

Auto Financing Terms

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Important notice

You need to read this document

It sets out specific terms and conditions on which we agree to provide you with auto financing. You must read it in conjunction with our Customer Terms, our pricing guide and any other documents forming our banking agreement. Unless inconsistent or inapplicable in the context of auto financing, our Customer Terms shall apply in addition to these. To the extent of any inconsistency between these terms and our Customer Terms, these terms prevail.

Key words

The meaning of key words printed like this are explained either at the end of this document or in our Customer Terms.

1. The Hire

Hire

- 1.1 We rent to you, and you take on hire, the *goods* upon the terms and conditions of this *hire purchase agreement*.

Commencement

- 1.2 The hiring under this *hire purchase agreement* is deemed to begin on the *commencement date*, and will continue for the *hire period*, unless terminated earlier pursuant to this *hire purchase agreement*.
- 1.3 Where the *goods* are *covered goods*, you acknowledge that you have, before you signed this *hire purchase agreement*, received and read the Hire Purchase Details and the Important Information Document (IID) Auto Financing in your Application for Hire Purchase which sets out the details of the hiring referred to in Section 3(1) of the *Act*.

Delivery before Commencement

- 1.4 If the *goods* are delivered to you before the *commencement date*, you must hold, maintain and insure the *goods* as if the hiring of the *goods* had commenced.

2. Delivery of goods

Taking delivery

- 2.1 You must at your own expense, on our behalf and as our agent:
- arrange with the *vendor* for the delivery of the *goods*; and
 - take delivery of the *goods* on or before the *commencement date*.

Examination of goods

- 2.2 You are deemed to have examined the *goods* and the *goods* are deemed to have been received by you in good condition and working order, and are satisfactory in every respect for all the purposes of this *hire purchase agreement*.

No liability for damage or non-delivery

- 2.3 We are not liable for any *loss* whatsoever which you may suffer as a result of any delay in delivery or non-delivery of the *goods* howsoever caused.

3. Payments

In addition to the terms below, the Payments – generally clause of our Customer Terms sets out the additional terms which apply to payments.

Prepayment

- 3.1 Upon signing this *hire purchase agreement*, you must pay us the amount specified in the *schedule* as “deposit”, if any, by way of prepayment.

Rental charges

- 3.2 During the *hire period*, you must pay us the *rental charges* in the amount and manner set out in the *schedule* without previous demand.

Methods of repayment

- 3.3 Notwithstanding clause 3.2 above, you must make payments in such manner as we may from time to time notify you. You acknowledge and accept the risk of making any payments made by post.

Automatic payment from account with another institution

- 3.4 If there are insufficient funds in your account with the other financial institution for deduction, a second attempt will be made for the unsuccessful payment within the next 4 to 14 business days.

Fees and charges

- 3.5 We reserve the right to charge you fees or impose additional fees or change the rate of the fees in connection with the *hire purchase agreement* at any time.

4. Late payment interest and charges

You need to ensure you are aware of and understand the interest, fees and charges referred to in the terms below and additional interest, fees and charges referred to on Interest, fees and charges clause of our Customer Terms that may be payable by you in connection with our banking agreement. These are set out in the *pricing guide* or are available by contacting us at one of our branches or by using phone banking.

- 4.1 If we do not receive in full any *rental charge* or other sum payable by you to us in connection with this *hire purchase agreement* on the date such *rental charge* or sum falls due for payment (or if such date is not specified in this *hire purchase agreement*, on our first demand), we may charge you, and you must pay interest on the amount outstanding:
- (where the *goods* are *covered goods*) at the maximum rate prescribed pursuant to Section 33(c) of the *Act* in force at the time when such amounts become due and payable, or if no such rate is prescribed, then at the rate set out in the *tariff sheet*; and
 - (in any other case) at the rate specified in the *schedule*.
- 4.2 Interest accrues on a daily basis and is calculated on the basis of a 365 day year (a 366 day year in the case of a leap year), and compounded with monthly rests.
- 4.3 You must also pay us a monthly late payment fee at such rate or amount as may be specified in the *schedule* until the outstanding amount is paid in full. However, nothing in this *hire purchase agreement* will be construed as authorising you to withhold any payment at the date such payment falls due.

5. Title and right to possess

Title

- 5.1 Unless expressly stated otherwise in this *hire purchase agreement*, the title to and property in the *goods* remain with us and we are the sole beneficial owner of the *goods* (and any and all *rebates*). You hold all *rebates* on trust for us.

Right to possess

- 5.2 Your only right is to possess and use the *goods*, and to obtain ownership of the *goods* (and any *rebates*), in accordance with the terms of this *hire purchase agreement*. You must not at any time hold yourself out as the owner of the *goods* or do anything which may undermine our rights, title or interest in the *goods* or any *rebates*.

6. Warranties concerning the goods

In addition to the terms below, the Exclusion of liability and the We take no responsibility for your decisions clauses of our Customer Terms shall also apply to this *hire purchase agreement*.

Warranties excluded

- 6.1 You acknowledge that we are not the manufacturer or seller of the *goods*. You have selected the *goods* at your own judgment, and requested that we purchase the *goods* from the *vendor* in order to hire the *goods* to you pursuant to this *hire purchase agreement*. Save to the extent prohibited by any applicable law:
- all conditions, warranties or representations, whether express or implied, statutory or otherwise, concerning the quality of the *goods* or their fitness for any or any particular purpose are excluded;
 - the *vendor*, any broker or dealer, and their respective agents or servants are not regarded as our agent or acting on our behalf for any purpose (including any negotiations leading to you entering into this *hire purchase agreement*), and we disclaim any responsibility for any statements, representations or warranties which may have been made by any such persons.

Second-hand goods

- 6.2 If the *goods* are second-hand goods, to the extent permitted by applicable law, any and all conditions and warranties as to quality, suitability or fitness for any purpose whatsoever are hereby expressly excluded and negated.

Rectification of defects

- 6.3 Subject to applicable law, if any defect, malfunction or deficiency in the *goods* is found or arises, you must arrange with the *vendor* or the manufacturer of the *goods* to rectify the defect, malfunction or deficiency or do so at your own expense. You must also keep us informed of any such defect, malfunction or deficiency and their rectification. If necessary and for such purpose only, we will assign to you any rights under any guarantee or warranty which we may have from the *vendor* or such manufacturer. However, to the extent permitted by applicable law, you must indemnify us against any costs and expenses which we may thereby incur.

7. Your duties

In addition to the terms below, the Insurance clause of our Customer Terms shall also apply to this *hire purchase agreement*.

Until such time that possession of the *goods* is returned to us or you become the owner of the *goods* pursuant to any term of this *hire purchase agreement*, you must at all times and at your own expense observe and comply with all the following requirements:

Notify whereabouts

- you must keep the *goods* in your possession and under your control, and must, if and when we so request, notify us immediately of the whereabouts of the *goods*;

Using the goods

- you must keep, use, operate and maintain the *goods* in accordance with the *vendor's* or manufacturer's recommendations and specifications. You must not use or permit to be used the *goods* in any manner or for any purpose for which the *goods* are not designed or intended to be so used, or which may render the *goods* liable to seizure, forfeiture or confiscation. You must not do or suffer any act or omission which may invalidate any warranty or guarantee which be in force in respect of the *goods*, or any insurance policy, or otherwise prejudice our rights and interest under any such warranty, guarantee or policy;

Maintenance

- you must keep and maintain the *goods* in a good condition and in proper working order (fair wear and tear only excepted), and promptly make good any damage to the *goods* however caused;

Insurance

- you must effect and keep in force a comprehensive policy of insurance over the *goods* for their full replacement value. The policy must be in your and our joint names (for our respective interests in the *goods*) and insure against *loss* by accident, fire, burglary, theft, strikes, riots, civil commotion, any other risks required to be insured against by any applicable law and such other risks which we may consider fit. The policy must be with an insurance company approved by us and provide that all monies which may become payable under the policy will be paid to us, and contain such other terms and conditions which we may require. You must punctually pay all premiums when they fall due and must deliver to us a copy of the policy of insurance (and all renewals thereof);

Obtain licences / permits

- you must obtain and keep effective any and all permissions, authorisations, licences and/or permits which may from time to time be required in connection with the possession or use of the *goods*;

Pay charges promptly

- you must punctually pay all registration charges, licence fees, rent, rates, taxes, duties, levies and any other outgoings in respect of the *goods*, its use and the premises in which the *goods* are kept, when the same becomes payable. You must procure the receipts for all such payments on demand;

No alteration

- you must not make or permit to be made any alteration, modification or addition to the *goods* without our prior written consent. In any event, any alterations, modifications or additions to the *goods* whatsoever (whether with or without our consent) will become part of the *goods* and will be our property without any cost to us. However, if we so require, you must remove such alteration, modification or addition and restore the *goods* to their original condition;

No sale or dealing

- you must not sell, assign, sub-let, pledge, mortgage, charge, encumber or part with possession of or otherwise deal with the *goods*, any interest in the *goods*, any registration book, log card or any document of title relating to the *goods*, or any right or interest conferred on you under this *hire purchase agreement*, nor create nor allow to be created or suffer the creation of any lien or encumbrance on the *goods* without our prior written consent;

Permit entry

- you must permit us and any person appointed by us to enter upon any premises where the *goods* are located at all reasonable times to inspect the *goods*. You must notify us in advance of any intended change in your residential address or the address at which the *goods* are usually kept;

Indicate ownership

- you must, if we request you to do so, affix prominently to the *goods* such labels, marks or other indicia in such form and manner which we may approve to indicate that the *goods* belong to us; and

No attachment

- you must not, by any act or default, render the *goods* liable to any distress, execution or other legal process. You must not attach or affix the *goods* to any land or building (or permit the same to be done) without our prior written consent. In any event, if the *goods* will be installed, attached or affixed to any land or building, you must ensure that the *goods* may be removed from such land or building without damage to the *goods* and/or such land or building. In addition, you must also obtain a written acknowledgement from the proprietor or mortgagee of the land or building confirming that the *goods* belong solely to us notwithstanding any affixation to such land or building.

8. Loss or damage to the goods

Risk

- 8.1 Subject to applicable law, you are solely responsible for all risks of whatever description for the *goods* including the risk of any *loss*, theft or destruction of, or damage to, the *goods* arising from whatever cause (fair wear and tear only excepted), and are liable for any and all *loss*, breakdown, deficiency, malfunction or failure relating to the *goods*.

Notify loss

- 8.2 You must notify us immediately in writing if the *goods* (or any part thereof) become lost, destroyed, stolen or damaged beyond economic repair.

No suspension of rent

- 8.3 You acknowledge that your obligations to pay the *rental charges* and all other amounts under this *hire purchase agreement* are unconditional and absolute. You are not entitled to any rebate in the *rental charges* during any period in which the *goods* may be out of order, destroyed or otherwise unusable, but must continue to pay us

all *rental charges* and all other amounts as they fall due for payment without any setoff, counterclaim, withholding or deduction whatsoever, and we are not obliged to provide you with any replacement *goods* or parts during any such period.

Claiming insurance

- 8.4 You irrevocably and unconditionally authorise us to receive and to give a valid discharge for any and all monies which become payable under any insurance policy maintained over the *goods*. You appoint us as your attorney to recover and/or compromise any claims under such insurance policy and to give the insurer effectual release and receipts for the same. We may at our discretion appropriate and apply any insurance proceeds towards any of your present or future liability under this *hire purchase agreement*. Nevertheless, your covenants and obligations under this *hire purchase agreement* are independent of and remain undiminished by any insurance proceeds which we may receive.

9. Indemnity and payment of costs

In addition to the terms below, the You indemnify us clause of our Customer Terms shall also apply to this *hire purchase agreement*.

Indemnity

- 9.1 To the extent permitted by applicable law, you must indemnify us and pay us on demand, any and all *loss* we may incur in connection with:
- any failure by you for any reason, to observe or comply with any of your covenants in or obligations under any term of this *hire purchase agreement*;
 - the delivery, installation, possession, presence, control, use, operation, maintenance, repair or return of the *goods* (all of which you acknowledge you are solely responsible for to the extent permitted by applicable law); or
 - any inability by us to recover possession of the *goods* or the *loss*, theft or destruction of the *goods* or loss of our title to the *goods* (or entitlement to any *rebates*) (otherwise than as a result of such title passing to you in accordance with this *hire purchase agreement*).

Payment on demand

- 9.2 If you fail for any reason, to observe or comply with any of your covenants or obligations in accordance with the terms of this *hire purchase agreement*, we may at our discretion take any action or pay any amounts so as to remedy your failure, protect our interest in the *goods*, secure the release of the *goods* from any charge, encumbrance or lien and/or to locate or recover possession of the *goods*. In such event, you must on demand immediately pay us all sums incurred by us together with interest on such sums at the rate set out in clause 4.1 from the date such sums were incurred until payment.

10. Termination by you

Early completion

- 10.1 You may by written notice to us terminate the hiring, and complete the purchase of the *goods* at any time provided that:

- there is no existing default of any of your covenants or obligations under this *hire purchase agreement*;
- you give us not less than 7 business days' prior notice in writing; and
- you pay us the *balance payable* as at the date the hiring of the *goods* is terminated, including the *early completion fee* and any applicable late payment fee, late payment interest, and *rebates*.

Without purchase

10.2 You may by written notice to us terminate the hiring, without purchasing the *goods* at any time provided that:

- there is no existing default of any of your covenants or obligations under this *hire purchase agreement*;
- you give us not less than 7 business days' prior notice in writing;
- you pay us the *balance payable* as at the date the hiring of the *goods* is terminated, including the *early completion fee* and any applicable late payment fee, late payment interest, and *rebates*; and
- you deliver the *goods* to us in accordance with clause 15.1.

Transfer of title

10.3 Upon your satisfying all the conditions and requirements set out in clause 10.1, the hiring constituted by this *hire purchase agreement* will terminate and our property in and title to the *goods* will at such time pass to you.

11. Termination by us

In addition to the terms below, our Customer Terms set out when we may terminate this *hire purchase agreement*. Our Customer Terms also set out what you need to do if that happens (including immediate payment of the balance payable for the account for this *hire purchase agreement*) and our enforcement rights. See, for example, Parts A and H of our Customer Terms.

We may terminate this hiring by giving you written notice if you fail to pay us any *rental charges* (or any part thereof) in accordance with this *hire purchase agreement* (and, if the *goods are covered goods*, such failure is not fully rectified within 7 business days after we have served you a notice in accordance with Section 15(1) of the *Act*, but subject nevertheless to Section 15(2) of the *Act*).

12. Automatic termination

Without prejudice to your obligations under clause 7, you must not use, or permit the *goods* to be used for any purpose or in any manner which may result in the commission of any offence under the Misuse of Drugs Act (Cap. 185), Immigration Act (Cap. 133) or Customs Act (Cap. 70) which may render the *goods* liable for forfeiture. If you so use the *goods*, or permit the *goods* to be so used, the hiring of the *goods*, under this *hire purchase agreement* will ipso facto and without notice terminate immediately, and you will immediately cease to be in lawful possession of the *goods*.

13. Consequences of termination

Delivery

13.1 In addition to the rights we have under clause 28 (What happens on termination) of the Customer Terms, if the hiring of the *goods* is terminated pursuant to clauses 11 or 12, you must immediately deliver the *goods* to us in accordance with clause 15.1 and pay us the *balance payable* as at the date the hiring of the *goods* is terminated, including the *early completion fee* and any applicable late payment fee, late payment interest, and *rebates*.

Completion of purchase

13.2 Where the *goods* are *covered goods* and we have retaken possession of the *goods*:

- Section 17 of the *Act* applies and prevails to the extent of any inconsistency between the terms of this *hire purchase agreement* and Section 17 of the *Act*; and
- you may complete the purchase of the *goods* by giving us written notice and paying us, the *balance payable*, including the *early completion fee* and any applicable late payment fee, late payment interest, and *rebates*, and for the purpose of this sub-clause, the component "RV" in the formula for computing the *balance payable* will be the total of all our expenses in or incidental to:
 - (a) the obtaining by us of possession of the *goods*;
 - (b) the storage, repair and maintenance of the *goods* (including putting the *goods* in the condition required under clause 15.1); and
 - (c) our attempting to sell or otherwise dispose of the *goods*,

in which event, our property in and title to the *goods* will at such time pass to you and you will promptly collect the *goods* from us at your own expense and risk.

14. Your right to obtain ownership

If you have duly observed and complied with all your covenants and obligations under this *hire purchase agreement* and pay us the whole of the Total Amount Payable (as set out in the *schedule*) in accordance with the *schedule*, or the *balance payable*, including the *early completion fee* and any applicable late payment fee, late payment interest, and *rebates* in accordance with the terms of this *hire purchase agreement*, the hiring constituted by this *hire purchase agreement* will terminate and our property in and title to the *goods* (and entitlement to any *rebates*) will at such time pass to you.

15. Returning the goods to us

Delivery

15.1 If you are required to deliver possession of the *goods* to us pursuant to any term of this *hire purchase agreement*, such *goods* must be returned to us promptly at such address as we may specify in writing, unencumbered, and in as good condition and working order as at the *commencement date* (fair wear and tear excepted). You are liable for the costs and risks of (if applicable), dismantling, packaging and transporting the *goods* to us.

Repossession

15.2 If you fail to deliver possession of the *goods* to us when you are required to do so, we may immediately retake possession of the *goods* and for this purpose you agree that we are entitled to enter freely onto and remain at any premises occupied by you or under your control or at which we believe that the *goods* are for the time being located.

No responsibility for articles

15.3 We are not responsible for any articles which may be left or deposited in the *goods*. If we retake possession of the *goods* and any articles are found in the *goods*, we may upon giving you 7 business days' notice of intention to do so, dispose of such articles in such manner as we may deem fit at your costs and without liability to you.

Continuing liability

15.4 Our retaking or attempt to retake possession of the *goods* does not affect your continuing liability under this *hire purchase agreement*. In relation to *goods* which are *covered goods*, if we serve on you a notice in accordance with Section 15(1) of the *Act*, no acceptance of partial payment by us will operate as a waiver of any of our rights and we may exercise our rights (including retaking possession of the *goods*) without further reference to you.

16. Assignment

In addition to the terms below, the Dealings clause of our Customer Terms shall also apply to this *hire purchase agreement*.

Assignment with our consent

16.1 You must not assign or otherwise transfer your rights and obligations under this *hire purchase agreement* to anyone without our prior written consent (which will not be withheld unreasonably). As a condition of granting such consent, we may require you to make good any defaults existing under this *hire purchase agreement* and that you and your assignee execute and deliver to us an assignment in a form and content approved by us.

Assignment under the Act

16.2 If the *goods* are *covered goods*, you may by giving us written notice require us to assign our rights, title and interest under this *hire purchase agreement* to an assignee specified in your notice provided that:

- you must first make good any defaults existing under this *hire purchase agreement*; and
- you and your assignee execute and deliver to us an assignment in a form and content approved by us whereby the assignee agrees to pay us the entire balance of the Total Amount Payable (as set out in the *schedule*) which remains unpaid as at the date of the assignment (subject to any discount which we may grant in such amount as we may determine at our discretion) together with all amounts which have fallen due to us under this *hire purchase agreement* but which remains unpaid.

Costs and expenses

16.3 If we agree to an assignment under clauses 16.1 or 16.2, you and any person to whom this *hire purchase agreement* is assigned must pay us all costs incurred by us (including legal expenses) in connection with any such assignment.

17. Authorisation to LTA

In addition to the terms below, the Third party rights clause of our Customer Terms shall also apply to this *hire purchase agreement*.

17.1 You agree that *LTA* may upon the receipt of any request to register, transfer or de-register the *goods*, seek clarification from the Hire Purchase, Financing and Leasing Association of Singapore regarding the financing status of the *goods*. You also agree that *LTA* may, upon our request, temporarily suspend or refuse any such registration, transfer or de-registration of the *goods* or any transaction relating to any *rebates*.

17.2 You agree that clause 17.1 will be enforceable by *LTA*.

18. Power of Attorney

You irrevocably appoint us and any other person we nominate as your attorney to execute documents (including any deregistration forms to obtain a *rebate*) and take other action that we consider necessary in connection with the exercise of any of our powers or any action which you are obliged to execute or to do under this Agreement (including perfecting any deed, assurance, agreement, instrument or act). You ratify and confirm, and agree to ratify and confirm, whatever any such attorney will do or purport to do in the exercise or purported exercise of such powers.

19. Severability

In addition to the terms below, the Severability clause of our Customer Terms shall also apply to this *hire purchase agreement*.

In the event of any conflict between the provisions of this *hire purchase agreement* and the *Act*, the *Act* prevails to the extent of such conflict.

20. Notices and communications

In addition to the terms below, the Notices and communications clause of our Customer Terms shall also apply to this *hire purchase agreement*.

Service in accordance with the Act

20.1 Any notice or document required or authorised to be served on you or us may be served in accordance with the means set out in Section 45 of the *Act*.

21. Meaning of words

You also need to refer to our Customer Terms which also define key words used in these product terms. If a word defined in these terms is also

defined in our Customer Terms, the definition in these terms applies for the purposes of auto financing.

Act means the Hire-Purchase Act (Cap. 125) as modified or amended from time to time.

balance payable means a sum calculated with the following formula at any time:

$$(AF + TI) - (RC + OI + RV) + OA$$

where:

- AF is the Amount Financed as stated in the *schedule*;
- TI is the Total Interest as stated in the *schedule*;
- RC is the total of the *rental charges* paid by you since the *commencement date*;
- OI is the *outstanding interest* at that time;
- RV is the *recovered value* of the *goods* at that time, provided that RV will be zero if you are completing the purchase of the *goods* or if the *goods* are for any reason whatsoever not returned to us; and
- OA is the total of any amounts which are due and payable to us under this *hire purchase agreement* but which remains unpaid.

commencement date means the date specified in the *schedule* (and in this connection, you authorise us to write in such date in the space provided in the *schedule*).

covered goods means any *goods*, which description falls within the First Schedule of the Act.

early completion fee means the fee payable in the event of an early completion of the purchase of the *goods* or termination of the hiring of the *goods* before the expiration of the *hire period* for any reason, as determined in accordance with the *schedule*.

goods means the motor vehicle(s) you hired (as more particularly described in the *schedule*), and includes any additions, alterations, replacements and renewals to such goods together with all accompanying manuals, documentation and materials.

hire period means the period from the *commencement date* and continuing for the number of months specified in the *schedule*.

hire purchase agreement means these product terms.

LTA means the Land Transport Authority of Singapore.

outstanding interest at any time is calculated as follows:

$$[n(n+1) \times TI] \div [N(N+1)]$$

where:

- n is the number of months remaining in the hire period.
- N is the total number of months in the hire period.
- TI is the Total Interest (as stated in the *schedule*).

rebates in relation to the *goods*, means any and all rebates which may be granted by the Registrar of Vehicles in respect of the *goods* and/or to which you, as the registered owner of the *goods*, may be entitled pursuant to the Road Traffic Act (Cap. 276) or the regulations or the rules made under the Road Traffic Act.

recovered value in relation to the *goods* and at any time, means the best price that we may reasonably obtain for the *goods* (as may be ascertained by us or by a valuer appointed by us) less the expenses in or incidental to:

- the obtaining by us of possession of the *goods*;
- the storage, repair and maintenance of the *goods* (including putting the *goods* in the condition required); and
- our selling or otherwise disposing of the *goods* (whether or not the *goods* have been sold or disposed of).

rental charges means each monthly instalment payable by you during the *hire period*, as stated in the *schedule*.

schedule means the appendix to the *hire purchase agreement*.

vendor means the person from whom we purchase the *goods*.

