banks instruments

Non Recourse Loan Agreement

Indicative collateral-limited financing template

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

Registered office: Office A 8/F Wing Sing Commercial Centre 12-16 Wing Lok Street Sheung Wan, Hong Kong

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]. This template is not an offer, approval, commitment, bank instrument, or executed agreement.

Parties and purpose

This Non Recourse Loan Agreement template records the principal terms that may apply between the financing party identified in Schedule 1 (the Lender), the client identified in Schedule 1 (the Borrower or Client), and Banks Instruments Limited in the limited capacity stated in Schedule 1. It becomes binding only when all parties, capacities, schedules, regulatory details and conditions are completed and the document is executed by authorized signatories.

Unless Schedule 1 expressly states otherwise, Banks Instruments Limited acts only as arranger, coordinator or administrative service provider within a verified licence or exemption [INSERT], and is not the lender, deposit-taking institution, custodian or issuer.

Indicative commercial parameters

Parameter	Illustrative maximum or assumption
Advance rate	Up to approximately 65% of eligible collateral value or face value, as determined by the lender
Repayment	No ordinary personal or corporate repayment obligation beyond the specified collateral and its proceeds, subject to definitive exclusions
Pricing	Set exclusively by the financing party after underwriting and recorded in Schedule 1
Term	Aligned with collateral tenor, settlement route and approved transaction schedule

The advance rate and non-recourse structure are not guaranteed. The financing party determines collateral eligibility, value, exclusions, reserve, disbursement, pricing and conditions after underwriting.

Facility and limited recourse

After satisfaction of all conditions precedent, the financing party may provide the approved proceeds stated in Schedule 1. Except for the agreed exclusions, the lender's recovery is limited to the collateral, related rights, proceeds, reserves and enforcement recoveries specifically described in the definitive security documents.

Non-recourse does not excuse fraud, intentional misconduct, knowing misrepresentation, sanctions or anti-money-laundering breach, unlawful transfer, diversion of proceeds, unauthorized impairment or disposal of collateral, breach of a separate indemnity, or costs expressly allocated outside the limitation, to the extent enforceable under applicable law.

Conditions precedent

- completed KYC, KYB, beneficial ownership, sanctions, source-of-wealth and source-of-funds review;
- independent verification of collateral authenticity, title, value, marketability, custody and transfer restrictions;
- lender approval of the issuing bank, obligor, custodian, wording, maturity and settlement route;
- receiving-bank or settlement-platform readiness for SWIFT, Euroclear, Bloomberg, DTCC or another approved pathway;
- executed assignment, pledge, custody, control, trust, escrow and closing documents as applicable; and
- a final closing statement identifying all charges and any refund conditions.

Collateral administration and realization

The collateral will be delivered, blocked, assigned or controlled only through the method stated in the definitive documents. The lender may hold, administer, collect, sell, transfer, redeem or otherwise realize the collateral following the agreed maturity or event of default, subject to applicable law and the completed transaction schedule.

Disbursement

Disbursement may occur as a single payment or in approved stages. An illustrative schedule of 20% initial proceeds, 20% second proceeds and the remaining 60% over ten installments may be used only if the financing party approves it and it appears in the executed Schedule 1. No website illustration creates a payment obligation.

Client undertakings

- Preserve title, validity, custody, insurance and all rights supporting the collateral.
- Avoid any undisclosed lien, assignment, duplication, transfer, amendment or impairment.
- Provide current statements, valuations, bank confirmations and compliance updates on request.
- Use proceeds only for the lawful purpose stated in Schedule 1.
- Notify the lender of any challenge, claim, default, investigation or adverse change affecting the collateral or a transaction party.

Transaction protections

The following protections apply only when expressly incorporated in the definitive executed agreement and accepted by the relevant party. Website descriptions do not independently create these rights.

- Bank endorsement. A bank endorsement, acknowledgment or verification is effective only if the participating bank expressly agrees to provide it in the agreed form.
- Attorney-trustee. Any attorney or trustee must be independently verified, appointed in writing, and hold funds only under a signed client account, escrow or trust instrument that defines release and return conditions.
- Non-performance remedy. A mutual 2% non-performance amount may apply only to a party that fails to perform a clearly defined obligation after all conditions precedent are satisfied, subject to stated exclusions, notice, cure rights, enforceability and the definitive agreement.
- Authentication. Financial instruments and bank messages remain subject to bank-to-bank, custodian or settlement-platform authentication before funding or release.
- No informal access. No party is required to disclose passwords, server credentials, remote-access codes or other informal access to any banking system.

Representations and continuing undertakings

1. Each party is duly organized or legally capable, has authority to enter the definitive transaction, and will provide evidence of authority on request.
2. The client lawfully owns or controls the collateral, has disclosed all liens and restrictions, and will not create a competing interest without written consent.
3. All compliance, instrument, bank and transaction information is complete and accurate, and will be updated if circumstances change.
4. No party will use the transaction to evade sanctions, anti-money-laundering rules, tax reporting, securities laws or other applicable requirements.
5. No representation is made that a submitted instrument will be accepted, monetized or funded until the financing party completes underwriting and issues definitive approval.

Events of default and remedies

An event of default occurs if a material representation is false or misleading; a required payment or delivery is not made when due after any applicable cure period; the collateral is invalid, forged, duplicated, encumbered contrary to disclosure, or cannot be authenticated; a party becomes insolvent, loses required authority, or breaches sanctions or anti-money-laundering requirements; or a material covenant remains uncured after written notice and the cure period stated in Schedule 1.

The lender's ordinary recovery is limited to the agreed collateral and its proceeds. This limitation does not protect fraud, intentional misconduct, knowing misrepresentation, unauthorized disposal, sanctions breach, or separately agreed indemnities and costs, to the extent enforceable under applicable law.

Fees, costs and no upfront monetization fee

Banks Instruments Limited does not charge an upfront monetization fee solely to submit the asset for financing review. The definitive transaction may include separately disclosed lender, provider, bank, legal, custody, due-diligence, delivery, insurance, settlement or administration charges. Each charge, payee, due date, refund condition and consequence of non-payment must be recorded in writing before it becomes payable.

Confidentiality and data

The parties will protect non-public commercial, banking and personal information, use it only for due diligence, underwriting, authentication, closing, administration and legal compliance, and disclose it only to authorized personnel, verified professional advisers, institutions, counterparties or authorities with a lawful basis. Cross-border processing is subject to appropriate contractual and security controls.

Governing law and dispute resolution

This agreement is governed by the laws of Hong Kong. The parties submit disputes to [CONFIRMED HONG KONG COURT OR ARBITRAL FORUM], after the notice and good-faith resolution period stated in Schedule 1. Nothing prevents a party from seeking urgent interim relief or enforcing security where permitted by law.

General terms

The definitive agreement, completed schedules and incorporated documents form the entire agreement. Amendments, waivers, assignments, notices, counterparts, electronic signatures, severability, survival and third-party rights are governed by the completed Schedule 1. If a website statement conflicts with the definitive agreement, the definitive agreement controls.

Schedule 1 Transaction terms

Item	Definitive term
Lender and regulatory capacity	[INSERT]
Client or borrower	[INSERT]
Banks Instruments Limited capacity	[Arranger / Coordinator / Administrator / Other]
Collateral and face value	[INSERT]
Approved advance and currency	[INSERT]
Interest, profit share or financing price	[INSERT]
Term and maturity	[INSERT]
Delivery and authentication route	[SWIFT / Euroclear / Bloomberg / DTCC / Other]
Disbursement schedule	[INSERT]
Conditions precedent	[INSERT]
Fees and refund conditions	[INSERT]
Cure period and notices	[INSERT]
Hong Kong dispute forum	[INSERT]

Execution

Financing party		Client	
Legal name	[INSERT]	**Legal name**	[INSERT]
Name and title	[INSERT]	**Name and title**	[INSERT]
Signature	_____	**Signature**	_____

	___		___
Date	[INSERT]	**Date**	[INSERT]

Banks Instruments Limited acknowledgment

Item	Acknowledgment
Contractual capacity	[INSERT CAPACITY STATED IN SCHEDULE 1]
Authorized signatory	[INSERT]
Signature	_____
Date	[INSERT]