

**Business Terms and Conditions
of HSBC France (Spółka Akcyjna)
Oddział w Polsce for mortgages and
home equity loans**

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Business Terms and Conditions of HSBC France
(Spółka Akcyjna) Oddział w Polsce mortgages and
home equity loans in force as of April 1, 2019

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A. INTRODUCTORY PROVISIONS

These Regulations for granting mortgage loans and home equity loans by HSBC France (Spółka Akcyjna) Oddział w Polsce, with its seat in Warsaw, at Rondo ONZ 1, 00-124 Warsaw, and registered in the register of entrepreneurs of the National Court Register maintained by the District Court in Warsaw, XII Commercial Department of the National Court Register under KRS No. 0000757904, with a tax identification number NIP 107-00-41-832, the branch of HSBC France, a French société anonyme with a share capital of EUR 491 155 980 fully paid up, whose corporate seat is 103 Avenue des Champs Elysées, 75008 Paris, registered with the Trade and Companies Registry of Paris (Registre du Commerce et des Societas) under number 775 670 284, with a Polish NIP number 107-00-41-803 (**Bank**) and they contain provisions for granting by the Bank mortgage loans and home equity loans to individual customers.

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Subject to clause 2, these Regulations shall apply to all loan agreements secured by a mortgage, including:

- 1.1. Agreements on a Mortgage Loan for a Purchase of a Property on the Secondary Market,
- 1.2. Agreements on Mortgage Refinance Loan.

2

The Regulations shall not apply to loan agreements concluded with participation of consumers, granted for the amount of less than or equal to PLN 80.000 or the equivalent of that amount in a currency other than PLN and to consumer loans as defined by the Consumer Loan Act of 20 July 2001 (Journal of Laws No. 100, item 1081 as amended).

3

In these Regulations any references to the plural include the singular and vice versa.

B. DEFINITIONS OF TERMS

If not agreed otherwise in the Loan Agreement, the terms used in these Regulations shall have the following meaning:

3M WIBOR shall mean the Warsaw Interbank Offered Rate percentage rate per annum determined by GPW Benchmark SA (or its legal successor as administrator of Warsaw Interbank Offered Rate) or three-month PLN deposits, announced on the appropriate screen of Thomson Reuters.

Applicant shall mean a natural person applying for a Loan who signed the General Agreement.

Bank's Branch shall mean a bank's organisational unit, executing on behalf of and for the Bank activities to which the Bank is authorised.

Bank's Margin for Increased Risk shall mean the rate expressed in percentage points, specified in the Loan Agreement, by which the Bank increases the interest rate on the Loan payable to the Bank between the Disbursement Date and the first Business Day after the Borrower delivers to the Bank the original extract from the land and mortgage register for the Property, confirming that a valid entry of a ceiling mortgage encumbering the financed Property was made in favour of the Bank as collateral for the repayment of the Loan.

Bank's Margin shall mean the rate expressed in percentage points specified in the Loan Agreement.

Banking Law shall mean the Act of 29 August 1997 – the Banking Law (Journal of Laws of 2002, No. 72, item 665, as amended).

BMR Regulation shall mean Regulation (EU) 2016/1011 of The European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

Base Rate shall mean 3M WIBOR. In case 3M WIBOR is stopped to be published or it is considered by appropriate financial supervision authorities to be non-compliant with BMR Regulation, the Base Rate shall be a rate as indicated by the Bank and communicated to the Borrower being compliant with the BMR Regulation and determined for 3 month deposits in Polish zloty if the rate for such a period is not available for a period time which is the most approximate to it or in the lack of a rate compliant with BMR Regulation, it shall be equal to reference rate of the National Bank of Poland.

Borrower shall mean the Applicant or Applicants who signed the Loan Agreement with the Bank.

Business Day shall mean each day (except for Saturday, Sunday and public holidays) on which the Bank is open for general business.

Call Centre shall mean a telephone customer service centre which can be called on the following telephone number +48 22 314 04 97.

Collateral Document shall mean each document containing the Borrower's declaration of intent aimed at establishing Collateral in favour of the Bank.

Collateral shall mean each collateral for Bank's claims under the Loan Agreement specified in the Loan Agreement or Regulations.

Creditworthiness shall mean the Applicant's ability to repay the Loan together with interest, commissions and other fees payable to the Bank at their due dates.

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Decreasing Instalments shall mean Loan instalments together with interest determined in the following manner: the Loan principal is repaid in the equal amount in each Interest Period and the interest amount is calculated on the actual debt and is payable in each Interest Period, pro rata to the remaining term of the loan.

Disbursement Application shall mean an application for a disbursement of the Loan, submitted in accordance with a template constituting an appendix to the Loan Agreement.

Disbursement Date shall mean the date on which the Bank's account is debited with the Loan amount.

Early Full Repayment shall mean a repayment of the entire Loan amount together with interest and all commissions, fees and costs due to the Bank pursuant to the Loan Agreement and the Price List, accrued till the early full repayment date occurring before the Maturity Date.

Early Partial Repayment shall mean a payment of the principal that is not yet due and payable, other than the payment indicated by the current Repayment Schedule if the Borrower has no other due and payable liabilities under the Agreement.

Early Repayment shall mean Early Full Repayment or Early Partial Repayment.

Equal Instalments shall mean Loan repayment instalments together with interest determined so that each principal and interest instalment to be repaid is of equal amount and as the debt is repaid, the share of interest in the Loan instalment will decrease and the share of the principal will increase.

Flat shall mean a flat constituting a separate ownership belonging to the Seller or to the Borrower or being the subject of the co-operative member's ownership right to a flat belonging to the Seller or to the Borrower intended for a permanent stay of humans.

General Agreement shall mean a HSBC Premier General Agreement signed between the Borrower and the Bank.

Home Page shall mean the Bank's website at the following address: www.hsbc.pl.

Instalment Payment Date shall mean a day of the month indicated by the Borrower in the Loan Application on which Borrower's account will be debited with the Loan instalment. The Instalment Payment Date constitutes the last day of the Interest Period. If the last day of the Interest Period is not a Business Day, then the instalment shall be payable on the next Business Day falling after the last day of a particular Interest Period.

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Interest Period shall mean the period during which interest on the Loan is charged, specified in accordance with clause 6.1 of the Regulations.

Loan Agreement shall mean an agreement on a Loan.

Loan Application shall mean an application for granting a loan submitted by the Applicant in the form required by the Bank.

Loan shall mean each loan specified in part A clause 1.1 of the Regulations granted by the Bank.

Maturity Date shall mean the date indicated in the Loan Agreement on which the Borrower is required to pay to the Bank the last Loan instalment together with interest, fees, commissions and other costs charged.

Preliminary Agreement shall mean a preliminary agreement on a purchase of a Property.

Price List shall mean the "Price List of HSBC France (Spółka Akcyjna) Oddział w Polsce, for mortgage loans and home equity loans" available in Bank's Branches and published on the Home Page.

Programme Regulations shall mean regulations indicated in the Loan Agreement, providing for special conditions of granting the Loan, including the amount of fees and commissions.

Property shall mean a plot of land under the private freehold or perpetual usufruct right belonging to the Seller or Borrower with a Residential Building erected there or a Flat, or a Residential Building on which constitutes a co-operative member's ownership right belonging to the Seller or to the Borrower located in the territory of the Republic of Poland and specified in the Agreement.

Quarter shall mean a calendar quarter.

Repayment Schedule shall mean a table containing repayment dates and the amount of each Loan instalment together with due interest and fees.

Residential Building shall mean a building intended for a permanent stay of humans for which an occupancy permit was issued or if no permit is required, against which no objection was raised after the completion of construction was reported.

Sale Agreement shall mean an agreement on a transfer of the right of ownership, the perpetual usufruct right or the cooperative member's ownership right to a Flat the subject of which is the Property, signed in the form of a notarial deed by the Borrower with the seller of the Property.

Seller shall mean a party to a Sale Agreement, transferring to the Borrower the belonging to him Property title of freehold, a co-operative member's ownership right to a flat or to a single family house or under a perpetual usufruct right.

Term of the Loan shall mean the period from the Disbursement Date to a full repayment of the Loan.

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C. GENERAL PART

1. Principles of granting a Loan

1.1

The Bank grants to the Borrower a Loan on the basis of the Loan Agreement and these Regulations as well as the Programme Regulations if the Agreement indicates that they apply. Any matters not regulated by the Loan Agreement shall be governed by the provisions of these Regulations or the Programme Regulations.

1.2

Only the Applicant may apply for a Loan. Two Applicants may also apply jointly for a Loan, however in such a case each Applicant should be the co-owner of the Property.

1.3

If the Applicant has joint property of husband and wife, the Loan may be granted solely if the Loan Agreement is signed by both spouses.

1.4

If the ownership of the Property or the right to purchase the Property resulting from the Preliminary Agreement is vested in more than one person, the Loan may be granted provided that the Loan Agreement is concluded by all co-owners or persons jointly authorised to purchase the Property.

1.5

The Bank shall make a decision on granting the

Loan after a receipt of a complete Loan Application together with required documents.

1.6

The Bank may request that additional documents to be submitted that are necessary for the assessment of the Applicant's Creditworthiness and the legal and actual situation of collaterals throughout the entire Term of the Loan.

1.7

The Loan Application submitted by the Applicant and documents attached thereto on Bank forms shall be non-returnable, regardless of the Bank's decision on granting or not granting the Loan.

1.8

The Bank shall make the decision on granting the Loan dependent on:

1.8.1 the Applicant evidencing sources of income,

1.8.2 the assessment of the Applicant's Creditworthiness,

1.8.3 the manner and value of the proposed Collateral, including in particular the value of the Property, and

1.8.4 other criteria that are material from the perspective of the risk related to granting the Loan.

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1.9

The Bank reserves the right to undertake activities in order to confirm the truthfulness of data provided by the Applicant, in particular data contained in the Loan Application and in documents attached thereto.

2. Required documents and information

2.1

The Loan Application shall be accompanied by documents, a list of which in respect of each Loan is available in each Bank's Branch and in the Call Centre.

2.2

In the event of a change of Borrower personal data, the Borrower shall notify the Bank of the same.

2.3

If the Borrower permanently lives outside the Republic of Poland at the time of signing the Loan Agreement or during the term of the Loan Agreement, the Borrower shall submit a power of attorney indicating an agent for delivery in the territory of the Republic of Poland.

3. Purpose of the Loan

3.1

The purpose of the Loan is specified in the Loan Agreement.

3.2

The purpose of the loan may be:

3.2.1 financing of a purchase of a Property on the secondary market (Mortgage Loan);

3.2.2 refinancing a mortgage loan in other bank (Mortgage refinance loan).

3.3

The Borrower shall use the funds obtained under the Loan solely for the purpose indicated in the Loan Agreement.

4. Loan Disbursement

4.1

The Loan shall be disbursed to the Borrower provided that the Borrower has fulfilled all conditions set forth in the Loan Agreement and the Regulations, in particular after a delivery of Collateral Documents required by the Bank, including a delivery of a declaration on submission to enforcement in the substance and form satisfactory to the Bank and at dates set forth in the Loan Agreement and the Regulations.

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4.2

A Disbursement Application shall be deemed duly submitted if it is signed by the Borrower or Borrowers and is submitted on a Bank template constituting an appendix to the Loan Agreement.

4.3

Loan funds shall be paid into a bank account maintained in the Bank or by a bank with its registered office in the Republic of Poland or a branch of a foreign bank with its registered office in the territory of the Republic of Poland, indicated by the Borrower in the Disbursement Application.

4.4

The Loan shall be disbursed in the Polish zloty.

5. Commissions, fees and costs

5.1

The Bank may calculate and charge to the Borrower fees and commissions in accordance with the Price List unless the Program Regulations provide for other amounts of fees and commissions.

5.2

The Borrower shall cover costs related to granting the Loan and establishing, changing and releasing Collaterals specified in the Loan Agreement, the Price List or the Programme Regulations as well as costs of enforcement of Bank's rights resulting from the Loan Agreement, the Regulations

and Collateral Documents arising from applicable laws. In particular, subject to clause 7.2 of the Regulations, the Borrower shall cover the cost of a Property Appraisal by a property valuer indicated by the Bank.

5.3

The Borrower shall cover the cost of tax on civil law transactions related to the establishment of a capped mortgage on the Property.

5.4

The Bank shall not be liable for costs incurred by the Applicant in connection with applying in the Bank for a Loan and related to signing the Loan Agreement.

5.5

The obligation to pay taxes on civil law transactions resulting from the Loan Agreement shall be borne by the Borrower.

6. Loan interest rate

6.1

Unless otherwise provided in the Loan Agreement or the Regulations, each Interest Period shall last one month and the end of each Interest Period shall fall on the day with the date corresponding to the Instalment Payment Date. If any Interest Period were to end later than the Maturity Date, it shall be shortened so that the end of the last Interest Period falls on the Maturity Date.

6.2

Default interest shall be charged on the Loan amount that was not repaid to the Bank on time, at the interest rate specified in the Loan Agreement. The current interest rate for default interest is also available in each Bank's Branch, the Call Centre and on the Home Page. Default interest shall be charged for each day of a delay.

7. Collateral

7.1

The Borrower shall establish the Collateral in accordance with the provisions of the Loan Agreement.

7.2

The Bank may at any time demand an appraisal of the value of the Property constituting the collateral by an expert indicated by the Bank. The cost

of one appraisal per year shall be borne by the Borrower.

7.3

If the Loan is fully repaid, the Bank shall within 14 Business Days prepare documents confirming a release of all Collaterals and mail them to the Borrower. If agreed in advance, the Borrower may also collect the above documents in the Bank's Branch. The Bank shall send them to the last address for correspondence notified by the Borrower.

7.4

If the value of the Property disclosed in the last appraisal is lower than the value of the Property disclosed in the first appraisal by more than 10%, the Borrower shall establish additional Collateral upon Bank's request.

7.5

Throughout the entire term of the Loan Agreement the Borrower shall:

7.5.1 maintain the subject of the Collateral, including in particular the Property, in proper condition allowing enforcement of Bank's claims under that subject of the Collateral;

7.5.2 promptly pay taxes and other public law levies payable in connection with the Property;

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- 7.5.3 deliver to the Bank upon its request the following documents concerning the Borrower's Creditworthiness:
- a) a copy of an annual income tax return,
 - b) payslip for income earned under an employment contract.
- 7.5.4 enable a Bank employee or other person authorised by the Bank to inspect the Property, during the term of the loan,
- 7.5.5 enable the expert indicated by the Bank to perform the Property appraisal,
- 7.5.6 inform the Bank promptly of a sale of the Property, establishment of another mortgage or any other encumbrance on the Property,
- 7.5.7 inform the Bank of each opened bank account and each loan or advance received, within 10 Business Days from such event. The obligation to inform of a loan or advance received exists if as a result of taking out such a loan or advance the Borrower's total debt excluding the debt under the Loan exceeds PLN 10.000 or an equivalent of that amount in any foreign currency or currencies.

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8. Loan repayment

8.1

The Loan together with interest shall be repaid in accordance with the provisions of the Loan Agreement. Each instalment shall be rounded to full groszes.

8.2

The information on the amount of each Loan instalment shall be delivered to the Borrower in the Repayment Schedule and is available in a Bank's Branch, via the Internet Banking and in the Call Centre. In case of any differences between the instalment amount defined in a Repayment Schedule and available in Internet Banking or Call Centre, instalment amount defined in the Repayment Schedule is binding.

8.3

If the Loan is repaid in a currency other than the Polish zloty or if the Bank debits the amount due from the Borrower to a bank account maintained in a currency other than the Polish zloty, the Bank shall have the right to convert amounts repaid or debited into the Polish zloty at the current selling rate of a particular currency in the Bank.

The Bank may unilaterally amend these Regulations in the event of:

D. FINAL PROVISIONS

- 1.1. changes to generally applicable laws in respect of rights and obligations contained in the Loan Agreement or the Regulations,
- 1.2. changes in the scope of services provided by the Bank to the Borrower, related to the Loan Agreement.

2

Each amendment to these Regulations or the Programme Regulations as well as effective dates thereof shall be notified to the Borrower by sending amended Regulations or the Programme Regulations by ordinary mail, unless applicable laws provide for other form.

3

If the Borrower does not accept the amendments introduced in the Regulations or the Programme Regulations, the Borrower shall have the right to terminate the Loan Agreement by notifying the same to the Bank in writing within 14 days from the date of a delivery of the notice of amendments to the Regulations or the Programme Regulations. The Loan Agreement shall terminate upon a lapse of the period of notice. All Bank's claims resulting from the Agreement signed with the Borrower shall become due and payable. This shall apply in particular to the repayment of the Loan together with interest, fees, commissions and other costs payable under this Agreement.

4

If the currency deemed the official legal tender in the Republic of Poland is changed, the debt under Loans as well as amounts of fees and commissions

resulting from the Price List shall be converted to the new currency at the official exchange rate resulting from the provisions of the law .

5

All references in the Loan Agreement, the Regulations and the Price List to the Polish zloty shall be replaced by references to the new currency deemed the official legal tender in the Republic of Poland.

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For further information please call on

+48 22 314 04 97

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HSBC France (Spółka Akcyjna) Oddział w Polsce

Customer Information

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