing
2. **You negotiate** the price and purchase conditions (down payments, delivery terms, payment schedule, warranties, etc.)
3. **BPCE Lease takes care of purchasing the equipment** and any administrative formalities. You lease the equipment for a term and leasing fee set out in the contract.
4. **At any time**, BPCE Lease teams can answer any questions you may have about your policy: damage, early buy-out, etc.
5. **At the end of the contract**, you can:
 - > Purchase your equipment at the price agreed when the contract was signed
 - > Renew your leasing contract and continue to lease the equipment
 - > Return your equipment

5 ADDITIONAL SERVICES OFFERED

To protect your business and ensure the availability of the leased equipment, you can take out one or more of the following insurance policies:

- > An insurance policy covering the risks of **death, permanent total disability, and work stoppage**⁽¹⁾ due to temporary incapacity.
- > A **Financial Loss insurance** contract⁽²⁾ which, in the event of the vehicle's theft or complete destruction, guarantees the repayment of the loan in addition to the cover provided by your property and casualty insurance
- > A **Machinery Breakdown insurance** contract⁽³⁾, which lets you guarantee the repair of your equipment or pay off the loan.

TO TAKE OUT A POLICY

Contact a branch of the BPCE banking group

(1) Death, Permanent Total Disability, and Work Stoppage insurance is a contract with BPCE Vie, a public limited company under French law (S.A.) with registered capital of €144,455,776, registered on the commercial register (RCS) of Paris under no. 349.004.341, governed by the French Insurance Code. - (2) Financial Loss Insurance is a contract with AXA Corporate Solutions, a public limited company under French law (S.A.), governed by the French Insurance Code, with registered capital of €190,069,080 - Registered on the commercial register of Paris under no. 399 227 354 - intracommunity VAT no. FR 85 399 227 354. - (3) Machinery Breakdown insurance is a contract with MMA IARD, a public limited company under French law (S.A.) governed by the French Insurance Code, with registered capital of €537,052,368 - Registered on the commercial register of Le Mans under no. 440 048 882