banks instruments

Recourse Loan Agreement

Indicative secured 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 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 80% of eligible collateral value or face value, as determined by the lender
Interest	Approximately 2% per annum for website modelling; definitive rate and calculation method set by the lender
Term	Up to 10 years, subject to collateral tenor, lender approval and definitive schedule
Recourse	Borrower remains liable for repayment and agreed obligations, including any lawful deficiency after collateral enforcement

These parameters are not a quotation, approval or commitment. The lender may approve a lower advance, different interest rate, shorter term, additional security, reserves or staged disbursement after underwriting.

Facility and use of proceeds

Subject to satisfaction of all conditions precedent, the lender may make available the approved principal stated in Schedule 1. The borrower will use proceeds only for the lawful purpose recorded in Schedule 1 and will maintain records sufficient to demonstrate that use.

Conditions precedent

- completed KYC, KYB, beneficial ownership, sanctions and source-of-wealth review;
- satisfactory legal, commercial and credit underwriting by the lender;
- verification of lawful title, authenticity, validity, value, transferability and absence of undisclosed encumbrances;
- receiving-bank or custodian readiness and agreed SWIFT, Euroclear, Bloomberg, DTCC or other delivery pathway;
- execution and perfection of all financing, security, control, custody, trust or escrow documents; and
- payment only of charges expressly stated in the definitive written closing statement.

Security and collateral control

The borrower grants the security interest, assignment, pledge or control rights specifically described in the completed security documents. Collateral remains subject to authentication and eligibility. Custody, blocking, assignment, delivery, substitution, release and return mechanisms must be stated in the definitive documents and accepted by the relevant institution.

Disbursement and repayment

The lender may disburse in one amount or in stages after each closing condition is met. Any illustrative 20% initial, 20% second and 60% balance over ten installments schedule is available only where approved and written into Schedule 1. The borrower will pay principal, interest and agreed costs on the dates and through the account stated in the definitive repayment schedule. Prepayment rights and charges must also be stated there.

Covenants

- Maintain the collateral, related insurance, custody and bank arrangements in good standing.
- Do not sell, transfer, pledge, amend or impair the collateral except as expressly permitted.
- Provide statements, valuations, confirmations and compliance updates reasonably requested by the lender.
- Notify the lender promptly of a claim, default, investigation, lien, adverse change or challenge to title or authenticity.
- Comply with the approved use of proceeds and all applicable laws.

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.

Subject to the definitive agreement and applicable law, the lender may accelerate amounts due, enforce security, apply collateral proceeds, recover any lawful deficiency, suspend undrawn amounts, and exercise other agreed remedies.

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

Lender		Borrower	
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]