

The Hongkong and Shanghai Banking Corporation Limited

TERMS AND CONDITIONS FOR LOAN UNDER 100% PERSONAL LOAN GUARANTEE SCHEME

If the Lender approves the Borrower's application (the "**Application**") for a loan (the "**Loan**") under the 100% Personal Loan Guarantee Scheme (the "**Scheme**"), the Lender will credit the Borrower's account with the proceeds of the Loan, less any fees and charges (if applicable). The Lender will then notify the Borrower by letter (the "**Confirmation Letter**"). The Loan will be granted subject to the terms and conditions set out in the Application and the following terms and conditions.

1. Applicable terms and conditions

The Borrower is required to observe and will be bound by:

- (a) the Lender's General Terms and Conditions;
- (b) the terms and conditions contained in the Application; and
- (c) the Terms and Conditions for Loan Under 100% Personal Loan Guarantee Scheme (these "**Terms and Conditions**").

The provisions in these Terms and Conditions and in the Application prevail over the provisions in the General Terms and Conditions to the extent of any inconsistency between them.

2. Conditions Precedent

The Lender is under no obligation to grant a Loan. The Borrower may not utilise the Loan until the following conditions have been duly fulfilled in form and substance to the Lender's satisfaction:

- (a) the Application is duly signed and accepted by the Borrower and returned to the Lender;
- (b) the supporting documents and evidence as required in the Application and the Scheme have been provided by the Borrower to the Lender; and
- (c) the Borrower's compliance with all the applicable terms and conditions in connection with the Application and all the requirements under the Scheme (including the eligibility criteria under the Scheme).

3. Repayment arrangements

- 3.1 The Borrower shall repay the principal amount of the Loan, together with the applicable interest amount, by equal monthly instalments over the Loan repayment period, provided that the last instalment shall be the balance outstanding under the Loan.
- 3.2 The Borrower hereby authorises the Lender to debit from the Repayment Account the amount of each monthly repayment on the repayment date as stated in the Confirmation Letter. If a repayment date falls on a non-banking day, the Lender will debit the Repayment Account on the following banking day.
- 3.3 The Lender has the right to apportion the monthly repayments between payment of interest and repayment of principal as the Lender may decide.
- 3.4 If the Borrower has any difficulty in repaying any amount outstanding under the Loan, the Borrower should notify the Lender as soon as possible. The Borrower should also notify the Lender in writing of any change in the Borrower's name, address, or other particulars provided to the Lender in connection with the Application, the Loan and/or the Scheme.

4. Interest

- 4.1 Annualised Percentage Rate (APR) of 1% per annum will be charged on the Loan.
- 4.2 The Borrower may receive rebate of the interest payment after the Loan and interest are fully repaid by the end of the Loan repayment period subject to the Lender having received the relevant interest rebate amount from The Hong Kong Mortgage Corporation Limited ("**HKMC**") (or HKMC Insurance Limited ("**HKMCI**") on behalf of the HKMC) in respect of the Loan. The Borrower agrees that the interest rebate is the responsibility of the HKMC.
- 4.3 The Borrower understands and acknowledges that the interest rebate if paid to the Borrower is paid on the condition that the Borrower shall refund to the HKMC or HKMCI through the Lender (as servicer for the HKMC) any interest rebate which should not have been paid to the Borrower, or any overpayment of interest rebate.

5. Late charges

- 5.1. If the Borrower fails to make any monthly repayment in full when it is due (including where there are insufficient funds in the Repayment Account), the Lender may charge, without prior notice, a late charge for each default.

5.2. The Borrower hereby authorises the Lender to deduct the amount of such late charge from the Repayment Account. For the avoidance of doubt, all late charge received by the Lender from the Borrower shall not be subject to the rebate under Clause 4.2 above.

6. Early repayment

The Borrower may repay the outstanding principal amount of the Loan together with the interest (in whole but not in part) ahead of the final repayment date.

7. Repayment on demand

The Lender has the right, at any time, to demand immediate repayment in full of the outstanding principal amount of the Loan together with interest. If the Lender exercises such right, the Borrower shall repay the outstanding principal amount of the Loan together with all accrued interest.

8. Fees and charges

If the Borrower fails to pay any amount to the Lender when due or if the Borrower breaches these Terms and Conditions and other terms applicable to the Loan, the Lender may enforce its rights or pursue remedies to collect or recover any outstanding amount under the Loan. The Lender is entitled to employ agents or service providers for such purposes. The Borrower is required to indemnify and reimburse the Lender for all reasonable amounts of costs (including legal fees) and expenses reasonably incurred by the Lender in demanding, collecting or recovering any outstanding amount.

9. Variation of terms and conditions, charges and fees

9.1 The Lender has the right to vary these Terms and Conditions, the amounts or percentages of interest rate, charges, premiums, fees and disbursements applicable to the Loan from time to time. The Lender will give the Borrower prior notice in a manner the Lender considers appropriate. The Borrower will be bound by a variation unless the Borrower fully repays the Loan before the date on which that variation takes effect.

9.2 Details of various applicable fees and charges including the applicable rates or amounts are specified in the Lender's tariff guide available at the Lender's website or upon request at any of the Lender's branches in Hong Kong.

10. Payments without deduction

10.1. All payments to the Lender under or in connection with the Loan (including principal, interest, applicable fees and charges) must be paid in full. The Borrower will not deduct any sums owed by the Lender to the Borrower from any payments made or to be made by the Borrower under or in connection with the Loan. If a deduction on account of tax or a similar charge or any other reason is required by applicable laws or regulations, or the Lender is later obliged under applicable laws or regulations to return any money received by the Lender in payment of the amount owing, the Borrower must make up the payment so that the Lender receives the full amount owing under or in connection with the Loan.

10.2. The Borrower agrees that any termination of the Loan is subject to the condition that no money that the Lender received in payment of the amount owing will subsequently be returned or reduced under any applicable laws or regulations. If after the termination of the Loan, the Lender is later obliged under applicable laws or regulations to return any money received by the Lender in payment of the amount owing, or if the Loan is terminated without receiving full payment of the amount owing, the Borrower will remain liable for making up the shortfall or the remaining balance so that the Lender will receive the full amount owing under or in connection with the Loan, and the Lender has a right to claim against the Borrower for the shortfall or the remaining balance as if the Lender had never terminated the Loan.

10.3. The Borrower hereby confirms that any withholding tax obligation or other obligations to make deduction or withholding (whether on account of tax or for any other reason), in respect of the Loan whether under applicable laws or regulations of Hong Kong or applicable laws or regulations of any other country/region where the Borrower may reside, would be the Borrower's responsibility. The Borrower will upon the Lender's request, deliver promptly evidence satisfactory to the Lender that the Borrower has complied with applicable deduction or withholding obligations. The Borrower holds the Lender harmless and agrees to fully indemnify the Lender on demand for all consequences of any failure to comply with such obligations including any claim which may be made against the Lender by any authorities.

10.4. This Clause 10 will continue to be effective after the termination of the Loan.

11. Staff's remuneration

The remuneration for the Lender's sales staff is determined based on the staff's overall performance with reference to a wide range of factors, and is not determined solely on his/her financial performance. Sales staff's remuneration is

subject to review from time to time, for the purpose of encouraging the building of deep, long-lasting and mutually valuable relationships with customers.

12. Principal repayment holiday

- 12.1. This Clause 12 is applicable to the case where the Borrower applies for principal repayment holiday for the Loan in accordance with the terms of the Scheme and such application is agreed by the Lender. To the extent of any conflict between Clause 3 of these Terms and Conditions and this Clause 12, the latter shall prevail.
- 12.2. Interest accrued on the Loan calculated at the agreed interest rate shall continue to be paid by monthly instalments during principal repayment holiday.
- 12.3. The Loan repayment period remains unchanged. After the end of the principal repayment holiday, the principal amount of the Loan, together with the applicable interest amount, will be repaid by equal monthly instalments over the remaining Loan repayment period, provided that the last instalment shall be the balance outstanding under the Loan.

13. Transfer

- 13.1 The Lender may sell, assign and transfer all or any part of the Lender's rights and/or obligations under and in connection with the Loan to any person (including the HKMC) without the Borrower's consent. The Lender may administer the Loan as servicer for and on behalf of the HKMC after such assignment or transfer to the HKMC.
- 13.2 The Borrower will not assign any of the Borrower's rights and obligations, in whole or in part, under the Loan or any documents relating to the Loan, without the prior written consent of the Lender and the HKMC.

14. Governing law and jurisdiction

These Terms and Conditions are governed by and will be construed according to Hong Kong law. The Borrower submit to the non-exclusive jurisdiction of the Hong Kong courts.

15. Dispute

In case of any dispute, the decision of the Lender shall be final and conclusive.

16. Regulatory Requirement

These Terms and Conditions are subject to prevailing regulatory requirements.

17. Language

The English version of these Terms and Conditions prevails to the extent of any inconsistency between the English and Chinese versions. Any Chinese version of these Terms and Conditions is for reference only.

18. Third Party Rights

No person other than the Borrower and the Lender will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of these Terms and Conditions.

19. Electronic Signing and Agreement

The Application may be manually and/or electronically signed by the Borrower in such manner as determined by the Lender. Any electronic signature (or agreement or acceptance submitted or provided by the Borrower to the Lender through electronic means) in respect of the Application shall be binding on the Borrower and has the same force and effect as manual/wet signature of the Borrower.

Definitions

Borrower means the person to whom the Lender grants the Loan.

Hong Kong means the Hong Kong Special Administrative Region of the People's Republic of China.

Lender means The Hongkong and Shanghai Banking Corporation Limited and includes any assignee or transferee of any right or obligation under the Loan.

Repayment Account means a repayment account designated by the Borrower.