banks instruments

Monetization Engagement Agreement

Banks Instruments Limited | Hong Kong | Draft Template - Not for Execution

Regulatory capacity: any regulated activity described in this template must be performed only under the verified licence or exemption [INSERT], or by the named licensed third-party provider [INSERT]. Any security amount is contractual transaction security under definitive documents and is not a bank deposit or customer deposit with Banks Instruments Limited.

Purpose and status

This agreement describes the basis on which Banks Instruments Limited may seek a third party financing or monetization proposal for an eligible financial instrument presented by [CLIENT]. Banks Instruments acts only as arranger or coordinator within [VERIFIED LICENCE OR EXEMPTION AND SCOPE], or introduces the client to [NAMED LICENSED FINANCING PARTY]. Banks Instruments is not a lender and does not commit its own balance sheet.

Instrument and transaction information

- Instrument type: [SBLC BG MTN LTN SKR OTHER]
- Issuer, country and rating: [INSERT]
- Currency and face value: [INSERT]
- Issue date and expiry or maturity: [INSERT]
- Beneficiary or lawful holder: [INSERT]
- Custodian or receiving bank: [INSERT]
- Encumbrances or prior pledges: [INSERT]
- Requested proceeds and use: [INSERT]

Indicative structures

Recourse structure

A recourse illustration may assume gross proceeds of up to approximately 80 percent of eligible face value and annual simple interest of approximately 2 percent for calculator modelling only. The 2 percent figure is a configurable assumption, excludes fees and charges, and is not a quoted or promised lender rate. Actual proceeds, annual percentage rate, interest method and costs are set solely by the licensed financing party after underwriting. Recourse means the borrower may remain liable for repayment and related obligations beyond the value or performance of the instrument.

Non recourse structure

A non recourse structure may target gross proceeds of up to approximately 65 percent of eligible face value. The actual advance, reserves, fees, waterfall and recourse exceptions depend on the financing party's underwriting and definitive documents.

These percentages and rates are planning indications. They are not offers, guaranteed loan to value ratios, guaranteed pricing or promises of net proceeds. Deductions may include reserves, interest, provider charges, legal expenses, custody costs, taxes, bank charges and commissions.

Services

Banks Instruments may review the instrument package, coordinate authentication, prepare a transaction summary, identify potential financing parties, manage due diligence communications, assist with term negotiation and coordinate closing. It may appoint independent counsel, trustees, custodians, valuers, compliance providers and brokers.

Conditions

Any financing is subject to:

1. full KYC and KYB approval of the client, beneficial owners, principals and payment recipients;
2. verification of lawful title, authenticity, transferability and absence of undisclosed liens;
3. acceptance of issuer, jurisdiction, wording, tenor and delivery route;
4. receiving bank or custodian confirmation under the agreed protocol;
5. approval of use of proceeds and repayment capacity where recourse applies;
6. execution of lender, security, control, custody, escrow and fee documents; and
7. satisfaction of all lender and legal closing requirements.

Client representations

The client represents that it lawfully owns or controls the instrument, has authority to pledge or monetize it, and has disclosed every lien, option, participation, broker mandate and adverse claim. The client will not submit the instrument to another financing party during any agreed exclusivity period and will not issue inconsistent instructions to the custodian or receiving bank.

Authentication and custody

Authentication shall occur through bank to bank, custodian or other independently accepted procedures. Banks Instruments may reject screenshots, unverified statements, personal email confirmations or documents that cannot be authenticated. Custody or control arrangements must be documented with the party holding the instrument or account.

Fees and proceeds

The client shall pay only the arrangement fee and approved third party costs stated in the applicable executed fee schedule. At closing, the disbursing party may deduct authorized fees,

reserves and commissions from gross proceeds and release the net amount to the verified account stated in the closing memorandum. No cash payment or undisclosed third party account is permitted.

No commitment and risk allocation

The client acknowledges that approval rests with the financing party and relevant institutions. Banks Instruments does not guarantee authentication, eligibility, financing, timing, lender performance or a particular net amount. The client must review the transaction with independent legal, tax and financial advisers.

Confidentiality and non circumvention

Introduced financing parties and providers are confidential contacts. During the engagement and for twenty four months after the last introduction, the client shall not bypass Banks Instruments to complete a substantially similar transaction with an introduced party, except where a documented pre existing relationship is disclosed before introduction.

Term and termination

This engagement continues for [INSERT] days and may be extended in writing. Banks Instruments may terminate immediately for nonpayment, failed due diligence, misleading information, competing instructions, sanctions exposure, unlawful purpose or breach. Accrued costs, confidentiality, non circumvention, dispute and payment provisions survive.

Governing law and signatures

This agreement is governed by Hong Kong law. Disputes shall be resolved by [CONFIRMED HONG KONG FORUM].

For Banks Instruments Limited

- Name and title: [INSERT]
- Signature: [INSERT]
- Date: [INSERT]

For the client

- Name and title: [INSERT]
- Signature: [INSERT]
- Date: [INSERT]