

Terms and Conditions that shall apply to the facility

Should your loan application be approved, Sterling Credit Limited shall send a Loan Confirmation Letter to the Borrower confirming the approved loan amount as well as special terms and conditions (if any) that shall apply to the facility. The following **TERMS AND CONDITIONS** shall apply to your loan facility:

1. . LOAN FACILITY

- 1.1 At the Borrower's request and upon loan approval by Mint Credit Limited (hereinafter the "Lender"), the Lender agrees to make available to the Borrower the loan amount as highlighted in the Loan Confirmation Letter as per the terms and conditions set out hereunder:
 - 1.1.1 The Borrower shall issue 4 post-dated cheques which shall then be banked by the Lender on the due dates. Unless official communication is issued by the Borrower to the Lender on alternative means of payment, the Lender shall proceed to bank the cheque.
 - 1.1.2 The Borrower has the right to repay the principal amount of the loan as agreed by the parties from the date of the disbursement. This repayment can either be via banking of the issued postdated cheques or payment at the lender's designated bank account in cleared funds and/or MPESA.
 - 1.1.3 Approval of the loan facility (either the full amount/ lesser amount) is at the sole discretion of the Lender. The Lender may decline the Borrower's application without giving any reason thereof and such decision may be communicated to the Lender, separate from this Agreement.
 - 1.1.4 The Lender reserves the right to call up the loan which the whole of the monies remaining payable shall immediately become payable by the Borrower without

demand if the Borrower fails to pay the monthly instalment on the stipulated date.

2. PAYMENT

- 2.1 The Borrower must repay the loan in monthly instalments as provided in the loan schedule and the same shall be due every payday from the disbursement date.
- 2.2 The Borrower agrees that the Lender shall have the right to recover the monthly instalments in full as per the loan schedule.
- 2.3 The Borrower hereby gives the lender the right to deduct monies owing to it from any unpaid wages or any other remuneration credits payable to the borrower by their employer, if the borrower leaves the service of his/her employer for any reason before the total amount payable under this agreement has been fully paid.
- 2.4 If the money received from the Borrower's employer pursuant to clause (2.3) above is not enough to meet the debt owed, the Lender is at liberty to demand for the balance due to it.
- 2.5 The Lender can use the money paid by the borrower to first pay legal and other costs/expenses (if any), then interest, and the actual loan amount.
- 2.6 If the Borrower makes additional payments, or settles the outstanding amount in 1 (one) payment then in either such event the annual rate of interest shall not exceed the maximum annual rate of the total charge of credit in terms of the notice, and the outstanding amount shall accordingly be recalculated upward adjusted.
2.6. In the event of the Borrower's death or permanent disability, the Borrower or his estate will not be liable for repayment of any outstanding repayments.
- 2.7 Alternative payments shall be strictly through bank deposits to the designated Lender's bank account and/or M-PESA to the designated Lender's Pay-bill Number as communicated from time to time. The Lender shall not take ANY responsibility for any cash payments paid to the lender's agents or employees.

- 2.8 If payment is made by banker's cheque or electronic funds transfer, the payment is deemed to have been received on date funds are cleared, not on the date the cheque is deposited or electronic funds transfer initiated.

3 INTEREST

- 3.1 The Loan interest chargeable on the facility is calculated at the rate of 25% per month on the base of principal loan amount.
- 3.2 In accordance with globally accepted international financial reporting standards (IFRS), Principal and interest repayments on the loan amortization schedule shall be calculated on the basis of an equivalent reducing balance interest rate of up to a maximum of 0.0112% subject to the loan to term, which shall loan the basis of calculating the outstanding amount due in the event of a repayment interest shall be calculated monthly.
- 3.3 In the event of repayment where the Borrower had elected to capitalize and amortize the loan origination costs over the loan, the loan origination costs will be recovered in full.

4 Applicable Penalties on outstanding dues and bank charges accrued

- 4.1 A penalty of 10% of the monthly instalment shall be applied from the 3rd day of lateness and on each monthly instalment until payment in full.
- 4.2 Where a cheque instrument provided by the Borrower is dishonored, the actual cost incurred by the lender for each dishonoured cheque shall be recovered from the Borrower which in this case shall be Kshs.3,000/- for each dishonoured cheque. Any amendment of interest due to market conditions, the lender may alter the interest rate by giving the borrower thirty (30) days' notice prior to effecting the change.

5 TAXES

- 5.1 All fees payable to Sterling Credit Limited under this agreement are exclusive of all applicable tax(es).
- 5.2 The Borrower remains responsible for the payment of all applicable tax (es) at the rate than required by and when it becomes due.
- 5.3 The Borrower shall be required to repay the fee (s) together with the applied tax(es) that may be payable on the fee (s).
- 5.4 In the event of any variation of the applicable tax(es) payable by the borrower, the Borrower shall be obligated to pay Sterling Credit Limited an additional amount over and above stipulated amount instalment amount equal to the tax due.
- 5.5 The Borrower shall hold Sterling Credit Limited harmless and indemnify Sterling Credit from and against any costs, claims, damages and any other liability relating to the regulatory costs incurred in compliance with this clause.

6 COSTS AND CHARGES

- 6.1 Transaction costs i.e. M-Pesa or Pesalink charges shall be deducted at disbursement.
- 6.2 The Borrower consents that any third-party costs such as legal costs and/or debt recovery costs shall be borne by themselves and chargeable to the loan facility.

6. POWER OF ATTORNEY

The Borrower hereby irrevocably appoints the Lender to be the attorney of the Borrower and in the name and on behalf of the Borrower to execute and to do any assurances, acts and things which the Borrower ought to execute and do under the covenants and agreements herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers hereby or by law conferred on the Lender.

7. DEFAULT

- 7.1 Default shall be deemed to have occurred when:

- 7.2 The borrower fails to remit one or more monthly instalments on their payday;
- 7.3 the monthly post-dated cheque issued to the Lender is banked and it bounces, dishonoured and/ or blocked by the Borrower.
- 7.4 A breach in the performance of any other term and condition of the facilities as envisaged in this agreement.
- 7.5 A trustee, sequester or similar officer being appointed of all or any of the assets of the Borrower and not being discharged or paid within 7 days, or
- 7.6 Issuance of a Garnishee or Attachment Order against any deposit or asset maintained by the Borrower.
- 7.7 Failure to provide any collateral or security when so requested by the Lender.
- 7.8 Any indebtedness of the Borrower becoming immediately due or payable or capable of being in default on the part of any person, or the
- 7.9 Borrower failing to discharge any indebtedness on its due date.
- 7.10 If, in the sole opinion of the Lender, there is a material adverse change in the Borrower's financial condition.
- 7.11 In case the Borrower, being an employee, is undergoing a disciplinary process with his employer.
- 7.12 If the Borrower resigns and or is terminated from employment for any reason whatsoever before clearance of the loan amount.
- 7.13 if any material part of the assets or revenues of the Borrower is nationalized compulsorily acquired, seized or appropriated or
- 7.14 Any representation or warranty made by the Borrower hereunder or for the purpose of obtaining the facilities being incorrect in any material respect as of the date of which it is made or deemed to be made, or there being any material adverse change of the position as set out in such representation of warranty,

then the Lender's commitment to advance the Facilities or any balance thereof shall cease and the whole amount of the outstanding Facilities and all accrued interest, costs or other amounts owing hereunder will become repayable forthwith on demand in writing made by the Lender at any time. Any moneys not paid following a demand under this Paragraph shall continue to attract interest at the contracted rate as well after as before judgment or any Bankruptcy or liquidation of the Borrower.

- 7.15 In the event of default, the Lender will exercise its right to recover any unpaid portion of the loan plus all the costs including but not limited to accrued fees, any accrued interest, costs of execution, recovery fees and/ or legal costs.
- 7.16 The lender reserves the right to engage third party debt collectors to recover any total outstanding balance at the Borrower's cost immediately an event of default occurs and is not remedied within the given notice period.
- 7.17 The borrower hereby agrees and authorizes the lender at any time when the loan is default and without reference to the Borrower, to consolidate their existing loans (if any) and institute recovery suit attaching the Borrower's salary.

8. STATEMENT OF ACCOUNT

- 8.1 The statement of account in respect of the loan account shall be made available to the Borrower at their request.
- 8.2 The statement of account issued shall reflect the true position as at the specific date issued.
- 8.3 The statement of account is bound to change due to charges/ fees incurred on a daily basis.

9. DATA PROTECTION

- 9.1 It is hereby understood and agreed that the personal data herein has been directly obtained from the Borrower who has provided this data to the Lender to facilitate the processing of the loan facility sought by the Borrower.

- 9.2 It is hereby understood and agreed that by signing this contract the Borrower:
- 9.3 must provide personal data which is required for facilitating the processing of the loan facility through sharing to the Lender.
- 9.4 must provide personal data which is required for establishing and maintenance of business and for the fulfilment of the Lender's contractual and legal obligation.
- 9.5 consents to the Lender processing the data as per its internal company policy.
- 9.6 has given consent to the Lender to contact the next of kin on various instances, including but not limited to debt collection.
- 9.7 has given consent to the Lender to continue holding and processing the data provided even after all obligations under the loan facility has been settled for a variety of purposes including but not limited to cross selling, research, product development, analysis of market trends, operation of the Lender's regulations and procedures;
- 9.8 is at liberty to exercise its rights as a data subject and as is provided by the Data Protection Act of 2019, Laws of Kenya;
- 9.9 consents to the use of their personal data from time to time by the Lender to market the company's products. The Borrower may opt out of receiving marketing communication at any time within the duration of their loan by officially communicating to the Lender through the prescribed channel of communication.
- 9.10 the Lender undertakes to ensure the personal data provided by the Borrower is processed in accordance with the Data Protection Act, Laws of Kenya.
- 9.11 For queries and more information on our Data Protection Policy, the Borrower may contact the Lender's official email address.

10. LOAN CANCELLATION

- 10.1 Where the loan is cancelled at any stage of processing before disbursement of the funds,

the Borrower shall not be charged any cancellation fee.

- 10.2 Cancellation of the loan before disbursement of the funds should be communicated in writing through the Lender's official email which in this case shall be loans@sterlingcredit.co.ke or by an official letter.
- 10.3 If the Borrower cancels the loan after receipt of the funds, they shall reimburse the disbursed amount plus the loan origination costs within 24 hours of receipt of the said funds and communicate in writing through the cancellation email or an official letter accompanied with the proof of refund. Failure of which clause 3 of the terms and conditions shall take effect.

11. ASSIGNMENT

- 11.1 The Borrower shall not be entitled to assign all or any part of his rights, obligations or benefits hereunder without the prior consent in writing of the Lender. The Lender may assign or transfer all or any of its rights and obligations. The Borrower will at the Lender's request execute all documents and enter into all such agreements specified by the Lender to be necessary to give effect to any such assignment on transfer.

12. DISPUTE RESOLUTION

- 12.1. By executing this Agreement, both Parties consent to the exclusive jurisdiction of the courts of law of the Republic of Kenya to settle any issue, dispute, claim, controversy, difference, question or claims for compensation or otherwise, between them and waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding action, or proceeding under or in connection with this Agreement. Unless this Agreement has already been repudiated or terminated, the parties shall, (notwithstanding that any dispute is subject to the dispute resolution procedure set out in this agreement), continue to carry out their obligations in accordance with this agreement

13. GOVERNING LAW

This contract arising out of the Borrower's acceptance of the Facility on the terms and conditions set out herein shall be governed by and construed in all respects in accordance with Laws of Kenya and to the exclusive jurisdiction of the Kenyan Courts.

14. AMENDMENT, MODIFICATION AND WAIVER

No amendment, modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective following 30 thirty-day prior notification issued by Lender to Borrower and a written agreement signed by both Parties.

15. CHANGES IN CIRCUMSTANCES

If any change in applicable law or regulation or in the application or interpretation thereof by any government authority charged with the administration thereof shall make it impracticable or unlawful for the Lender to maintain or give effect to its obligations under this Agreement, the Lender

shall give notice in writing to the Borrower of such event and the Lender's obligation to make the Facility available shall be cancelled and the Borrower shall immediately upon receipt of such notice repay to the Lender the facility(ies) and accrued interest thereon to the date of repayment

16. UNBANKED CHEQUES/ INSTRUMENTS

It is hereby understood and agreed that by signing this contract, the Borrower has given the Lender the authority to the destruction of any unbanked cheques/instruments within the possession of M Credit Limited after settlement of the Loan facility and the clearance of the loan and notification to collect unbanked cheques/instruments has been communicated to the Borrower within 30 days of such communication.

17. On execution/acceptance by the Borrower, each of the Documents forming the agreement to which the Borrower is expressed to be a party will constitute a valid and binding obligation of the borrower legally enforceable in accordance with the terms.

In **AGREEMENT** and **UNDERSTANDING** thereof, the Borrower accepts such offer on such terms and conditions set out.