

HSBC BANK OMAN S.A.O.G

HOME LOAN TERMS AND CONDITIONS



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Issued by HSBC Bank Oman S.A.O.G., P.O. Box 1727, PC 111, Seeb, Sultanate of Oman

PART A

General

1. Interpretation

The following words used herein have the following meanings:

- **Agreement** – the home loan agreement between you and us which incorporates these terms and conditions;
- **Consultant Report** – this means in relation to a Self Construction Finance Facility, a report from the consultant, in a form satisfactory to us, verifying the stage of construction;
- **Drawdown** – the release of the total Loan amount by us and payment of the same into your designated account;
- **Early Settlement Charge** – the ‘Pre-closure of Loan’ charge set out in the Schedule of Services and Tariffs payable if you repay the whole of the Loan prior to the Repayment Date;
- **Event of Default** – an event of default as described in Part A clause 11;
- **Fees & Charge(s)** – any sum payable by you to us pursuant to our standard tariff as set out in the Schedule of Services and Tariffs set out in Part A Clause 10;
- **Home Loan Debt** – the Loan and any other sum that you may owe under the Agreement or the Security including but not limited to any Fees and Charges and interest;
- **HSBC Group** – HSBC Holdings plc, its subsidiaries, associated and affiliated companies;
- **HSBC Oman Home Loan Terms and Conditions** – these terms and conditions as amended (and as renamed) from time to time in accordance with Part A Clause 12;
- **HSBC Internal Rate** means our internal cost of funds for mortgages (which we publish on our website or in our local branches) and which we may vary from time to time in accordance with Part B, or any other variable interest rate that may be set out in your Agreement;
- **Loan Account** – your home loan account(s) with us under the Agreement;
- **Loan** – the amount of the loan referred to in the Agreement;
- **Monthly Payment(s)** – the monthly payments of principal and interest to be made by you to us referred to in the Agreement;

- **Mortgage Lending Rate** – the rate of interest applicable to the Home Loan Debt as set out in the Agreement;
- **Oman** – means The Sultanate of Oman
- **Partial Payment Fee** – the ‘Partial Payment of Loan’ charge set out in the Schedule of Services and Tariffs payable if you repay part of the Loan prior to the Repayment Date;
- **Personal Banking General Terms and Conditions** – the HSBC Personal Banking General Terms and Conditions (Oman) that govern your banking relationship with us, as amended (and as re-named) from time to time.
- **Property** – the property referred to in the Agreement;
- **Repayment Date** – the last day of the Repayment Period, on which any outstanding amount of the Home Loan Debt (including all Monthly Payments) must be repaid in full;
- **Repayment Period** – the period referred to in the Agreement at the end of which you must have repaid all of the Home Loan Debt;
- **Schedule of Services and Tariffs** – our list of Fees and Charges applicable to home loans which is available for download at www.hsbc.co.om or available at your local branch and which is subject to change from time to time;
- **Security** – the security mentioned in the Agreement and any other security interest granted by any of you to us at any time which may include but is not limited to, Fees and Charges or legal mortgages over the Property, security cheques, assignments of any rights held by you or any other security interest;
- **Self Construction Finance Facility** – a facility provided by us to you for the payment of installments due to contractors in consideration of the construction of the residential Property on land that is already owned by you (see Part E below);
- **Under Construction Finance Facility** – a facility provided by us to you for the payment of installments due to developers or contractors in consideration of the construction of the residential Property (see Part D below);
- **Variable Rate Home Loan** – a home loan where for the whole or part of the Repayment Period there is a variable rate of interest on the Loan;
- **We, us, our** – means HSBC Bank Oman S.A.O.G and any person who is entitled at any time to exercise all or any of our rights or obligations under the Agreement and/or the Security; and

- **You** – the person or each of the persons entering into the Agreement as borrower. Words such as your and yours should be read accordingly.

References to a year or an annual period mean a period of 365 days exclusive of the anniversary date and not a calendar year. References to a month mean a calendar month. All dates and periods stated shall be calculated according to the Gregorian calendar.

2. Withdrawal from the Agreement before Drawdown

- 2.1 We enter into the Agreement on the basis of the information and financial details supplied by you or on your behalf. You must notify us immediately of any change in the information or financial details supplied by you or on your behalf in support of your application for the Loan.
- 2.2 You can withdraw from the Agreement at any time before Drawdown, subject to a 'Loan Cancellation Fee' being levied by us on you. Further details of this can be found in the Schedule of Services and Tariffs.
- 2.3 We can withdraw from the Agreement before Drawdown or, at our option, delay Drawdown in any of the following circumstances:
 - there is a material and adverse change in your circumstances since you made the application for the Loan, or any of the information or financial details given in support of the application is or becomes inaccurate;
 - our enquiries about you reveal information that is not to our satisfaction;
 - we discover any adverse information that is relevant to our decision to lend to you;
 - if we consider that there are any regulatory or other impediments relating to the proposed Loan;
 - we determine that any of our instructions in respect of the Agreement or the Security cannot be complied with;
 - we do not receive a report from our legal representatives relating to matters such as title to the Property and other legal matters of concern to us which is in a form and substance satisfactory to us;
 - any of the terms in the Agreement or of the Security are not fulfilled; or
 - for any reason we have reasonable doubts about the adequacy or value of any of the Security for the Loan.
- 2.4 If we withdraw from the Agreement before Drawdown for any of the reasons specified in Part A Clause 2.3 above, we shall not be liable for any losses you or any of you incur in connection with the intended purchase of the Property or its construction.

2.5 Unless we agree otherwise in writing:

- the Agreement will be cancelled if Drawdown does not take place within the time specified in the Agreement; and
- Drawdown shall be made in one amount.

3. Security

- 3.1 You must give us the Security (and, in the event of any change of law, regulation or circumstance, any additional forms of security that we may request) in the appropriate form(s) that we require. The Agreement is conditional upon you having given us the Security and you having or obtaining a good marketable title to the Property acceptable to us (unless otherwise agreed by us).
- 3.2 Should you be unable for any reason to provide us with Security in accordance with Part A Clause 3.1 above, you will remain liable to repay the Home Loan Debt and we may consider this to be an Event of Default resulting in the entire Home Loan Debt becoming immediately due and payable upon demand (see Part A Clause 11 below). We will not be responsible for any losses you incur resulting from your failure or inability to register the Property or the Security.
- 3.3 You agree that upon our request you will take such steps to protect our Security interest as we may request from time to time during any period where either the Property or the Security are unregistered.
- 3.4 You agree that if there is an Event of Default then the Home Loan Debt will become immediately due and payable and we may enforce our Security against the Property using all means available to us at law.
- 3.5 You must comply with all obligations imposed by the Security and ensure that they are fully complied with.
- 3.6 If, at any time we consider the value, adequacy or validity of the Security has materially changed and we require further security over the Property (or we require that our existing Security is perfected) in order to better protect our position, you undertake to us to:
- sign and deliver to us all documentation and obtain all the necessary consents and authority as may be determined by us to be necessary or advisable;
 - attend at the Oman Ministry of Housing or other relevant authority specified by us; and
 - pay all registration or other fees, expenses, liabilities and legal or other costs, in relation to the perfection of any Security or taking of such further or additional Security over the Property.

- 3.7 If we notify you that the Property and/or Security must be registered and within 30 days of such notification you fail to register either the Property or the Security, you irrevocably (until the Home Loan Debt has been paid in full) appoint us and any of our authorised agents, employees or attorneys, as your attorney to do the following on your behalf:
- sign, deliver and receive any document or do any act that we may think fit in relation to registration of the Property and/or the Security;
 - following notification to you, make any payments (whether by way of payment of rent, service Fees and Charges and other Fees and Charges relating to the Property) in order to facilitate registration of the Property and/or the Security and add any such payments to the Home Loan Debt; and
 - take any steps for the registration of the Property and/or the Security with the Oman Ministry of Housing or other relevant authority.

4. Looking after the Property

- 4.1 You must keep the Property and any fixtures and fittings and external areas in good repair and condition.
- 4.2 You must not neglect the Property or do anything else to reduce its value.
- 4.3 You must not make any structural alterations or additions to the Property without our prior written consent.
- 4.4 You must not lease, sub-lease, transfer, part with possession or otherwise allow any person to acquire any occupational rights in relation to the Property without our prior written consent.
- 4.5 You must not, without our written consent, carry on any trade or business at the Property or use the Property for any other purpose other than residential purposes.

5. Joint agreements

- 5.1 If there is more than one of you, the Agreement applies to each of you individually as well as jointly and you shall be jointly and severally liable for the Home Loan Debt. This means that you are each liable for the whole of the Home Loan Debt and the obligations under the Agreement, and if any of you fail to comply with any of the obligations under the Agreement we may enforce such obligations against all or any of you.
- 5.2 Any statement or notice sent to you by post will be in a statement or notice addressed to you jointly at one address. If you do not live at the same address, you must choose the address to which you wish the statements and notices to be sent; they will be sent to one address only. If we do not

hear from you to the contrary, we will send any statements or notices to the address of the first applicant on the Loan application form. Similarly, any statement or notice sent to you by email will be in a statement or notice addressed to you jointly at one email address. Where more than one email address has been provided, we will send any statements or notices to any one of the email addresses provided.

- 5.3 Unless you advise us in writing otherwise, we shall presume that each of you has an equal interest in the Property.
- 5.4 Each of you agree that in the event either joint borrower dies, the Agreement and the Security will remain valid and enforceable against the surviving borrower and the deceased joint borrower's heirs and successors.

6. Calculation and charging of interest

- 6.1 We will charge interest on the Home Loan Debt at the Mortgage Lending Rate mentioned in the Agreement. If you have a Variable Rate Home Loan, the Mortgage Lending Rate may be varied for the reasons set out in Part B. If the change to the Mortgage Lending Rate is unfavorable to you we will notify you within 30 days of the change.
- 6.2 We calculate interest on the daily outstanding balance of the Home Loan Debt. Interest is payable monthly.
- 6.3 Daily interest is calculated on the basis of a 365 day calendar year and the interest portion of your Monthly Payments applied on the basis of a 365 day calendar year.

7. Monthly Payments

- 7.1 You must make the Monthly Payments on the dates they are due until you have paid off the whole of the Home Loan Debt. If at the Repayment Date or when the Property is sold we do not receive the whole of the Home Loan Debt, you must pay us the remaining Home Loan Debt.
- 7.2 We may vary the amount of any Monthly Payment (except for the first Monthly Payment) after giving you written notice:
 - to take account of any variation in the interest rate;
 - to take account of any additional sums that may become due from you under the Agreement;
 - to ensure that the Home Loan Debt is repaid no later than the Repayment Date.
- 7.3 We will calculate a final payment to be made on the Repayment Date to include any balance of the Home Loan Debt and any interest due on the Repayment Date.

- 7.4 The Monthly Payment will be used to pay unpaid interest first, then unpaid Fees and Charges and then capital.
- 7.5 We may at our discretion (and subject to applicable laws and regulations) extend the Repayment Period in order to give you a longer period to repay the Home Loan Debt but we will be under no obligation to do so.

8. Statements

We will provide regular statements showing recent transactions since the last statement in relation to the Loan. These will be provided free of charge either monthly, half yearly or yearly as chosen by you. If you require statements in addition to those provided we reserve the right to charge a fee as set out in the Schedule of Services and Tariffs. You shall promptly check the accuracy of the statements and notify us of any errors within 30 days of receipt. If no objection is notified within this 30 day period then the entries in the statement are deemed to be correct and you may not later claim otherwise.

9. Insurance

- 9.1 You must insure the Property against all usual risks with a reputable insurer who is one of our approved insurance providers to its full replacement value on or before Drawdown as we may reasonably require and must maintain such insurance until you have paid off the whole Home Loan Debt. The benefits of this policy must be assigned to us and you will procure that we are shown as the loss payee on the face of the insurance policy in such form as we may require. Drawdown cannot take place until we receive evidence that the policy is in force and has been assigned to us. You must maintain this policy and the assignment of the benefit until you have paid off the Home Loan Debt.
- 9.2 You must maintain a life insurance policy with a reputable insurer to our satisfaction and subject to our approval if required, to cover the outstanding balance of the Home Loan Debt in the event of your death. The benefits of this policy must be assigned to us and you will procure that we are shown as the loss payee on the face of the insurance policy in such form as we may require. Drawdown cannot take place until we receive evidence that the policy is in force and has been assigned to us. You must maintain this policy and the assignment of the benefit until you have paid off the Home Loan Debt.
- 9.3 If requested by us you will provide confirmation and evidence of the existence and terms relating to the insurance referred to in Part A Clauses 9.1 and 9.2.

- 9.4 If you fail to maintain the insurance policies and the assignments of these insurance policies referred to in Part A Clauses 9.1 and 9.2, we may (but are not obliged to) take out policies, in favour of us, to cover these risks and we will be entitled to debit the cost of these policies from any accounts you hold with us. For the avoidance of doubt, the costs will include not only the premium due to the relevant insurance company but in addition a service charge due to us. Any life insurance policy taken pursuant to this clause 9.4 will only cover the value of the Home Loan Debt. Any buildings insurance policy taken pursuant to this clause 9.4 will only cover the full replacement value of the Property.
- 9.5 Any sums payable under any policy referred to in this Part A Clause 9 shall be paid to us. You agree that we may use any such sums to:
- make good any insured damage as required to ensure that there is no reduction in the value of the Property; and/ or
 - reduce or settle the Home Loan Debt.
- 9.6 You consent to the disclosure by us to any third party insurer of any information about you which may be relevant to any insurance policy referred to in Part A Clauses 9.1 to 9.4 (inclusive).

10. Payment of Fees and Charges

- 10.1 You will pay us the full amount of all fees, expenses, liabilities and legal and other costs incurred or charged by us in or incidental to (i) enforcing compliance with or remedying any breach of the Agreement or the Security or recovering the Home Loan Debt and (ii) the protection and enforcement (including the costs of any proceedings) of the Security.
- 10.2 Any Fees and Charges (whether demanded or not) will be added to the Home Loan Debt and will carry interest as provided in Part A Clause 6 above.
- 10.3 Details of our Fees and Charges are set out on the Schedule of Services and Tariffs which is available on our website www.hsbc.co.om and you can obtain details from your mortgage advisor by telephone or at your local branch. We will also tell you of any charge we make if you request any service.
- 10.4 We can change the amount of our Fees and Charges and make new or different Fees and Charges to reflect the cost of the work or service involved or for any other reason whatsoever. Where we change the amount of our Fees and Charges, we will provide you with notice as required by law and regulation.
- 10.5 We will not charge the Early Settlement Charge if the Loan is repaid in full on your death (or on the first death where there is more than one of you).

We need to be informed promptly of the death and provided with a certified copy of the death certificate either by your estate or by one of you upon the death of any of you. Additionally neither of the following events must have occurred prior to any such death (unless they have been waived by us or remedied by you):

- any of the terms of the Agreement or of the Security are not fulfilled; or
- any of the information given in support of the application for the Loan, or while the Agreement is in force, and having a material effect on our decision to lend or to continue to lend to you, is inaccurate.

10.6 Any overpayments or partial payments of the Loan will be subject to the Partial Payment Fee, and may only be made on your monthly repayment date. No redraws are available. Following receipt of any capital payment or overpayment, we will recalculate the amount that you owe and the amount of interest that you pay.

11. Events of default and termination

11.1 The Home Loan Debt will become immediately due and payable on written demand by us and no sum (or further sum) may be drawn by you under the Agreement if any of the following Events of Default occur:

- anything said by you or on your behalf in support of the application for the Loan, or while the Agreement is in force, and having a material effect on our decision to lend or to continue to lend to you, is or becomes inaccurate;
- there is any failure to complete any of the legal formalities relating to the Security or you have in any way failed to comply with Part A clause 3 above;
- you fail to pay any Monthly Payment or other sum payable under the Agreement when due;
- there is any breach of any obligation imposed by the Security;
- if you or any of you become bankrupt or enter into any arrangement with your creditors or a receiver or administrator is appointed over a substantial part of your assets or any of you is subject to similar proceedings;
- if you sell, lease or otherwise transfer the Property to a third party without obtaining our prior written consent to do so;
- if you or any of you die;
- if you carry on any trade or business at the Property, or use the Property

for any purpose other than residential purposes, without obtaining our prior written consent to do so;

- you fail to maintain an adequate life insurance policy, including a valid assignment to us, to cover the outstanding balance of the Home Loan Debt or fail to maintain a buildings insurance policy, including a valid assignment to us, for the full replacement value of the Property;
- if we consider that there are any regulatory or other impediments which would, if existing prior to Drawdown, have affected our decision to allow Drawdown to occur;
- if we become aware of any legal or regulatory reason why we cannot continue to lend to you and/or to service your Loan;
- you fail to comply with any other obligation under the Agreement;
- in relation to any Self Construction Finance Facility or Under Construction Finance Facility, construction has not commenced within 3 years of the initial drawdown, or we consider that the Property will not be completed, including where any agreed construction phase dates have failed to be met, or (in the case of any Self Construction Finance Facility) failure to provide a Consultant Report satisfactory to us prior to each scheduled drawdown, or it appears to us that you have taken any action that may lead to termination of the agreement you have with your developer or contractor (as applicable) or you are otherwise in breach of any term of the agreement you have with your developer or contractor (as applicable), in which case all amounts that we have paid to your developer or consultant on your behalf, or paid directly to you, and all interest (including any accrued deferred interest) will become immediately due and payable; and/or
- you are in default of any other agreement, account or facility with us or any HSBC Group entity

11.2 If we make demand:

- you will continue to pay interest on the Loan as provided for in Part A Clause 6 above until it is fully repaid. This applies before and after any judgment;
- you expressly agree that all accounts with us and all accounts you have with any other HSBC Group entities shall constitute a single combined account and we shall have a right of set-off as between all debit and credit balances on all such accounts and we may use any money in any account you have with us and/or any other HSBC Group entities to reduce the amount owing under the Agreement; and
- in case of default by you to repay us, we shall have the right (i) to request to the court to recover the outstanding Home Loan Debt within the

Repayment Period or thereafter by the means permitted by law and (ii) to enforce any other Security held by us.

- 11.3 If we delay enforcing or do not at any stage enforce any term or condition of the Agreement, any Security or any other document or agreement between us, this does not affect our right to enforce any other term or condition or to enforce that term or condition in the future.

12. Variation of the terms and conditions applying to the Agreement

- 12.1 These terms and conditions are a revision and consolidation of our HSBC Home Loan Terms and Conditions and replace all earlier versions.
- 12.2 You agree that we may at our absolute discretion vary any of the terms and conditions of the Agreement at any time by giving you 60 days prior written notice. We may give notice of variation of the Agreement by any means available, including but not limited to email and secure e-message service and by publication on our website (www.hsbc.co.om).
- 12.3 You agree that continued use by you of any product offered to you under the Agreement after the date upon which any amendment to these HSBC Home Loan Terms and Conditions comes into effect (as specified by us) will constitute acceptance without reservation by you of such amendment.
- 12.4 Please note that if you ask us to change or waive any terms of this Agreement or your obligations to us under it, we shall be under no obligation to do so but may, in addition to any requirements, request additional Security from you to better protect our position.

13. Notices

- 13.1 Statements, notices and demands made or given by us will be sufficiently made or given to you if sent to you within 30 days (if applicable) either at the Property or to the last contact details you have provided to us (including your postal address, telephone / mobile number(s) and/or email address) (unless you notify us of a different address at which you wish to receive them, in which case we will send them there instead). You must ensure that the contact details you provide are complete and accurate, and that you notify us promptly of any changes. We have the right to send statements, notices and demands by fax or other electronic means to your last known fax number or electronic mail address and anything sent by that method will be deemed sufficiently made or given. If sent by post, any demand or notice shall be deemed to have been made or given after 5 Working Days after we sent it. If sent by fax or other electronic means, any demand or notice shall be deemed to have been made or given at the time of transmission.
- 13.2 Unless otherwise advised by us, any notices you give to us must be in writing and delivered either by hand to a customer services representative

at a branch or sent by post to your branch manager. If you send any communication by post it shall be deemed to be delivered 5 working days after it has been posted

13.3 If you give us notice verbally you may be asked to confirm your instructions to us in writing (other than by electronic mail).

14. Rights to Transfer

14.1 You may not transfer or assign any of your rights and obligations under the Agreement without our express agreement in writing. We are under no obligation to agree to such a transfer or assignment.

14.2 By entering into the Agreement, you agree that we may at any time assign or transfer our rights, benefits and obligations under the Agreement and/ or the Security, at any time and in part or in whole to a party we reasonably consider capable of performing them and in doing so you agree that we may share any information we hold about you and the Home Loan Debt to such party. If we assign or transfer any or all of our rights, benefits or obligations:

- your own rights and obligations under the Agreement will stay the same but you will be bound to any person or organisation to whom we assign or transfer;
- that person or organisation will have all our rights and powers that we transferred to them instead of us;
- we will be released from our obligations to you so far as these are assumed by that person or organisation; and
- you agree to enter into any documentation required by us to give effect to such transfer or assignment.

15. Severance and modification of terms and conditions

15.1 If any of the terms or conditions of the Agreement (or any part of them) becomes invalid or unenforceable in any way under any law, the validity of the remainder of them (or part of them) will not in any way be affected or impaired.

15.2 If any invalid or unenforceable term or condition (or any part of them) would not be invalid or unenforceable if its form or effect were modified in any way, it shall be deemed to have such modified form or effect so long as we consent.

15.3 If the Agreement is unenforceable or otherwise ineffective against any one or more of you, none of the rest of you will be released from your obligations under the Agreement.

16. Your information

We will treat all your personal information as private and confidential. Nothing about your relationship with us or your name and address will be disclosed to anyone, other than in accordance with the Personal Banking General Terms and Conditions, which are incorporated into these HSBC Home Loan Terms and Conditions, or as specified elsewhere in these HSBC Home Loan Terms and Conditions.

17. General

- 17.1 Clauses, sub-Clauses, paragraphs, subparagraphs and bullet points in these terms and conditions are each separate from each other.
- 17.2 We may, but are not obliged to, act on any instructions in writing or any other form we accept given to us by any means or through any media we accept and on such terms as we tell you.
- 17.3 A certificate of an HSBC manager or officer as to the amount for the time being of the Home Loan Debt shall (apart from obvious mistakes) be for all purposes conclusive against you.
- 17.4 You agree that in the event of your death, the Agreement and the Security will remain valid and enforceable against your heirs and successors.
- 17.5 We shall not be liable to you for any loss, damage or delay you may suffer due to war, strikes, industrial action, failure of supplies or equipment or other causes beyond our reasonable control.
- 17.6 You agree that we, or any other member of the HSBC Group, may take whatever action we consider appropriate to meet any obligations, either in the Sultanate of Oman or elsewhere in the world, relating to the prevention of fraud, money laundering and terrorist activity and the provision of financial and other services to persons who may be subject to sanctions. You agree that neither we, nor any other member of the HSBC Group, shall be responsible to you or any third party for any loss or damage incurred as a result of us or any other member of the HSBC Group taking any action in accordance with this Part A Clause 17.5.
- 17.7 If we do not deliver the standard of service you expect or if you have a concern please let us know by contacting our call centre or your branch manager. If you remain dissatisfied and would like further information about our process for resolving complaints please visit www.hsbc.co.om for further details on how to escalate complaints. If you raise a complaint online, you will receive a notification acknowledging your complaint and will be contacted within two working days. In the event we are unable to provide an immediate solution to your complaint, you will be provided with

a Complaint Reference Number, together with the approximate time frame required to resolve the matter. You will be contacted by the committed date with a full response.

17.8 The Agreement is governed by the laws of the Sultanate of Oman.

17.9 Both you and we agree to submit to the exclusive jurisdiction of the Courts of the Sultanate of Oman.

17.10 The terms and conditions set out in this Part A apply to all Loans unless specifically varied in Parts B to E below.

PART B

Variable Rate Home Loan

This part applies if you have a Variable Rate Home Loan.

1. Our variable interest rates for new Home Loan customers are published on our website and you can obtain details from us by telephone or from our mortgage advisors at your local branch.
2. We will review your Mortgage Lending Rate on a quarterly basis every year in January, April, July and October (which may be subject to change at our discretion) and as a result may, at our absolute discretion, alter your variable Mortgage Lending Rate. . We will inform you of the change either by email or by post within 30 days the change if the change results in an increase in your Monthly Payments.

PART C

Property Maintenance Fees and Charges

This part applies if you have purchased a Property where there is a requirement for you to contribute to the maintenance of a building, or the upkeep of a development, as part of your purchase agreement.

1. You will undertake to make all contractual payments due under any maintenance contract associated with the Property. If, after we have provided you with 14 days' notice, any sums due to be paid under any maintenance contract remain unpaid we may (but are not obligated to) pay these amounts on your behalf to ensure that the Security is not affected.
2. If any payments are made on your behalf under Part C Clause 1 above we will be entitled to debit these costs from any account you hold with us.
3. All expenses incurred by us in making these payments on your behalf will be debited from any account you hold with us, including:
 - penalties resulting from the late payment;

- costs of the company managing the maintenance contract;
- legal costs;
- our processing fees; and/or
- Government duties, fees and taxes.

PART D

Under Construction Finance Facility

This part applies if you have taken out an Under Construction Finance Facility.

1. References to "**Drawdown**" in this Part D shall mean an advance under the Under Construction Finance Facility and the remainder of these Terms and Conditions shall be construed accordingly.
2. Either of us may withdraw from the Agreement upon the same terms referred to in Part A Clause 2 (except that references to "**Drawdown**" in that Clause shall mean the first advance under the Under Construction Finance Facility).
3. We calculate interest on the daily outstanding balance under the Under Construction Finance Facility. Interest is payable monthly.
4. The Event of Default provisions in Part A Clause 11 are applicable to the Under Construction Finance Facility (to the extent relevant) and references in that Clause to (i) "**Home Loan Debt**" shall refer to the debt created pursuant to the Under Construction Finance Facility and (ii) "**Loan**" shall refer to the Under Construction Finance Facility.
5. Drawdown will only be permitted by us under the Under Construction Finance Facility if:
 - the Drawdown does not result in the Loan amount being exceeded;
 - the Drawdown is in accordance with the payment schedule provided by the developer of the Property ("**Developer**") (as may be amended by the Developer from time to time upon notice);
 - in relation to the initial Drawdown, you have paid the required deposit to the Developer; and
 - we have received evidence satisfactory to us that the relevant payment has become due.
6. Following giving you 7 days' notice, we may (but are not obligated to) at our discretion and without reference to you make a payment to any Developer, the party constructing the Property ("**Contractor**") or the building consultant registered with the municipality ("**Consultant**") in respect of the Property

should we consider it necessary or advisable. Any such payments will be treated as a Drawdown of the Loan and added to the Home Loan Debt.

7. Nothing in the Agreement shall confer any obligation on us to tell you when payments to the Developer are due and payable and we accept no responsibility for any late payment penalties charged by any Developer.
8. You agree that you will not hold us responsible for any delays in the construction by the Developer, Contractor or Consultant or for any defects in the construction or the Property.
9. You undertake to us that once the Property is complete and has been handed over by the Developer, you will accompany a representative of the Bank to register the details of the Property at the Oman Ministry of Housing or at any other relevant authority specified by us, and note the title deed with the Security granted in favour of us.
10. The Early Settlement Charge shall be payable in the event that the amounts outstanding under the Under Construction Finance Facility are repaid in full prior to the Repayment Date. Any overpayments made during the course of the Under Construction Finance Facility shall be subject to the Partial Payment Fee and any other Fees and Charges as set out in the Schedule of Services and Tariffs.
11. You must promptly inform us of any action, proceeding (including arbitration), claim or demand of any kind which you may make against any of the Developer, the Contractor or the Consultant or which any of the Developer, the Contractor or the Consultant may make against you and provide to us such details and documentation as we may require. You must immediately assign to us (in such form as we may require) the benefit of any judgment, arbitral or other award in your favour to the value of the Home Loan Debt. Should any payment be made to you (whether before or after the date of the assignment) in relation to any judgment, arbitral or other award you will promptly pay to us the amount of such payment. We may apply any amount you pay to us or which we may receive as a result of the operation of this Part D Clause 11 in repayment of the Home Loan Debt in such manner as we may determine.
12. You consent to the disclosure by us to the Developer, Contractor and Consultant (and any of their authorised third party agents) of any information about which may be relevant to the Agreement and the Security.

In addition, the following provisions apply where you have taken out an Under Construction Finance Facility and the Title Deed to the land on which the property is to be constructed or developed is in your name ("**Owned Land**"):

13. The Under Construction Finance Facility must only be used for the purpose of financing part or all of the residential property construction or development costs on the Owned Land.

14. You must tell us the name of the Contractor and the name of the Consultant.
15. You must provide us with documentary evidence, satisfactory to us, confirming, (i) the duration of construction of the property (from start of building to final hand-over), including the key construction phase dates (ii) the total cost of construction (as it may vary from time to time based on market fluctuations) including but not limited to the bill of quantities, (iii) a valuation report from one of our preferred valuation companies stating the estimated value of the Owned Land plus property at completion. The obligations set out above are continuing for the duration of the Agreement and you must keep us updated of any significant developments or changes (whether disadvantageous or otherwise) in the duration and costs of construction and the estimated valuation of the property.
16. Drawdown may be made in multiple advances, but each advance will be at least 10% of the Under Construction Finance Facility.
17. For each advance request, you must send to us an original certificate from the Consultant certifying that construction has been completed and instructions to pay the Contractor.
18. Payment under each advance request will only be made to the Contractor nominated by you and confirmed by the Consultant.

PART E

Self Construction Finance Facility

This part applies if you have taken out a Self Construction Finance Facility.


1. References to "**Drawdown**" in this Part E shall mean an advance under the Self Construction Finance Facility and the remainder of these Terms and Conditions shall be construed accordingly.
2. Either of us may withdraw from the Agreement upon the same terms referred to in Part A Clause 2 (except that references to "**Drawdown**" in that Clause shall mean the first advance under the Self Construction Finance Facility).
3. We calculate interest on the daily outstanding balance under the Self Construction Finance Facility. Interest is payable monthly.
4. The Event of Default provisions in Part A Clause 11 are applicable to the Self Construction Finance Facility (to the extent relevant) and references in that Clause to (i) "**Home Loan Debt**" shall refer to the debt created pursuant to the Self Construction Finance Facility and (ii) "**Loan**" shall refer to the Self Construction Finance Facility.

5. Drawdown will only be permitted by us under the Self Construction Finance Facility if:
- the Drawdown does not result in the Loan amount being exceeded;
 - the Drawdown is in accordance with the payment schedule provided by the contractor of the Property (“Contractor”) (as may be amended by the **Contractor** from time to time upon notice);
 - in relation to the initial Drawdown, you have paid the required deposit to the Contractor;
 - we have received the Consultant Report, along with any other evidence requested, satisfactory to us that the relevant payment has become due; and
 - where required by us, a representative of the Bank has visited the Property and has confirmed that the current phase of construction is complete. Where we require this additional confirmation and are unable to complete a site visit, we shall be entitled to request an additional valuation report prepared by a preferred provider.

In addition to the above, the final Drawdown will only be permitted by us if we have received the following:

- a full construction report, arranged and paid for by you, provided by an approved valuation company; and
 - a full construction report verified by the Consultant.
6. Following giving you 7 days’ notice, we may (but are not obligated to) at our discretion and without reference to you make a payment to the party constructing the Property (“**Contractor**”) or the building consultant (registered with the municipality) (“**Consultant**”) in respect of the Property should we consider it necessary or advisable. Any such payments will be treated as a Drawdown of the Loan and added to the Home Loan Debt.
7. Nothing in the Agreement shall confer any obligation on us to tell you when payments to the Contractor or the Consultant are due and payable and we accept no responsibility for any late payment penalties charged by any Contractor or Consultant.
8. You agree that you will not hold us responsible for any delays in the construction by Contractor or Consultant or for any defects in the construction or the Property.
9. You undertake to us that once the Property is complete and handed over by the Contractor, you will accompany a representative of the Bank to update the registered details of the Property at the Oman Ministry of Housing or at any other relevant authority specified by us and note the title deed with the Security granted in favour of us.

10. You undertake to us, that once the Property is complete and handed over by the Contractor, you will obtain a new property insurance policy in a form satisfactory to us and which is subject to the same requirements of the original property insurance policy.
11. The Early Settlement Charge shall be payable in the event that the amounts outstanding under the Self Construction Finance Facility are repaid in full prior to the Repayment Date. Any overpayments made during the course of the Self Construction Finance Facility shall be subject to the Fees and Charges as set out in the Schedule of Services and Tariffs
12. You must promptly inform us of any action, proceeding (including arbitration), claim or demand of any kind which you may make against any of the Contractor or the Consultant or which any of the Contractor or the Consultant may make against you and provide to us such details and documentation as we may require. You must immediately assign to us (in such form as we may require) the benefit of any judgment, arbitral or other award in your favour to the value of the Home Loan Debt. Should any payment be made to you (whether before or after the date of the assignment) in relation to any judgment, arbitral or other award you will promptly pay to us the amount of such payment. We may apply any amount you pay to us or which we may receive as a result of the operation of this Part E Clause 9 in repayment of the Home Loan Debt in such manner as we may determine.
13. You consent to the disclosure by us to the Contractor and Consultant (and any of their authorised third party agents) of any information about which may be relevant to the Agreement and the Security.
14. The Self Construction Finance Facility must only be used for the purpose of financing part or all of the residential property construction or development costs on the Owned Land.
15. You must tell us the name of the Contractor and the name of the Consultant.
16. You must provide us with documentary evidence, satisfactory to us, confirming, (i) the duration of construction of the property (from start of building to final hand-over), including the key construction phase dates (ii) the total cost of construction (as it may vary from time to time based on market fluctuations) including but not limited to the bill of quantities, (iii) a valuation report from one of our preferred valuation companies stating the estimated value of the Owned Land plus property at completion. The obligations set out above are continuing for the duration of the Agreement and you must keep us updated of any significant developments or changes (whether disadvantageous or otherwise) in the duration and costs of construction and the estimated valuation of the property.

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17. Drawdown may be made in multiple advances, but each advance will be at least 10% of the Self Construction Finance Facility.
 18. For each advance request, you must send to us an original certificate from the Consultant certifying that construction has been completed and instructions to pay the Contractor.
 19. Payment under each advance request will only be made to the Contractor nominated by you and confirmed by the Consultant.

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