

Core Provisions to be included in Facility Agreement

Details of the loan to be granted to the Borrower and how it is to be repaid

- Loan amount
- The specified period for which the loan is available
- Details of terms of repayment
- All fees and charges which will apply

Interest to be charged on the loan and how it is calculated

- The rate of interest for the loan and whether it may be varied over the period of the loan
- The basis on which interest will be determined and when it will be payable, including the number of days in the year that will be used for calculation
- Customers to be provided with revised particulars of instalments after every adjustment of the interest rate

Regarding the security to be provided by the Borrower/Mortgagor

- As security, we require a First [Legal/Equitable] Mortgage securing:

the loan amount of \$[_____] and interest; **OR**

“all moneys” in respect of general banking facilities and interest;

[and incorporating your agreement to enter into a pro forma legal charge upon completion of the Property] to be executed on the Property, subject to the approval of the title thereto by a solicitor to be designated by you and agreed by us.

- Our solicitors will prepare the [Legal/Equitable] Mortgage [as well as the pro forma legal charge to be entered into upon completion of the Property (the “Mortgage”, which expression includes either or both of such charges/mortgages as the context requires)] for your execution.
- You have the right to seek independent legal advice from solicitors of your own

choice to ensure that you understand the terms and conditions contained in the Mortgage and your commitment and the full consequences of your signing it. It is important that you read and understand the Mortgage carefully before signing it. You may inspect a copy of our standard form Mortgage at the office of your solicitors or our solicitors during office hours. The Mortgage will contain our usual provisions.

Regarding default by the Borrower

- You must immediately pay us the outstanding principal balance of the loan, accrued interest and outstanding balance of any other facilities if any one of the following events happen:
 - (a) you are more than [one month] late in paying any money under this Facility Agreement;
 - (b) you break any term of this Facility Agreement (other than a term which requires you to pay money);
 - (c) we give you notice that we have found out that you gave us false or incomplete information in the loan application form;
 - (d) any other event happens which is an Event of Default under the Mortgage.
- In addition to any general right of set-off or other rights conferred by law or under any other agreement, we may, without prior notice to you, set-off or transfer any money standing to the credit of any other account(s) which you maintain with us in settlement of any amount owing to us in respect of the loan.
- YOU ACKNOWLEDGE THAT YOUR PROPERTY MAY BE AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON THE MORTGAGE SECURED ON IT.

Other terms and conditions

- Upon giving us one month's prior written notice, you will be entitled to redeem the Property on payment of all sums due at the expiry of the notice. All legal costs and other expenses in relation to the redemption will be paid for by you. [*Details of early redemption penalty, if any*]
- You agree that we may assign or transfer, or agree to assign or transfer the Facility Agreement, or any of our rights or obligation under it, to any person at any time.
- On any assignment or transfer under the above clause, the assignee or transferee, or its successors and assignees, will be able to enforce the Facility Agreement against you in the same way and to the same extent that we could enforce them before the assignment or transfer.
- Hong Kong law applies to this Facility Agreement and you irrevocably agree that any legal proceedings against you in relation to the Facility Agreement may be brought in the Hong Kong courts.

- You agree that we may disclose any information regarding you and your account relationship and/or your accounts and business with us or any of our subsidiaries or our ultimate holding company or any related company (together “Bank Group Member”) obtained under this or any other agreement with a Bank Group Member to any of:
 - (a) any financial institution with which you have or propose to have dealings;
 - (b) any actual or proposed participant or sub-participant in, or assignee, novatee or transferee of, any of our rights in relation to you;
 - (c) any of our offices or branches;
 - (d) any agent, contractor, or third party service provider or professional adviser who provides administrative, telecommunications, computer, payment or securities clearing or other services or facilities to us in connection with the operation of our business;
 - (e) any person to whom we are compelled to make disclosure under the requirements of any law; and
 - (f) any person under a duty of confidentiality to us, including any Bank Group Member.

You also agree that a Bank Group Member may transfer any of the above information to any party to whom it is authorized to disclose the same referred to above even if that party’s principal place of business is outside Hong Kong or if such information will be collected, held, processed, or used by that party outside Hong Kong.