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 Form;
b) The Terms and Conditions;
c) The Statutory Declaration;
d) Endorsement letter;
e) Data Processing Consent Form.

Should your loan application be approved, alongside this Offer SCL shall further send you, the applicant, a letter (“**the Confirmation Letter”)** confirming the amount of the loan approved as well as the special terms and conditions (if any) that shall apply to the facility.

The following additional terms and conditions shall apply to your facility:

1. The borrower has provided the collateral described above specifically to secure the loan and in the event of default, the Lender will exercise its right to realize the collateral and recover any unpaid portion for the loan plus all costs including but not limited to loan charges, legal and any other costs.

2. Application and Exclusion

2..1 The Borrower hereby authorizes the Lender to register an initial notice and such amendment notices as may be required from time to time under the provisions of the Movable Property Security Rights Act and regulations made thereunder.

2.2 Without prejudice to any other remedies available to the Lender and for purposes of Section 71 of the Movable Property Security Rights Act, the borrower hereby gives its express consent for the Lender to obtain possession of the Security Assets hereby charged without an application to court and the borrower hereby expressly waives any objections it may have to such possession being taken.

2.3 Without prejudice to any other remedies available to the Lender and Section 72 of the Movable Property Security Rights Act, in the event of default the borrower hereby gives the Lender the authority to sell or otherwise dispose of, lease, or license the collateral in its present and/or prevailing condition as at the time of default or after any commercial reasonable preparation or processing at the cost of the Borrower.

2.4 The Borrower further grants the Lender the right to determine and or select the method, manner, time, place and other aspects of the sale or other disposition, lease or license, including whether to sell or otherwise dispose of, lease or license collaterals individually, in groups or as a whole.

2.5 The Borrower grants the Lender the right to effect the envisaged disposition as highlighted in clause 2.3 and 2.4 herein either by itself or through its appointed agent(s), third parties and /or independent contractors.

3. **Notices**

3.1 All waivers, options, notices, including but not limited to, Proclamation Notice(s), served via the Lender’s appointed agent(s), third parties and as envisaged by the relevant statute/laws and/or legislation in place, shall be in writing and may be served physically and/or by registered post or recorded delivery or by facsimile transmission or electronic mail with confirmed delivery.

3.2 Any notice to the Borrower shall be addressed to last known address provided by the Borrower to Sterling Credit. Notices to Sterling Credit shall be addressed to 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.

3.3 In the event that the Borrower shall not be available and in a bid to ascertain the state of the motor vehicle, the Lender’s appointed agent(s), third parties, shall, physically, serve the Borrower’s agent (s) in possession of the collateral.

3.4 Notice shall be deemed to have been served:

i. if it was served in person, at the time of service;
ii. if it was served to the Borrower’s agent/servant/representative in possession of the subject collateral, in circumstances where ’s third - party agents are unable to serve the notice personally;
iii. or if it was served by post, forty-eight (48) hours after it was posted to the Borrower’s appointed personal address; and
iv. 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.

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

4.1 The cost of credit constitutes various fees and costs that includes Appraisal fee, Security perfection costs, Joint registration costs, NTSA post search costs, Tracking device installation costs, monthly tracking costs, Logbook discharge costs, Credit life cover costs and Transaction costs.

4.2 The 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.

4.3 The Borrower agrees that, if the Lender must use third parties, including but not limited to auctioneers, investigators, lawyers, storage yards, mechanics, tow trucks, key programmers, to recover the Borrower's obligations under the loan facility because the Borrower has not fulfilled any or all obligations under this agreement, the Borrower shall fully bear the costs due to the said Third Parties.

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

5. The Borrower may provide the Lender with post-dated cheques equivalent in number with the number of loan instalments and authorizes the Lender to bank the cheques on the installment due date. In the event that the Borrower expressly requests the Lender not to bank the said cheques, the

Borrower shall make payments using alternative means as provided by the Lender. On final settlement of the loan, the Lender shall return to the Borrower any issued but unbanked cheques.

6. 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 8 occurs.

7. **Tracking**

7.1 The Borrower agrees to the installation of one or more tracking devices (the "Devices") on the motor vehicle by a tracking company approved by the Lender.

7.2 The Borrower agrees not to tamper with, disable, or remove the Devices without prior written consent from the Lender. Any attempt to interfere with the Devices shall be considered an Event of Default and may result in termination of the Agreement.

7.3 Upon fulfillment of the Borrower's obligations, the Borrower will be required to avail the motor vehicle to the Lender and/or its representatives for de-installation and deactivation of the Devices which will render them inactive. In the event that the Borrower does not avail the motor vehicle for de-activation or de-installation of the Devices they will collect data and may transmit it to the Lender's and/or its representative's systems without further reference to the Borrower.

7.4 In the event that the Borrower obtains a working capital product during the tenure of the Facility, the Devices will remain in the motor vehicle.

8 **Events of Default**- Default will be deemed to have occurred if:

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

7.2 there is any tampering or interference with the installed tracker.

7.3 the Borrower fails to insure the collateral for the entire loan period as specified in Clause 12.

7.4 there is any misrepresentation of facts regarding the ownership of the collateral at the onset of the loan

7.5 the motor vehicle or accessory(ies) to the motor vehicle is changed or modified or removed which change or modification or removal is likely to prejudice the Lender's financial interest;

7.6 the identification and/or registration number, trademark or other identification mark upon the motor vehicle is changed, modified or removed;

7.7 a third-party claims ownership of the motor vehicle either by a sale agreement or a logbook and/or alleges fraud; the Lender receives a letter, a court order or any notification that is likely to prejudice our interest in the motor vehicle from any Government Agency.

9 **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/or 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.

10 In a circumstance where the borrower has an existing Insurance Premium Finance facility running concurrently with the Logbook loan Facility and fails to remit one of any monthly installments on their due date for the Insurance Premium Finance facility, the following condition shall apply: a repayment shall be initiated by the Lender in the Insurance Premium Finance facility and the same amount charged to the Logbook Loan facility account.

11 **Representations and Warranties**-Where the subject motor vehicle has been provided as collateral, the borrower undertakes to:

11.1 Guarantee that the Borrower is the owner of the vehicle or has obtained the consent from the owner of the motor vehicle (which consent shall be issued to the Lender), to secure the loan facility with the subject motor vehicle;

11.2 Cause the motor vehicle to be and remain registered jointly with the Lender during the duration of the loan and to deposit the Logbook relating to the motor vehicle.

11.3 Keep and maintain the vehicle in good order and condition (fair wear and tear only expected) and will be fully responsible for any loss thereof or damage thereto however occasioned;

11.3.1. In the event that the security asset while in the possession of the Borrower and/or agent is destroyed, damaged and/or vandalized to the extent that the security cannot sufficiently secure the Borrower's liabilities, the Borrower shall provide another security asset of equal or higher value and Momentum shall report to the relevant authorities.

11.3.2 In the event that the registration and/or identification of the security asset is tampered with to the extent that it is declared an ingenuine asset, the Borrower shall provide another security asset of equal or higher value and Momentum shall report to the relevant authorities.

11.4 Not use the motor vehicle nor permit it to be used for any purpose not permitted by the terms and conditions of the Insurance Policy nor permit to be done any act or thing by reason of which such Insurance Policy may be invalidated.

11.5 Not take, or permit to be taken, the motor vehicle out of the Republic of Kenya without prior authorization from the Lender.

11.6 Punctually pay all licenses, duties, fees and registration charges as and when they fall due.

11.7 Ensure that he/she has taken due care to enable the tracking of the motor vehicle used as security through, but not limited to the following obligations.

11.7.1 Should a tracking device develop a technical fault within the course of this loan agreement, the Lender and the tracking service provider will contact the borrower. It shall be the borrower's responsibility to cooperate with the Lender and the service provider to ensure that the vehicle is submitted to the service provider for issue resolution, and restoration of the transmission signal to normal status

11.7.2 Avail the motor vehicle for tracker removal within fourteen (14) days after full settlement of the loan facility. Failure of which, the Borrower shall incur a cost of Kenya Shillings Two Thousand (Kshs. 2,000/=), which cost may be amended from time to time. After ninety (90) days, the Borrower shall pay to the Lender cost of procuring the tracking gadget, that is, Kenya Shillings Eighteen Thousand (Kshs. 18,000/=), due to such failure to avail the motor vehicle. Upon receipt of the above stated amount(s), respectively, the Lender shall discharge and inform the Borrower when the Logbook shall be ready for collection.

11.7.3 In the event that a borrower fails to cooperate as per Clause 11.7.1, the Lender will institute repossession procedures of the affected motor vehicle, 24 hours from notification, for storage at a designated yard, at the customer's cost.

12 Insurance

12.1 The Borrower undertakes to **comprehensively** insure the collateral for the entire loan period.

12.2 The Lender shall communicate to the Borrower regarding the expiry of their existing insurance 14 days and 7 days to expiry. If the Borrower opts to incur the cost of renewing their insurance cover upon expiry, the Lender shall allow the same. The Borrower shall further provide to the Lender evidence of payment of the insurance within 14 days of that expiry month.

12.3 Failure to comply with Clause 12.2, the Company reserves the exclusive right to effect such comprehensive insurance, through its nominated brokers, at the Borrower's cost without any further reference to the Borrower, open and debit the Borrower's Insurance account with any amount paid by the Company. The Insurance procured by the Lender shall be communicated to the Borrower and an insurance sticker issued.

12.4 In the instance where the Borrower intends to cancel and cancels the insurance taken by the Lender on their express instructions, there will be no refunds whatsoever made to the Borrower.

12.5 The Borrower undertakes to endorse Momentum Credit Limited as the principal beneficiary of any dues arising from an insurance claim relating to the motor vehicle used as a security.

12.6 The Lender shall be entitled to the full benefit of the Insurance Policy thereof including claims that might at any time be outstanding. Any monies received by virtue of such insurance shall at the discretion of the Lender be applied in replacing or restoring any loss or damage in respect of which the same shall be received in or towards liquidation of the amount for the time being due by the borrower to the Lender under this agreement.

13 Interest Rate and Interest Calculation –The total interest chargeable on the facility is calculated as per the table below. where applicable) subject to the applied loan term on the base of the principal loan amount plus capitalized fees. 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 subject to the loan term, which shall form the basis of calculating the outstanding amount due in the event of a prepayment.

Loan term in months	1-3	6	9	12	18	24
Applicable interest rate (Flat Rate) %	6.67%	4%	4%	4%	4%	4%

14 Applicable interest and penalties on outstanding dues and bank charges accrued

14.1 interest on outstanding dues of 0.33% shall be charged on an unpaid installment amount from the fourth day of lateness in payment of the due instalment, on a daily basis until full payment of the amount due. 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.

14.2 Where a cheque/instrument provided by the Borrower is dishonored, the actual costs incurred by the Lender for each dishonored cheque/instrument shall be recovered from the Borrower.

14.3 Consequently, the lender shall be entitled to repossess and dispose off the motor vehicle/ collateral in such manner as it may in its sole discretion determine to be in its best interest and the Borrower is obligated to cooperate accordingly.

14.4 Upon repossession of the motor vehicle, the Lender shall temporarily halt banking of the subsequent cheques/instruments in its custody until the loan account is regularized or fully settled.

15 Early Settlement

15.1 The borrower shall be advised by the Lender on the remaining amount required to pay-off the outstanding loan facility. This is termed as an early settlement whereby the pay-off amount is the principal balance, accrued interest and any pending fee and/or charges, excluding future tracking fees.

15.2 Under this clause all loans under 3 months will have a minimum repayment period of 3 months.

15.1 Upon full payment of the loan and related charges the Lender shall, at the Borrower's request, return the title document of the collateral provided by the Borrower and exit the joint ownership of the same with the Borrower. The Borrower shall then avail the motor vehicle for tracker removal and settle the Tracker Removal costs as communicated by the Lender.

16 Sale by Private Treaty

16.1 In the Event of Default, the Borrower shall (within Ten (10) working days from the date of repossession) have the right to sell the motor vehicle by private treaty, and the net proceeds of the sale shall be credited into the Lender's account. The Borrower shall indemnify the Lender against any claims by a third party in respect of any sale or disposal as aforesaid in which such third party has or claims an interest.

16.2 Without prejudice to any other remedies available to the Lender, if the Borrower is unable to sell the motor vehicle within the 10 working days period, the Lender may dispose of the same through private treaty or public auction.

17 Taxes:

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

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

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

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

17.5 The Borrower shall hold Sterling Credit 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.

18 Data Protection

18.1 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.

18.2 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 Momentum's pre- approved service providers, including but not limited to Valuation companies, Auctioneering companies, Insurance brokers/agents and 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.

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

19 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.

20 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.

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

22 In the event of default on the final installment, the Lender shall collect full interest accrued, alongside any fees and/or charges arising therefrom.

23 Loan Cancellation:

23.1 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 including but not limited to tracking device removal costs, Valuation costs (if applicable), Chattel Registration fees (if applicable) and NTSA Discharge costs (if applicable).

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

23.3 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 8 of the Terms and Conditions shall take effect.

24 Dispute resolution

24.1 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; loans@sterlingcredit.co.ke

24.2 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.

24.3 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.

25 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 more-so the terms and conditions set out in the **Movable Property Security Rights Act (2017)** Laws of Kenya and to the exclusive jurisdiction of the Kenyan Courts.

26 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. Any such amendment shall apply with effect from such time as may be specified by Sterling Credit Ltd.

26.2 Sterling Credit will endeavor to give reasonable notice of any amendment via email notifications to the Borrower and at the Lender's discretion on the official website, but reserves the right to introduce any amendment with immediate effect, if Momentum deems it necessary to do so.

26.3 The Borrower may qualify for either a USSD Top Up Facility or USSD Credit Card Facility or USSD Quick Cash facility ("USSD facilities") after payment of at least three installments, security being the **same** collateral detailed herein. The said facilities shall be accessed via Mastercard card or USSD code as communicated by Momentum from time to time

26.4 The above USSD facilities, if approved, shall be bound by the terms of any such amendment or variation, accessed via STERLING CREDIT'S website via URL link https://sterlingcredit.co.ke/ which will be effective immediately.

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

27 **Offer Period**- The offer contained in this Letter is available to the Borrower for acceptance for a period of no less than one month from the date of this Letter after which date the customer should have read understood the terms and conditions mentioned above, the offer will lapse on expiry of this period unless extended in writing by the Lender. The borrower is at liberty to consult independently on any term or condition in this agreement.

IN **AGREEMENT** and **UNDERSTANDING** thereof, the Borrower accepts such offer on such terms and conditions set out above and hereby affixes their respective signature:

Client's Witness :

Names:_____________________________

Phone No:_____________________________

Signature:_____________________________

Date: _____________________________

BORROWER (please sign here):

Surname:_____________________________

Other Names: _____________________________

Phone No:_____________________________

Signature:_____________________________

Date:_____________________________