CHECK OFF CIVIL SERVANT LOANS TERMS AND CONDITIONS

TERMS AND CONDITIONS THAT SHALL APPLY TO THE FACILITY (IF APPROVED)

GRANT OF CREDIT FACILITIES:

This Agreement is made up of:

a) The Loan Application;
b) The Terms and Conditions;
c) The Statutory Declaration;
e) Data Processing Consent Form.

Should your loan application be approved, alongside this Offer Sterling Credit Ltd shall further send you, the applicant, an Approval mail confirming the amount of the loan approved as well as the special terms and conditions (if any) that shall further apply to the facility;

The following terms and conditions shall apply to your facility:

1. At the Borrower's request, Sterling (*the Lender herein*) agrees to make available to the Borrower the Check off loan facility as set out in the Loan Application.

   1.1 In the event of default, the Lender will exercise its right to recover any unpaid portion of the loan plus all costs including but not limited to accrued fees, any accrued interest, costs of execution, recovery fees or legal costs.

2. Interest and Interest Rate Calculations

2.1. The total monthly interest rate chargeable on the facility is calculated at a reducing balance basis, at a rate equivalent to the applicable flat rate on the principal loan amount plus capitalized fees (*where applicable*), subject to the applied loan term, as follows:

Loan term in months	3	6	12	18	18	24	30	36
Applicable interest rate (per month) %	5.84	5.31	5.30	5.30	4.43	4.43	4.43	3.69

Loan term in months	40	48	60	72	84	96	108-144
Applicable interest rate (per month) %	2.88	2.88	2.75	2.45	2.53	2.53	2.35

2.2. For accounts past their loan terms, an interest on the overdue amount shall be charged to a quarter of the loan term

2.3. In the event of prepayment, the processing fees shall be charged in full.

2.4. Alteration of interest-Due to market conditions, the Lender may alter the interest charges by giving the Borrower one calendar months' notice in advance.

2.5. Applicable interest and penalties on outstanding dues and bank charges accrued

For past term accounts, interest on outstanding dues of 0.33% shall be charged on the outstanding installment amount on a daily basis up to a maximum of a quarter of the original loan term.

3. Loan Repayment

3.1. The Borrower must repay the loan instalment as per his/her Loan Schedule set out by the Lender.

3.2. The Borrower agrees and consents that the Lender shall have the right to deduct the monthly instalments in full, from the Borrower's salary as deductions, from the Borrowers' employer's payroll.

3.3. 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 if the Borrower leaves the service of his/her employer for any reason before the total amount repayable under this Loan facility has been fully paid.

3.4. In the event of the Borrower's death or permanent disability, the Borrower or his/her estate will not be liable for the repayment of any outstanding repayments.

3.5. No cash payments should be issued to an employee or Sterling's agent. The Lender shall not take any responsibility for money paid to any of its employees. All cash deposits should be made to the designated Sterling Credit's Bank account or **M-Pesa Paybill.**

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

3.7. By signing this document or by imprinting his/her left thumb print on this document, the Borrower acknowledges and accepts the terms and conditions upon which payment of the loan amount shall be made by the Lender.

4. Cost of Credit, Attendant Costs and Costs of Execution

4.1. The cost of credit constitutes various fees that includes Processing fee, Monthly collection fee, Statement fee, Agency fee, and third-party processing fees.

4.2. The Processing fee is 12.5% of loan amount while the monthly collection fees 200

4.3. The Agency fee caters for the discounted reimbursement of the Agency's expenses.

4.4. Then third-party processing fee shall be applied in the event the subject loan is taken over by any other financial institution in your favor for purposes of managing or processing documentation and catering for miscellaneous costs in respect of the said takeover.

4.4.1. A fee of Kshs. 1,000 shall be charged for loan amounts ranging from Kshs. 5,000 to Kshs. 15,000.

4.4.2. A fee of Kshs. 3,000 shall be charged for any loan amount above Kshs. 15,001.

4.5 The Borrower agrees that in the event that the Lender incurs any legal charges including advocate and Customer costs in obtaining legal advice in connection with the Facility or incurred by the Lender in any legal, arbitration or other proceedings arising out of any dealings in respect of the Borrowers loan account, then these costs shall be borne by the Borrower.

4.6 The Total Cost of Credit in respect of this loan facility is based on the information that you have provided to Sterling Credit and the related estimated third-party providers' costs and is therefore subject to change depending on various factors affecting the loan facility. In the event, there is a variation to the validity of the information that the Borrower has provided to Sterling. Any change on the outlined costs shall be communicated promptly. The said costs are not legally binding to Sterling and shall not constitute any liability on the part of Sterling.

5. Notices

5.1 All waivers, options, notices shall be in writing and may be served either physically or by registered post or recorded delivery or by facsimile transmission or electronic mail with confirmed delivery.

5.2 Any notice to the Borrower shall be addressed to last known address provided by the Borrower to Sterling. Notices to Sterling shall be addressed to the the registered office of the Lender as provided in these terms and conditions, or such other address as one Party may specify by written notice to the other.

5.3 Notice shall be deemed to have been served:

i. if it was served in person, at the time of service;

ii. or if it was served by post, forty-eight (48) hours after it was posted to the Borrower's appointed personal address; and

iii. if it was served by facsimile transmission or electronic mail, at the time of transmission provided an error transmission report is not received by the sender.

6. **Statement Of Account**

6.1 The statement of account in respect of the loan account shall be made available to the Borrower at their request.

6.2 The statement of account issued shall reflect the account's true position as at the specific date issued.

6.3 The statement of account is bound to change due to charges/ fees incurred on a daily basis.

6.4 The statement of account shall set out all deductions from the Borrower's salary, outstanding balance and any amount payable in arrears.

7 Default-

7.1 Default will be deemed to have occurred if:

7.1.1 the borrower fails to remit one of any monthly installments on their due date;

7.1.2 the Borrower commits a breach in the performance of any other term and condition of the Facility or any covenant by the Borrower;

7.1.3 the Borrower commits any act of bankruptcy; or becoming of unsound mind;

7.2 **Consequences of default**: -

7.2.1 The Lender reserves the right to call up the loan upon which the whole of the monies remaining payable hereunder shall immediately become payable by the Borrower without demand if any event of default as highlighted in Clause 7.1 occurs.

7.2.2 In the event of a default by the Borrower in making payment, Momentum shall have the right to use any money paid by the borrower to pay legal, collection fee and any other other cost, followed by interest and the principal loan amount.

7.3 Sterling reserves the right to engage third party debt collectors to recover any total outstanding balance at the debtor's cost.

8. **Cross default**- A default of a material term, covenant, warranty or undertaking of any Transaction Document including this Agreement or any other agreement to which the Borrower and the Lender are parties, or the occurrence of a material event of default under any such other agreement which is not cured after any required notice and/or cure period, the Lender is entitled to exercise its rights to offset and withhold any collateral held by itself during such default or such a circumstance. Further, the Lender may recall with immediate effect the whole of the monies remaining payable hereunder by the Borrower on demand or to repudiate this Agreement if no monies have been disbursed and no costs have been incurred by the Lender, as the case may be.

9. **Change Of Circumstances**

Sterling reserves the right to review the terms of the loan facility including but not limited to the right to demand immediate payment of any amounts outstanding in respect of the facility:

9.1 In the event of any change in applicable law or regulation or existing requirements of, or any new requirements being imposed by any governmental, fiscal, monetary, regulatory or other authority the result of which in the sole opinion of Sterling is to increase Sterling's costs or reduce the effective return to Sterling.

9.2 The occurrence of an event that materially and adversely affects the Kenyan lending market; and

9.3 If for any reason including, without limitation, the occurrence of force majeure events, it becomes unlawful or impossible for Sterling to give effect to its obligations in respect of the loan facilities or any of the obligations expressed as being assumed by the Borrower or any relevant party under the terms and conditions and the security ceases to be valid, legal, binding and/or enforceable against the borrower or the relevant party (as the case may be) in accordance with their respective terms.

Sterling will give notice in writing to the Borrower of such event and its obligation to make the loan facility available shall be cancelled and the Borrower shall within seven (7) days of such notice repay to Sterling all moneys outstanding under the loan facility together with all accrued profit or interest thereon to the date of repayment.

10. **Indemnities**

10.1 The Borrower shall indemnify Momentum on demand (without prejudice to Sterling's other rights) for any cost, expense, loss or liability sustained or incurred by Sterling in consequence of:-

10.1.1 Any amount of the loan facility(ies) not being disbursed for any reason;

10.1.2 any default or delay by the Borrower in the payment of any amount when due in respect of the loan facilities; and

10.1.3 The occurrence or continuance of any Event of default or any event which, with the giving of notice and/or lapse of time and/or upon Sterling making the relevant determination, would constitute an Event of Default.

10.2 Losses Covered: Without derogation from the generality of clause 10.1 above, the indemnity contained in the clause shall extend to any loss (including loss of margin), expense or liability sustained or incurred by Sterling as a result of non-payment by the Borrower of any amount due from it hereunder.

11. **General**

11.1 This agreement is the whole agreement between Sterling and the Borrower.

11.2 The Borrower acknowledges that he or she fully understands the provisions of this Agreement and has entered into it voluntarily for his or her own benefit.

12. **Taxes:**

12.1 All fees payable to Sterling under this Agreement are exclusive of all applicable tax(es) at the rate then required by Law.

12.2 The Borrower remains responsible for the payment of all applicable **tax(es) as and when it becomes due.**

12.3 The Borrower shall be required to repay the fee(s) together with the applicable tax(es) that may be payable on the fee(s).

12.4 In the event of any variation of the applicable tax(es) payable by the Borrower, the Borrower shall be obligated to pay Sterling an additional amount over and above the stipulated instalment amount equal to the tax due.

12.5 The Borrower shall hold Sterling harmless and indemnify Sterling from and against any costs, claims, damages and any other liability relating to the regulatory costs incurred in compliance with this clause.

13. **Data Protection**

13.1 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.

13.2 It is hereby understood and agreed that by signing this contract the Borrower:

i) must provide personal data which is required for facilitating the processing of the loan facility through sharing to Sterling's pre- approved service providers, including but not limited to Customer Loyalty Program partners

ii) must provide personal data which is required for establishing and maintenance of business and for the fulfillment of the Lender's contractual and legal obligation;

iii) consents to the Lender processing the data as per its internal company policy;

iv) has given consent to the Lender to contact the next of kin on various instances, including but not limited to debt collection.

v) 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;

vi) 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;

vii) 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 SCL through the prescribed channel of communication.

viii) the Lender undertakes to ensure the personal data provided by the Borrower is processed in accordance with the Data Protection Act, Laws of Kenya.

13.3 For queries and more information on our Data Protection Policy, the Borrower may contact our Data Protection personnel at info@sterlingcredit.co.ke

14. **Credit Reference Bureau**- It is hereby understood and agreed that by signing this contract the borrower authorizes the Lender to access any information available to assess his/ her application and also gives the Lender permission to register details of the conduct of the Borrower's account with any Credit Rating Bureau, and the Borrower waives any claim he or she may have against the Lender in respect of such disclosure.

15. The lender is also at liberty to discount on or trade in the debt arising from his loan without making any further reference to the borrower.

16. The Lender will collect full interest accrued on any account settled after the final payment due dates as per original contract

17. **Loan Cancellation**:

17.1 Where the loan is cancelled at any stage of processing before disbursement of the funds, the Borrower shall be obligated to pay any loan origination costs incurred.

17.2 Cancellation of the loan before disbursement of the funds should be communicated in writing through the email to **applications@sterlingcredit.co.ke** or by an official letter.

17.3 If the loan is cancelled after receipt of the funds, the Borrower shall reimburse the disbursed amount plus the loan origination costs within 48 hours of receipt of the said funds. The same shall be communicated in writing through the cancellation email or an official letter accompanied with the proof of refund. Failure to which Clause 7 of the Terms and Conditions shall take effect.

18. **Dispute resolution**

18.1 In case any complaint regarding the loan contract herein or any transactions thereof, the borrower may choose to first seek resolution from the Lender in writing via email, addressed to the following official email address; info@sterlingcredit.co.ke

18.2 Both Parties further 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.

18.3 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.

19. Jurisdiction- 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.

20. **Amendment, modification and waiver**

26.1 The Lender reserves the right to amend or vary these terms and conditions from time to time or to withdraw the Service at any time.

26.2 The continued use of applying for a Top Up shall be bound by the terms of any such amendment or variation which will be effective immediately.

26.3 The Lender may give notice of such amendments via email notifications to the Borrower and at the Lender's discretion on the website

26.4 The amendment of these terms and conditions shall be communicated promptly to the Borrower.

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