

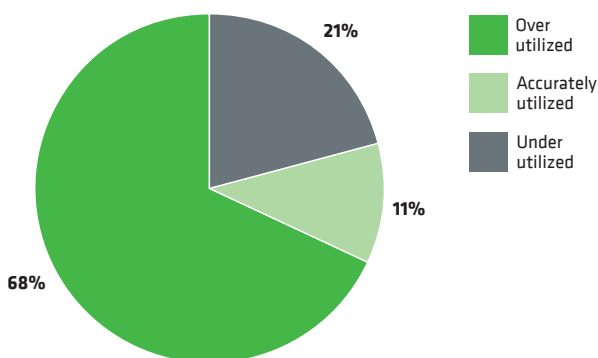


# Lease by the Hour<sup>SM</sup>

## Balancing payment and usage of your fleet

Sennebogen Capital understands it's hard for fleet managers to estimate utilization of their assets over the term of a lease.

### Actual vs. contract usage



A recent utilization survey on thousands of assets sold at the end of their lease confirmed that too many of the units were either under-utilized or over-utilized across different industries.

Both scenarios have downsides for you as a fleet manager; under-utilization results in overpayment; over-utilization results in underpayment with overtime charges at lease end.

Historical knowledge about equipment utilization helps you to estimate usage and structure a lease. This helps prevent a significant amount of capital spent incorrectly. However, this is of little help when demand of your products increase or decrease during the lease term. Lease by the Hour<sup>SM</sup> helps you balancing demand changes.

### Why Lease by the Hour<sup>SM</sup>?

The graph on the left shows that usage is overestimated 68% of the time, and underestimated 21% of the time. Why? Businesses don't like surprise overtime at the end of a contract. With Lease by the Hour<sup>SM</sup>, there is no overtime – you can choose a longer term, with lower monthly allowed hours that best fits your application. Sennebogen Capital will help you choose a base term and monthly hours that suit your budget and needs.

### How does it work?

We help you structure the lease using your historical usage and then base the Lease by the Hour<sup>SM</sup> contract on a minimum monthly usage over a long term. When usage increases over the minimum, we shorten the term. You pay for high usage when production and revenues are high, and less when production and revenues normalize.

**Lease by the Hour<sup>SM</sup> provides lease term flexibility based on equipment usage:**

Features	Benefits
<b>Set minimum contract hours</b>	Supports maintenance-driven fleet management practices
<b>Usage fluctuations affect term</b>	Concerns over contract term and overtime are eliminated
<b>Payments fluctuate with utilization over the minimum</b>	Equipment expense matches business volume
<b>Easy data upload</b>	Simple format (serial number and life-to-date/LTD hours), low touch, system driven calculations, maintenance planning benefits
<b>Base payment discounts in extension</b>	In any scenario (high or low utilization) extension runs until maintenance signifies replacement

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