Hewlett-Packard International Bank
Information Booklet for
Small & Medium Enterprises
in Financial Difficulty
Hewlett Packard International Bank (hereafter “HPIB” or “we” or “us”) is regulated by the Central Bank of Ireland.

OVERVIEW

The Central Bank of Ireland has published the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-sized Enterprises) Regulations 2015 (“SME Regulations”).

The purpose of the SME Regulations is to bolster the protections for small and medium sized enterprises (“SMEs”) when borrowing from regulated financial service providers (“Regulated Lenders”) which are providing credit to or entering into alternative arrangements (explained below) with SMEs.

The purpose of this document is to provide clarity in relation to HPIB’s procedures for dealing with customers who are currently in financial difficulties or who may have concerns about their ability to meet repayments in the near future. Our customers are very important to us and we will do all we can to assist borrowers in resolving their financial difficulties.

The SME Regulations classifies ‘financial difficulties’ as follows:

(a) The credit facility of a borrower is in arrears for three consecutive months;

(b) In the case of an overdraft credit facility, where the approved limit on the facility is exceeded by the borrower and remains exceeded for 90 consecutive days and there has been no engagement with the borrower.

Arrears are deemed by the SME Regulations to arise where a borrower has not made a full repayment or only makes a partial repayment on a credit facility, as per the terms of the credit facility, by the scheduled date.

In this booklet you will find guidelines to help borrowers who are experiencing financial difficulties or may have difficult in meeting their repayments in the future. They apply to Micro, Small and Medium Enterprises as defined in the SME regulations.

To assist in dealing with financial difficulties, customers (also referred to as “borrowers” or “you”) may wish to consider consulting a professional adviser. An accountant or solicitor may be able to offer financial and debt management advice and it may be worth considering finding an independent adviser who has specialist knowledge of particular business sectors. We will be happy to work with any nominated advisors.

1 Code of Conduct for Business Lending to Small and Medium Enterprises – Central Bank of Ireland
Step 1: Talk to Us

A key objective of this policy is to assist borrowers in resolving their financial difficulties. It is very important to address the early signs of financial stress in your business. Should you enter financial difficulties its best to discuss any concerns with us as soon as possible. HPiB will offer you a full review of your account.

Contact Details:
Contact your local Financial Area Manager (“FAM”) or Customer Delivery Manager (“CDM”), Alternatively you can contact us by email or by phone:

✉️ financialservicesresolution@hpe.com
📞 Customer Services Line +353 1 4118902 – request to speak to the Ireland Customer Delivery Manager.

We will appoint a designated contact point. We will consider any financial difficulties sympathetically and work with you constructively to explore appropriate solutions. In most cases, by continuing to work together, we will find an acceptable alternative way forward.
## Step 2: Financial Information—Understanding your Finances

Once you have contacted us, we will let you know what information is required in order to get a clearer picture of your business’s financial circumstances. The type of financial information required by HPIB to make an assessment for an arrangement will vary depending on the nature and size of a business, but will typically include the following:

<table>
<thead>
<tr>
<th>Documentation Required</th>
<th>Why HPIB needs this information</th>
</tr>
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<tbody>
<tr>
<td><strong>1. Financial Information/Projections:</strong></td>
<td>This information enables us to gain insight into how your company:</td>
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<tr>
<td>Latest Audited/Certified Accounts as appropriate</td>
<td>(a) has performed in the past,</td>
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<tr>
<td>Income &amp; Expenditure Statement/Trading Profit &amp; Loss Account and Balance Sheet</td>
<td>(b) is performing currently,</td>
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<tr>
<td>Bank Statements</td>
<td>(c) is likely to perform in the future.</td>
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<tr>
<td>Up to date management accounts and cashflow statements to reflect the current trading</td>
<td></td>
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<tr>
<td>period</td>
<td></td>
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<tr>
<td>Up to date aged list of debtors/creditors</td>
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<tr>
<td>Financial and cashflow projections and underlying assumptions (including any evidence)</td>
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<tr>
<td><strong>2. Details of current tax position</strong></td>
<td>This will allow us to understand your current tax situation and any arrangements that may be in place with the</td>
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<td>(Tax Clearance Certificate where appropriate)</td>
<td>Revenue Commissioners.</td>
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<td><strong>3. Up to date Asset/Liability profile of the business and owners</strong></td>
<td>This allows us to assess the overall financial position of the company and its business owners/promoters</td>
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</table>

It helps if your business plan is comprehensive, cash flows are robust, and you demonstrate an in-depth knowledge of your business and the competitive environment in which the business operates.

It is important the information provided is a full and honest disclosure. You may wish to seek independent advice from your financial advisor or accountant or indeed bring them along to a meeting with HPIB.

It is also important that you fully engage and cooperate with HPIB throughout this process. Failure to engage may result in you being classified as being “not-cooperating”.


Step 3: Assessment—assessing your financial situation

HPIB will use the information provided by you to assess your situation and explore the various options that would best meet the needs of your business.

In order to determine the suitability of any Alternative Arrangement, this assessment will typically include the following factors, among other relevant factors pertinent to the particular case:

- Your repayment history;
- Viability of your business and your total indebtedness;
- Your ability to meet the proposed lease/loan repayments in the context of a borrower’s total overall business commitments;
- The related business environment
- The level of your co-operation to enable the Bank to carry out a comprehensive assessment for an Alternative Repayment Arrangement and work towards a resolution of the ‘financial difficulties’.

Alternative Arrangement’s may include, but not limited to, options such as contract restructure, term extension, sale of assets etc.

This process will take no longer than 15 business days from when we receive all the required information/documentation. In the event that it should exceed 15 business days we will contact you in advance and advise you of the reasons why and the revised timeline.

Please note that HPIB is entitled to impose additional fees in the accordance with the Terms and Conditions of the borrower’s agreement\(^2\).

Throughout the assessment process, we will continue to work constructively with you to develop a long term solution for the business. To help us do this, it is important that you:

- act in good faith
- keep us informed about developments
- keep to your agreements with us
- carefully consider what your own and any independent advisers say
- are prepared to make any necessary changes in a timely way

Co-Operating with HPIB

It is critical that borrowers in, or facing ‘financial difficulties’ fully engage and co-operate with HPIB and provide the necessary information requested by HPIB to enable a comprehensive and timely assessment of their financial situation. Under the SME Regulations a borrower may be classified as ‘not co-operating’ where

a) the borrower has failed to make a full and truthful disclosure to the Bank of the information required by the regulated entity to assess the borrower’s financial situation, within the timeframe specified by the Bank,

b) the warning letter, required in accordance with Regulation 20(8), has been issued to the borrower, and

c) the borrower has not carried out the action or actions within the timeframes specified in the letter referred to in subparagraph (b) above.

Where HPIB considers a borrower to be ‘not cooperating’, HPIB will write to the borrower advising that the borrower will be classified as ‘not co-operating’ if the borrower does not perform specific actions within a designated timeframe as detailed in the letter or email.

The implications for borrowers of ‘not co-operating’ are that HPIB will be unable to put in place an alternative arrangement and will have no option other than to commence the process of seeking repayment of all sums outstanding which may lead to HPIB ultimately having to recover its assets. Where this happens, the borrower will remain liable for any outstanding debt.

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\(^2\) Central Bank (Supervision and Enforcement) Act 2013 (SECTION 48) (Lending to Small and Medium Sized Enterprises) REGULATIONS 2015 (S.I. No. 585 of 2015)) - Standard information for borrowers in financial difficulties section 19 (1) f
Step 4: Resolution

Once a decision has been reached regarding an alternative repayment option, we will write to you outlining all revised terms and applicable fees and charges. It is important that you are fully aware of the details and implications of any new repayment arrangement before you commit to it. You may wish to seek independent legal/financial advice in this regard.

It is important to note that alternative repayment arrangements may be affordable for your business in the short term but could be more expensive in the longer term.

We will continuously monitor the arrangement once it is put in place and it is very important that you keep to the terms of the agreed arrangement or advise us immediately if there has been any change in your financial circumstances.

Step 5: Appealing a Decision

HPIB has in place an internal Appeals process for Small and Medium Enterprises. This procedure provides that HPIB will consider and adjudicate on an appeal and provide you with a written response within 15 business days of receiving the appeal.

Borrowers can appeal to HPIB if

- You feel you have been unfairly refused a written request for a loan;
- You believe you have been unfairly offered a smaller loan than requested;
- Existing credit facilities have been reduced or removed;
- HPIB has attached terms and conditions to the loan such that the loan cannot be accepted;
- You are in financial difficulty and you believe you have not been offered an alternative repayment arrangement;
- You are not willing to enter into the alternative repayment arrangement offered by HPIB;
- HPIB has classified you as non-cooperating

You will be allowed 20 Business Days to submit an appeal on an alternative repayment arrangement decision.

If you have exhausted the internal appeals process with HPIB, you may be eligible to avail of the appeals process provided by the Credit Review Office. The Credit Review Office has been established to provide an independent, impartial credit appeals process for small and medium sized businesses, including sole traders and farmers who have had credit facilities refused, reduced or withdrawn by a bank.

Further information about the role of the Credit Review Office and the eligibility criteria for review can be found on their website at www.creditreview.ie

Further information for SMEs in financial difficulties

What steps can be taken to mitigate emerging financial difficulties?

- Don’t ignore the problem and act quickly to address potential issues.
- Talk to your accountant/financial advisor.
- Review/reduce costs – wages, fuel, light, rent, drawings, vehicle running costs etc.
- Prompt debtor collection, early invoicing and payment follow-up and possible discounts to good customers.
- Negotiate payment terms with suppliers if cash flow issues arise.
- Review the level and age of stock held.
- Sell assets.
- Additional investment in the business from your own resources.
- Stay in touch with us.
Complaints Process

We want to provide you with best in class customer service. We welcome any suggestions, which will help us respond to your needs and improve your experience with us. However, we recognise that things can go wrong sometimes, and if you have any reason to complain please:

1. Let us know the exact nature of the complaint
2. Provide any supporting information such as company name and contract number or other specific information
3. Include your contact details – name, email, telephone number.

We will respond to you as quickly as possible. We aim to solve your complaint within 5 business days. If the issue requires further investigation we will send you a written acknowledgment of your complaint within 5 business days and give you the name of the person dealing with the issue.

Email  FinancialServicesResolution@hpe.com
Postal address
EMEA Customer Delivery Leader
Complaints
Hewlett-Packard International Bank
Liffey Park Technology Campus
Barnhall, Leixlip
Co. Kildare,
Ireland
Tel: +353 1 4118902

If for some reason we haven’t resolved your complaint within 20 business days we will send you a written update. In exceptional circumstances, where the matter is not resolved within 40 business days we will write to inform you and let you know when you can expect a full reply. We will also (where applicable) include contact details of the Financial Services and Pensions Ombudsman (“FSPO”).

We’ll make every effort to agree a fair and reasonable resolution with you. However, if you are not satisfied with our response with our final response regarding your complaint, you may refer your complaint to the FSPO for arbitration.

The FSPO is an independent adjudicator whose services are available free of charge to customers who have unresolved complaints with their service provider. The FSPO will only become involved after the matter has been processed through the Bank’s internal complaint procedures so it is important that you firstly give us the opportunity to resolve your problem.

The FSPO may be contacted at the following address:
Financial Services and Pensions Ombudsman
Lincoln House, Lincoln Place, Dublin 2,D02 VH29
Phone:+353 1 567 7000; Email: info@fspo.ie
https://www.fspo.ie/make-a-complaint/

Useful Contacts Table

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<th>link</th>
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<tr>
<td>Banking &amp; Payments Federation Ireland</td>
<td><a href="http://www.BPFI.ie">www.BPFI.ie</a></td>
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<tr>
<td>Central Bank Website</td>
<td><a href="http://www.centralbank.ie">www.centralbank.ie</a></td>
</tr>
<tr>
<td>Credit Review Office Website</td>
<td><a href="http://www.creditreview.ie">www.creditreview.ie</a></td>
</tr>
<tr>
<td>Irish Credit Bureau</td>
<td><a href="http://www.icb.ie">www.icb.ie</a></td>
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<tr>
<td>HPIB Financial Services Resolution email</td>
<td><a href="mailto:financialservicesresolution@hpe.com">financialservicesresolution@hpe.com</a></td>
</tr>
<tr>
<td>HPIB Telephone Number</td>
<td>Customer Services Line +353 1 4118902</td>
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<tr>
<td>Insolvency Service of Ireland</td>
<td><a href="http://www.isi.gov.ie">www.isi.gov.ie</a></td>
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Hewlett Packard International Bank

Registered Office: Liffey Park, Barnhall, Leixlip, County Kildare, Ireland
Registered Number: 289479 Incorporated in the Republic of Ireland
Hewlett Packard International Bank is regulated by the Central Bank of Ireland