



WEAVER CAPITAL - OPERATING RENTAL SOLUTION

Developing internal rental book solutions that build corporate competitive advantage - and enhance profitability

Weaver Capital is active in the Operating Rental space - developing customized solutions for corporate companies which accelerate the sales cycle - build competitive advantage and enhance profitability on transactions delivered into this operating rental model. Weaver capital has created rental paper that allows our customers to sign on their own company rental contracts and discount these through banking facilities in a sale and session agreement - thus providing cash resources to drive rental growth and in so doing create a tradable security with attractive long term profitability for our customers.

Our approach is for the creation of company rental paper, allowing our customers to offer attractive monthly payments over three to five year terms for rental of the equipment they provide to their customer base. Once initial periods

expire this also allows them to gain attractive secondary rental profits until such time that the equipment is upgraded. Rentals also effectively lock in the customer - thus making entry from competitors difficult - and through this, entrenching the vendor into its strategic customer base. the building of the rental book

progress through a range of stages as outlined below:



Cell Captive Insurance

A cell captive is a legal method of enabling a non-insurance entity to share in the insurance license of an insurance company. It is regulated by means of a cell captive insurance license that allows for the fundamental differences between cell captive insurance and conventional insurance in its requirements. The cell captive provides a cell owner with the ability to legally act as an insurer by on-selling an insurance product to a specific client base without incurring the expenses and burdens associated with the establishment and management of an insurance company.

"The cell captive insurance concept is designed to bring free choice to the insured party, allowing it to choose the most suitable cover to match its risk profile and giving it the freedom to finance that risk utilizing non-conventional, flexible and more profitable self-insurance style structures. " source – Bowman Gilfillan"

Cell captives are formed for a number of reasons, some of which include:

The ability to on-sell insurance products.

- Increased awareness of risk management.
- Lower expenses compared to traditional risk transfer/insurance companies.
- Credit for good claims experience.
- Insuring the uninsurable.
- Direct access to the reinsurance market.

Cell captives may also be used by companies to retain their own risks. It provides direct access to professional reinsurance markets without necessitating the use of traditional insurers, thereby reducing the costs in the supply chain.

Combining insurance with the rental offering allow our customers to maximize potential profits on the agreements they enter into with their customer base

benefits of an Operating Rental

The benefits of the internal rental book include:

1. New profit opportunity in the rates that are obtained from funders as opposed to final rates charged to the customer
2. The ability to structure more effectively through for example residuals to enhance competitive advantage
3. The inclusion of the insurance offering discussed in this document which will further enhance profitability
4. Benefits from evergreen rentals - rentals after the initial funding period which will further drive profitability on the customer rental contracts
5. Benefits from the sale of returning rental equipment in the secondary market.

“Broad Asset finance experience

Weaver Capital have funded into asset based finance opportunities that cover a wide spectrum of fundable assets including:

- Mining equipment
- Excavators and other yellow metal
- ICT equipment
- Office equipment
- Road transport equipment

LET OUR EXPERIENCE WORK FOR YOU



Chris Scholtz

Tel: 079 360 5903

chris@weavercapital.co.za

<http://www.weavercapital.co.za>

