



Coronavirus Large Business Interruption Loan Scheme (CLBILS) Revolving Credit Facility (RCF)

We are participating in the Government's Coronavirus Large Business Interruption Loan Scheme (CLBILS) to support large businesses by providing access to a source of finance.

This scheme is available for UK companies that have a group turnover above £45 million (Note 1). The amount requested for a CLBILS facility must be at least £50,001 and not be greater than £200 million (note 2).

In each case, the total amount borrowed under CLBILS cannot be greater than the higher of:

- i. double the annual wage bill in respect of the United Kingdom business of the relevant Borrower (including social charges as well as the cost of personnel working on the undertaking's site but formally in the payroll of subcontractors) for 2019, or for the last year available, (and, in the case of an Applicant created on or after 1 January 2019, the estimate of such wage bill of the first two years of operation); or
- ii. 25% of the total turnover of the United Kingdom business of the Borrower in 2019; or
- iii. with appropriate justification and based on self-certification of the Borrower of its liquidity needs, an amount to cover the liquidity needs of the United Kingdom business of the Borrower for the 12 months following the granting of the relevant Scheme Facility

Please be aware that this is a government backed guarantee scheme. However, your business will always remain responsible for repayments of the whole (ie.100%) of the debt.

There are other eligibility criteria for this scheme that will need to be met. Please contact your Relationship Director.

What is a CLBILS RCF?

An RCF provides the flexibility to draw down and repay as often as you require, subject to the terms of your agreement.

Your RCF will be a variable rate facility with your interest payments linked to London Interbank Offered Rate (LIBOR) or the Sterling Overnight Index Average (SONIA).

RCFs allow for staged drawdowns and the facilities may be repaid over the agreed term from either:

- Full capital and interest repayments – where the outstanding balance and interest have been repaid in full on maturity of the RCF
- Part capital and interest repayments - where the balance on the drawdown is repaid to an agreed amount, with a final payment of the outstanding balance on the drawdown due on maturity of the RCF
- Interest only repayments – where only the interest is repaid and the outstanding balance of the drawdown due is required to be repaid in full on maturity of the RCF

How are my payments calculated?

Your repayments will be calculated to ensure they are sufficient to repay your RCF over the agreed term.

The amount of capital you repay as part of each repayment is agreed at the start of the drawdown.

Each repayment will also include an interest payment. To calculate the interest cost we'll use the most recent reference rate (LIBOR or SONIA), plus the agreed Santander lending margin.

Unless you have chosen the option of full interest only, then the interest cost will vary on each repayment date. This is because the interest cost is calculated against the outstanding balance, and this balance reduces with each capital repayment you make.

If your RCF includes the option of part capital or interest only, we'll confirm the balance repayable on the drawdown that is due on maturity.

What are the key benefits?

- RCFs provide a flexible way to manage your working capital requirements
- You have a choice of two different reference rates: LIBOR or SONIA
- Subject to your agreement, you have the option to draw down and repay multiple times under one facility, without incurring early repayment fees or re-applying for credit
- The RCF amount and repayment schedule can be tailored to the individual requirements of your business. This may include the option of part or full interest only with a remaining balance payable on maturity
- Your interest rate is variable, you could benefit from any future decrease in the reference rate you choose up front

What are the key risks?

- Any future increase in your chosen reference rate will increase your interest payments due
- If you take the option of part or full interest only with remaining balance of the drawdown repayable at maturity, you must ensure you'll have a way to make this payment, remembering that market and finance conditions may change over the facility period
- If you take the option of part interest only with the remaining facility balance repayable at maturity, this may result in higher interest costs over the term as a whole

What fees may be payable?

- Any other fees due including security and valuation fees will vary, depending on individual circumstances. Your Relationship Director will agree fees with you under the terms of your facility.
- More information about how your RCF will work can be found in our General Terms and Conditions. Your Relationship Director will give you a copy of these

APPLICATIONS ARE SUBJECT TO STATUS AND TERMS AND CONDITIONS.

At a glance - reference rate key features

Feature	LIBOR	SONIA
Variable rate	Yes	Yes
Rate Type	Forward looking term rate	Backward looking, compounded in arrears, with a 5 business day look back
Rate set by	Intercontinental Exchange (ICE) as benchmark administrator, based on lender submissions	Bank of England
Rate changes	Per term (1m, 3m etc.)	Per UK business day
Interest periods available for CLBILS RCF	1m, 3m, 6m and 12m	1m and 3m
Medium Term Restrictions	Please be aware that the Financial Conduct Authority has encouraged participants in financial markets to take steps to stop using LIBOR after the end of 2021. The future of LIBOR is therefore not guaranteed beyond this date and you should consider taking steps to prepare your business. For more information please, visit our microsite at www.santander.co.uk/insight-and-events/news/replacement-libor	N/A

What should I do if I'm not sure or need advice?

We don't provide any advice about our Coronavirus Large Business Interruption Loan Scheme (CLBILS) facilities.

If you're in doubt or need guidance, we strongly recommend that you get independent professional advice.

Please note we have provided the information in this document for information purposes only. These materials are the property of Santander UK plc and its affiliates (the Bank) and may not be provided to third parties. Nothing in these materials constitutes investment, legal, tax or accounting advice.

For more information please contact your local Relationship Director or visit: santander.co.uk

What happens when the term ends?

We will get in touch with you prior to the end of your agreement to confirm the final amount to be repaid and agree next steps.

What other financing options does Santander offer?

We have a range of financing options available which can be tailored to suit the needs of your business.

Your Relationship Director will provide you with information about the full range of solutions available through Santander.

Note 1: Definition of Group: The Borrower and any partner enterprises and linked enterprises of the Borrower within the meaning of Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, except that for these purposes any partner enterprise or linked enterprise of the Borrower that is a private equity or venture capital entity shall be ignored. For the purposes of determining the income or turnover of the Borrower's Group, the methodology in the above Commission Regulation shall apply, subject to the private equity and venture capital exception above.

Note 2: Facilities greater than £50m are subject to further restrictions on dividend payments, senior pay and share buy-back during the period of the facility. Please speak with your Relationship Team for further information.

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) 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 (BEIS). British Business Bank plc is wholly owned by HM Government and is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). Full details on CLBILS and the list of participating CLBILS lenders can be found on the British Business Bank website at: <https://www.british-business-bank.co.uk/CLBILS>

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