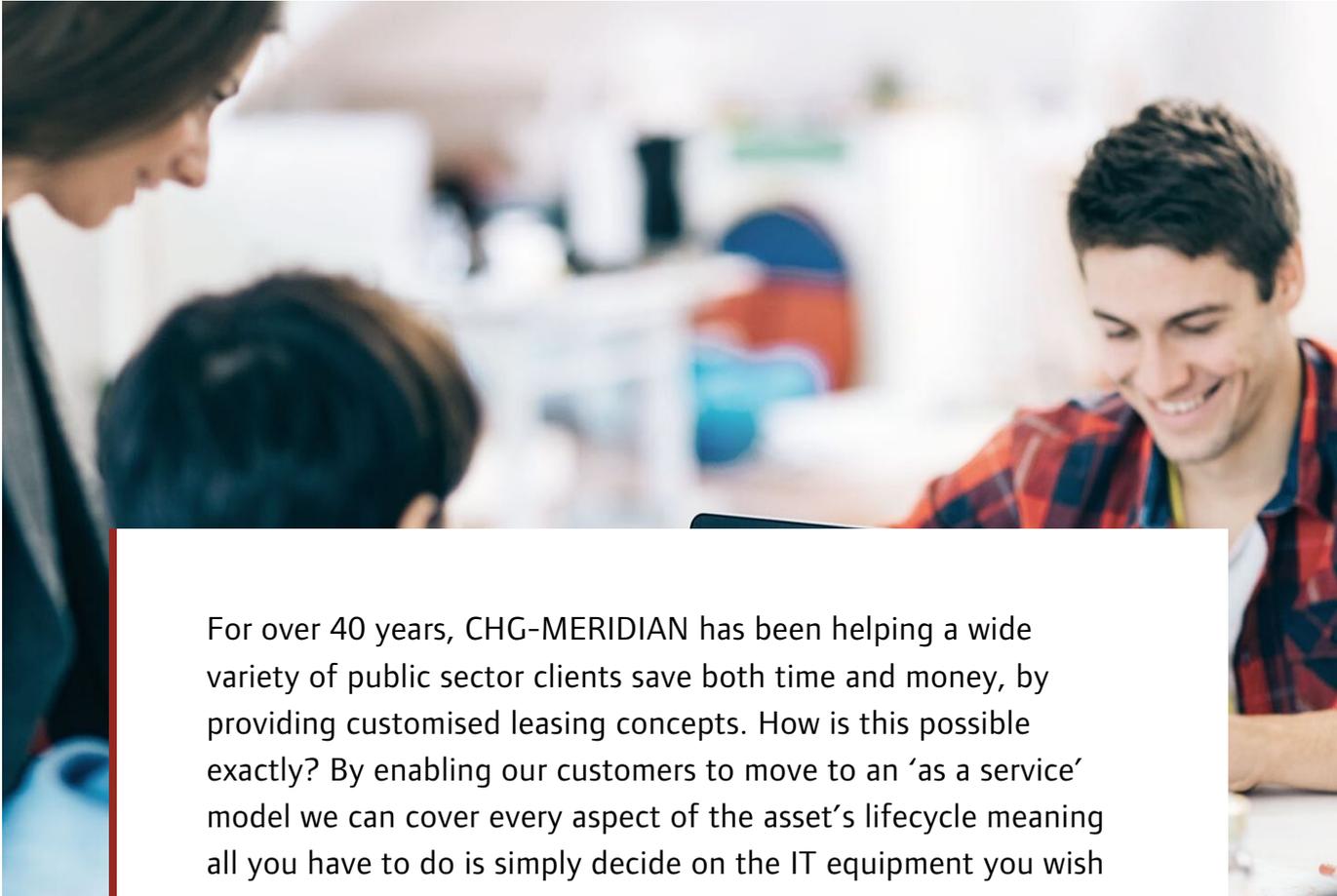


CHG-MERIDIAN

FLEXIBLE FINANCE MODELS FOR THE PUBLIC SECTOR

How you can benefit from
CHG-MERIDIAN

CERTAINTY WITH CHG-MERIDIAN: PUBLIC SECTOR SPECIALISTS

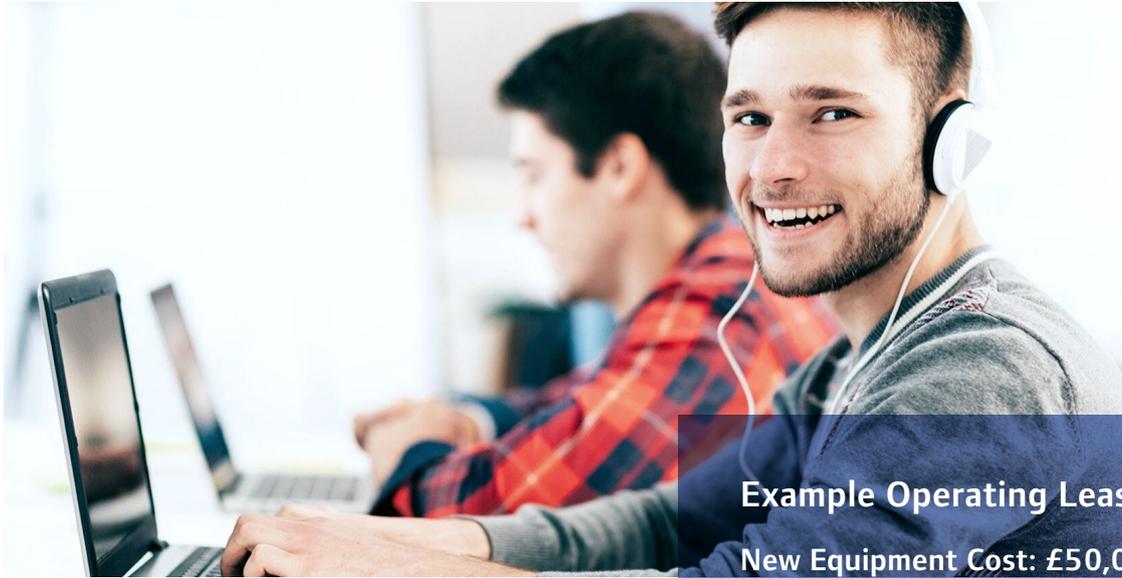


For over 40 years, CHG-MERIDIAN has been helping a wide variety of public sector clients save both time and money, by providing customised leasing concepts. How is this possible exactly? By enabling our customers to move to an 'as a service' model we can cover every aspect of the asset's lifecycle meaning all you have to do is simply decide on the IT equipment you wish to rollout.

With over 11,000 customers having placed their trust in us to help them improve their, technology management and equipment lifecycle, we like to think we have learned a thing or two along the way as a result.

So, you're probably wondering what makes us different? As we aren't bound to any banks, manufacturers or services providers, we can offer a unique service all from a single source. Our customers rely on our impartial, expert advice to help support them in managing their technology lifecycle. Efficient Technology Management® - this is what we promise.

OPERATING LEASE



Example Operating Lease

New Equipment Cost: £50,000

Term: 3 Years

Rental Profile: Quarterly

Rental: £4,000

Total Payable: £48,000

An operating lease enables our customers to replace and upgrade their equipment without the risk of it losing its value or becoming obsolete. An operating lease allows for the use of an asset, but the lease term is short compared to the useful life of the asset. As a result, we take a residual value on the asset meaning the sum of the rentals will be typically less than the original capital cost.

At the end of the lease, you can either:

- Hand the equipment back and upgrade to the latest technology
- Extend the lease period for continued use of the current equipment

Assets that are typically funded via an operating lease:



ADVANTAGES

- The sum of the rentals within an operating lease will typically be less than the original capital cost
- Usually results in the lowest payment of any financing alternative and is an excellent strategy for capital budgeting constraints
- Provides fixed known costs throughout the contract period
- Flexibility to upgrade to new equipment as required or to terminate the agreement early
- The option to hand the equipment back at the end of the term or to continue to use it for a secondary period
- Fixed payments - improve budgetary and planning certainty



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For us, our IT provision is a large and continually rolling project; we constantly need to review the products, suppliers and replacement cycles of every piece of equipment. We source equipment through tendering, and we market test for our provision of finance. For almost a decade, we have developed our relationship with CHG, and they have become our primary finance provider. We need to make the right financial decisions, and when you are in an established relationship, you can hold sensible discussions and obtain the flexibility that is important to us. In our dealings with CHG, we have never been stung by a cost at the end of a term, despite the heavy use of our equipment. We are very busy around May/June time. CHG recognise and respond to the extra attention the College needs during this period. You don't always get that with a service relationship!

Deputy Principal, Further Education College

FINANCE LEASE



Example Finance Lease

New Equipment Cost: £50,000

Term: 3 Years

Rental Profile: Quarterly

Rental: £4,750

Total Payable: £57,000

A finance lease is typically a full payout agreement; this means that the sum of the rentals includes the full capital cost of the equipment, plus the interest charges. A finance lease allows for the payments to be spread over the lease term, while also providing flexibility at the end of the contract.

At the end of the lease, you can either:

- Hand the equipment back and upgrade to the latest technology
- Extend the lease period for continued use of the current equipment

Assets that are typically funded via a finance lease:



ADVANTAGES

- The most suitable solution for procuring long life, low tech assets
- Allows for extended use of the equipment for a nominal sum
- Gives the flexibility to upgrade the equipment during or at the end of the lease agreement
- Enables you to decide what you want to do with the equipment at the end of the lease. Therefore allowing you to control the upgrade cycle
- Fixed payments - improve budgetary and planning certainty



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We needed to introduce a programme of upgrading our IT estate and leasing through CHG-MERIDIAN enabled us to achieve this over several years. By leasing the equipment, we can spread the cost over 3 years which meant we could buy more equipment than if we had to pay for it all upfront. Leasing also enabled us to put in a 3-year replacement programme and budgeting for equipment refreshes became much easier. The team at CHG have always provided excellent service from obtaining initial quotes right through to collecting equipment at the end of the lease.

Systems Manager, Maidstone Grammar School

SALE & LEASEBACK - Raise capital budget by unlocking the value of your existing equipment



We offer a sale and leaseback solution on a wide variety of assets. If your asset is less than 4 months old, we can pay you the original purchase price. If the asset is older than 4 months, we can offer you the net book value of the asset. This solution can be structured either as a finance lease or an operating lease.

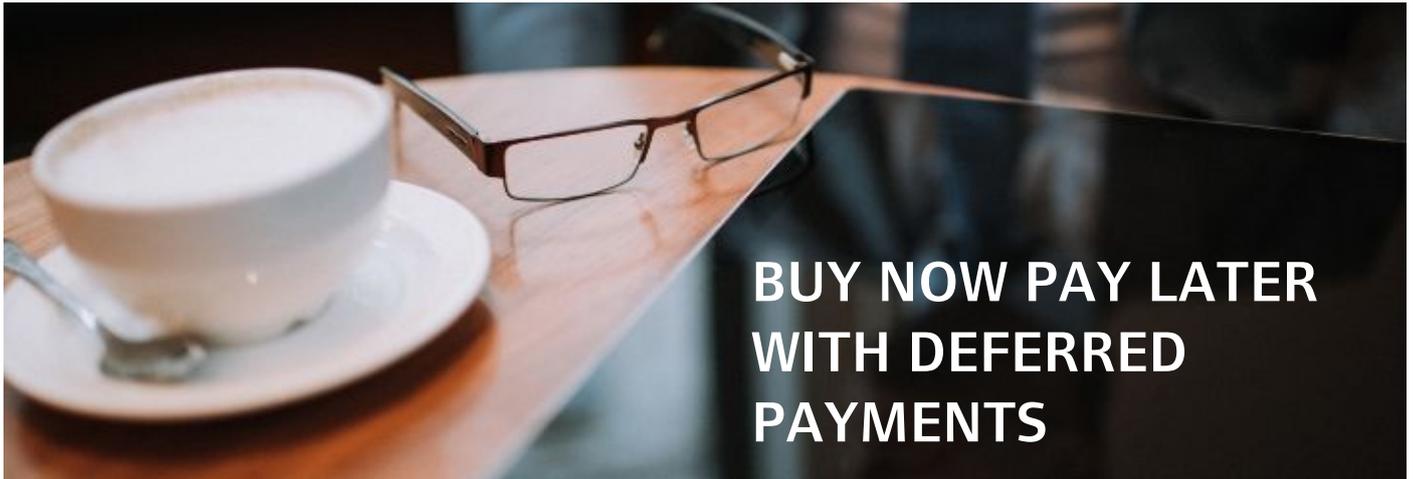
By using our sale and leaseback process, you can raise capital by selling your existing assets to CHG. There is zero disruption to your institution as you continue to retain all the benefits of usage yet transfer the risk of ownership and disposal to CHG.

ADVANTAGES

- Removes the costs and risks of ownership of assets that were previously capital investments
- Creates additional capital budget based on currently owned assets
- Alignment of depreciation, usage and useful life
- Generate cash
- Accelerate future projects
- Clear projection of budget with a linear rental stream
- Non-disruptive
- Provides fixed known costs throughout the term



STRUCTURED FINANCIAL MODELS - Deferred Payments



DEFERRED PAYMENTS

We can provide solutions for institutions that do not have the required capital or revenue budgets for the current financial year but require an urgent supply of equipment.

- A structured agreement can enable you to acquire equipment today and defer payments in line with budgets
- A deferred payment lease solution is available with an operating lease or finance lease
- During a deferral period, we will ensure that supplier invoices are settled on-time and in full, therefore allowing for the creation of a single lease schedule

ADVANTAGES

- Instant access to the latest IT equipment without the upfront costs
- Provides you with the technology you need today, but with rentals deferred in line with your budgets
- Free up budget for other investments

LEASING BENEFITS

How can leasing help you?

Take a look at these 10 fundamental reasons.

1. LOWER TOTAL COST OF OWNERSHIP

The sum of the rentals will typically be lower than the capital cost of the equipment.

2. BE CREATIVE WITH YOUR BUDGET

Make your budget go further by deferring payments to match your budget alignment, allowing you to utilise precious cash reserves to fund other projects.

3. EFFECTIVE COST MANAGEMENT

Spread the cost of your chosen assets over their economic useful life.

4. LIFECYCLE REFRESH PROGRAMME

A leasing schedule provides a natural conclusion for your assets and presents a perfect opportunity to implement a replacement programme.

5. ACCURATE PROJECTIONS

Leasing allows you to accurately forecast which equipment needs to be replaced up to 12 months before the lease end, allowing you to plan your equipment replacement requirements easily.

6. LOWER MAINTENANCE COSTS

With a regular refresh cycle in place, you can be sure your technology is up-to-date and therefore less likely to breakdown - resulting in less downtime for you and your users.

7. MAKE THE REFRESH WORK FOR YOU

By aligning your assets useful life, you can increase your bargaining power with suppliers by ordering in bulk.

8. STAY ONE STEP AHEAD

In today's world, the latest gadget, invention or technological advancement always appears to be on the horizon. With leasing, you can stay up-to-date with all the latest technology and trends.

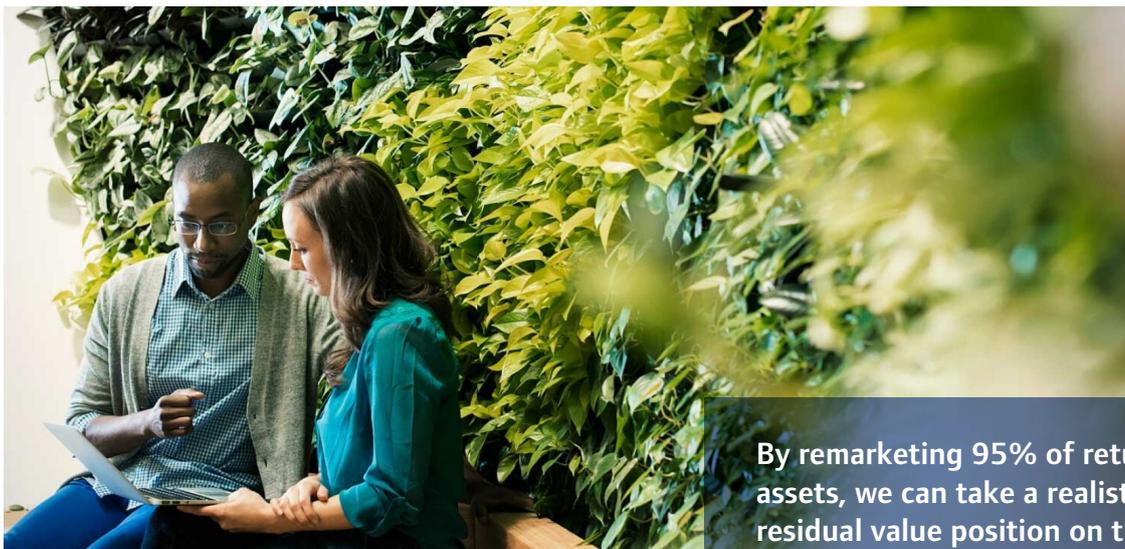
9. EASIER TO UPGRADE ASSETS

The assets can be upgraded during or at the end of the lease agreement.

10. INCREASED HARMONY

By having the latest innovations available to staff and students, you can ensure the best working/learning environment possible.

GREEN IT REMARKETING: REFRESH, REFURBISH, RE-USE, RECYCLE



By remarketing 95% of returned assets, we can take a realistic residual value position on the assets, which enables us to offer our customers very competitive lease rates.

We are perhaps one of Europe’s largest and best-known remarketers of used IT equipment having been in the market for over 40 years. Our remarketing solution aims to provide you with peace of mind when your asset refresh process takes place. We promise to deliver solutions that allow you and your institution to focus on what truly matters to you.

CHG-MERIDIAN provides data erasure at various levels in line with your organisational requirements, using the data destruction standard Infosec Standard 5 (IS5), which is approved by the National Cyber Security Centre (NCSC). We can provide certified data erasure, validating the deletion of information from your devices.

With plenty of resource in our Technology Centres, we can use this global reach to achieve the maximum possible return for our customers. Something which in today’s economic climate is essential.

- ENVIRONMENTALLY FRIENDLY**
- We have a zero to landfill rate
 - We have a route to market for 95% of our kit
 - On the rare occasion we do have to dispose of the assets we receive back; we guarantee to do so in accordance with WEEE directives and certification will be provided for any assets disposed of on your behalf.

ERASURE
Certified and NCSC compliant



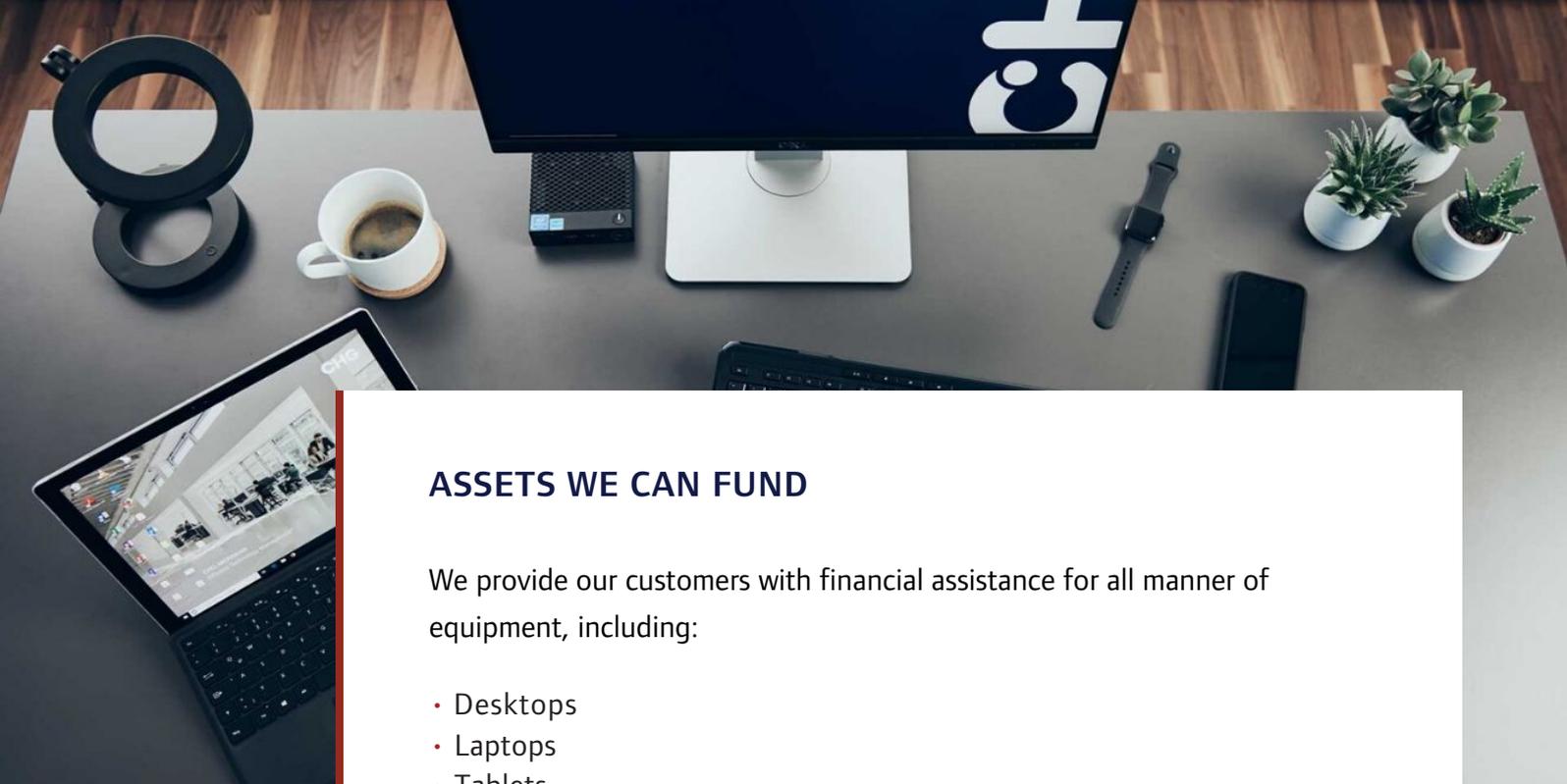
SECURE ERASURE
Certified and compliant with BSI basic protection



PROCESS FLOW CHART

Working with CHG-MERIDIAN is pain-free and straightforward. Check out our process flow chart below, so you know what to expect when working with us.





ASSETS WE CAN FUND

We provide our customers with financial assistance for all manner of equipment, including:

- Desktops
- Laptops
- Tablets
- Whiteboards and projectors
- TV's
- Servers and storage

CONFIDENCE WITH CHG-MERIDIAN

We consider the public sector a key market and have built up a considerable portfolio of ICT leased equipment in the UK and across Europe. By working with us, you can have the utmost confidence that you are doing so with someone who understands your pain and knows what they are doing.

Focusing on IT technology in the UK alone, we lease equipment to more than 500 local authorities, schools, academies, HE/FE institutions, universities and other public sector entities. Furthermore, we are ISO-certified to ISO 27001 and ISO 9001 and are a member of the Finance & Leasing Association as well as a recognised lessor on several leasing frameworks.

PUBLIC SECTOR LEASING FRAMEWORKS WE CURRENTLY SIT ON:

- NHS Supply Chain - Framework agreement for the supply of leasing solutions
- Crescent Purchasing Consortium (CPC) - Leasing services framework
- Cambridge University Hospital NHS Trust - Financial leasing services framework
- Southampton NHS Foundation Trust - Financial leasing framework
- Durham County Council - Framework for the provision of leasing facilities
- Glasgow Leisure Trust - Procurement of operating lease and finance lease facilities

YOUR CHG-MERIDIAN PUBLIC SECTOR CONTACTS:

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