

Standard Terms and Conditions Applicable to Personal Loan Facilities

1. INTRODUCTION

- 1.1 Application: These Standard Terms and Conditions shall be applicable to Instant Cash Facilities provided or agreed to be provided by BANK OF AFRICA - UGANDA Ltd ("the Bank").
- 1.2 Inconsistency: In the event of any disparity between these Standard Terms and Conditions and the applicability of the offer letter, the offer letter shall take precedence.

2. DEFINITIONS

In the offer letter and these Standard Terms and Conditions, the following defined words and phrases have the meanings defined below unless the context requires otherwise;

"Amount Owing" means the sum of the principal amount outstanding under a Facility and all other money payable by You to us under the Facility and outstanding from time to time including accrued interest (including penalty fees), indemnities, costs and expenses (and "Amounts Owing" shall have a corresponding meaning);

"Bank" means **BANK OF AFRICA - UGANDA Ltd** having its registered office at Plot 45 Jinja Road and its branches/offices all over Uganda and shall be construed to mean its successors, assigns, and transferees from time to time and is also referred to in these Terms as "We", "Us" and "Our";

"Bank's Base Lending Rate" means the interest rate for a currency of the Facility as specified in the offer letter and/or such other rates which we specify as Our Base Lending Rate from time to time, as determined and communicated by us in Our sole discretion;

"Base Rate Basis" means a basis for calculating interest on the Facility at the rate equal to the aggregate of the margin and Our base lending rate.

"Borrower" means the person referred to as the "Client" or "Customer" in the offer letter and is also referred to in these Terms as "You" and "Your";

"Business Day" means a day on which registered banks are open for general banking business in Uganda;

"A Cooling Off Fee" shall mean 5% of the Facility amount payable by the Borrower in case he/she cancels/terminates the offer letter/these Standard Terms and Conditions with the Cooling Off Period.

"Cooling Off Period" means a period within which the Borrower may exercise the right to cancel/ terminate the offer letter/these standard Terms and Conditions and which right shall be governed by condition 10 of these standard Terms and Conditions.

"Cooling Off Right" shall mean the right that the Borrower can exercise to terminate the Facility within the cooling off period.

"Conditions Precedent" mean, in addition to any conditions precedent specified in the offer letter, those matters referred to in condition 4 (and "Condition Precedent" shall have a corresponding meaning);

"Effective Rate" is the rate of interest applicable to the Facility as stated in the offer letter that includes the base rate and the resultant credit risk margin points.

"Event of Default" means any ONE or all events specified in condition 13 and any other event or circumstance which would ordinarily directly result in an occurrence of any of the events specified in condition 13;

"Facility" means any credit facility or loan facility or any other facility for financial accommodation, which we provide or have agreed to provide to You;

"Facility Document" includes and means the offer letter, these Standard Terms and Conditions, security document executed in support of the Facility or document submitted/executed by You to Us;

"Loan/Facility Agreement" means the offer letter and these Standard Terms and Conditions read together and entered into between You and Us and as may be modified from time to time.

"Prepayment Fee" means the administration fee payable by You in the event of Us agreeing to Your request for early prepayment of the facility in accordance with condition 8;

"Secured Property" means security required as stated in the offer letter under the heading "Security" created in Our favor;

"Offer Letter" means the credit facility letter and or any addendum executed by the Borrower;

3. INTERPRETATION

In these Terms, unless the context otherwise requires:

- 3.1 Any reference herein to any statute or section of any statute shall be deemed to include reference to any statutory modification or re-enactment thereof for the time being in force.
- 3.2 References to You and Us shall include references to their respective successors and assigns.
- 3.3 These Standard Terms and Conditions form part of the offer letter, which refers to these Conditions.
- 3.4 Reference to the offer letter or any other document shall include any amendment, supplement, variation or replacement from time to time in force.
- 3.5 Unless a contrary intention clearly appears, words importing any one gender shall include the other genders, the singular shall include the plural and vice versa and natural persons shall include artificial persons (including trusts and partnerships) and vice versa.

4. CONDITIONS PRECEDENT

We are not obliged to make the Facility available to You until We have received and found all Conditions Precedent stated in the offer letter satisfied at Our sole and absolute discretion.

5. APPLICATION OF THE FACILITY

We reserve the right upon drawdown of any Facility to apply some or all the borrowed funds to;

- 5.1 The payment of any fees, costs, expenses, charges or commissions payable under the Facility.
- 5.2 The repayment of any of Your outstanding indebtedness.

6. INTEREST/CREDIT/OTHER CHARGES

- 6.1 You shall pay credit charges, all other charges and interest on the Facility at the rates mentioned in the respective offer letter(s) and Facility documents executed by You.
- 6.2 Interest on the outstanding principal amounts under the Facility shall be calculated on the daily debit balance of such Facility Account. In the event of remittance being made into Your account after normal banking hours, but within the extended business hours on a business day,

we will have the discretion to value date such remittance on the next succeeding business day for purpose of calculation of interest.

6.3 Interest and all other charges shall accrue on a daily basis and shall be computed on the basis of 365/360 days. We may alter the method of calculating interest at any time with prior notice to You.

6.4 Where the Facility or security for the Facility becomes a subject of judicial review or process, interest of the Facility will continue to accrue and will be payable both before and after judgment. Interest is to be calculated and compounded in accordance with the usual practice of the Bank from time to time. The Borrower agrees that the Bank's right to compound interest shall continue notwithstanding that the relationship of the Bank and the Borrower may have ceased to exist by reason of a demand or otherwise until the date of full payment (both before and after judgment).

6.5 Base Lending Rate Basis

- i. If and so long as the base lending rate basis applies, interest shall accrue at the rate per annum equal to the aggregate of the margin and the base rate from time to time and shall be payable monthly in arrears by the Borrower. The base rate shall be a fluctuating rate, which we shall determine at Our absolute discretion.
- ii. We reserve the right to determine and change the applicable base rate(s) margin over the base rate, and methods of calculating the interest applicable from time to time with full power and authority to charge different rates for different accounts and, or transactions.

7. CHANGE OF INTEREST RATE

7.1 We shall be entitled at Our absolute discretion at any time and from time to time to vary the Bank's Base Lending Rate which variance shall affect or change the effective interest rate for the Facility;

7.2 We shall communicate the change of Our Base Lending Rate by publication on the notice board of the concerned branch of the Bank, website or in the Newspapers.

7.3 The Borrower specifically waives any other forms of notices for any change in Our Base Lending Rate and the notices stated above shall be deemed to be sufficient notice of variation in rate of interest.

8. CANCELANON OF THE FACILITY BY THE BORROWER - COOLING OFF PERIOD

You may within 10 (ten) working days from the date of signing the offer letter and these Standard Terms and Conditions cancel or terminate the same by delivering to Us an unconditional and irrevocable written notice of termination signed by You or Your authorized agent clearly referring to the Facility being terminated. We shall thereafter terminate the Facility upon You fulfilling the following conditions;

8.1 Paying off the full Facility amount if already disbursed and drawn down, administrative charges /fees and all costs incurred by the Bank prior to You exercising the cooling off right. Failure of which the Facility will run for its duration and as agreed upon by the parties.

8.2 You paying to Us the Cooling Off Fee herein defined.

8.3 You unconditionally undertaking to indemnify Us against any third party claims or any other or loss that may arise as a result of You exercising the Cooling Off Right;

8.4 For purposes of this clause 10, the Cooling Off Right shall expire on the 10th working day after signing and accepting the offer letter.

Note: A Borrower exercising the 'cooling off right' must have been granted a facility of not less than UGX 3,000,000 (Three Million Shillings Only) for a period/duration of at least one (1) year.

9. REPAYMENT OF THE FACILITY

9.1 You shall repay the Facility an interest whether or not ON DEMAND at the times/dates and in the amounts stated in the offer letter under the heading "Term and Repayment".

9.2 The above notwithstanding, the Facility is repayable on DEMAND. As a result, we may without assigning any reason terminate the Facility and demand immediate payment of the Amount Owning.

9.3 Payments of the Facility made after the due dates shall attract a penalty fee/penal interest, which fee shall be charged on both the principal amount and interest overdue.

9.4 Reduction of Installments: if the whole Facility shall not have been disbursed or drawn down by the final drawdown or disbursement date, the Facility shall be repaid in installments agreed upon in the offer letter but the installment amount may be reduced pro-rata by us in writing.

9.5 Review of Installments and repayment dates: Any review or change of the repayment installment amounts or repayment reschedule shall be approved by us and communicated to You in writing. However, any installment amount changed as a result of Our revision of the Interest rate need not be agreed upon between with You.

9.6 Repayments of the Facility shall be made in the currency in which the Facility was disbursed ('currency amount'). Any money received or paid in a currency other the currency amount shall be converted by Us into the currency amount using the Our prevailing spot rate of exchange for such conversion so as to cover Your obligations or liabilities. You shall be responsible for any loss arising from any fluctuation in exchange rates.

9.7 All payments by You or Your representative(s) in respect of the Facility shall be made in full without set-off deductions or counterclaims and free of and without deduction for or on account of tax unless You are required by law to make any such payments subject to such withholdings or deduction, in which case You shall pay such additional amount to Us as may be necessary in order that the actual amount received after such withholding or deduction shall be equal to the amount that would have been received if such withholding or deduction were not required. You shall fully indemnify Us from any liability with respect to the delay or failure to pay any required taxes or charges. Without prejudice to the foregoing, You shall complete such forms and documentation as may be required from time to time by Us.

10. BORROWER'S OBLIGATIONS

The Borrower covenants with the Bank that he/ she/they;

10.1 Shall utilize the Facility for the purpose for which it was sanctioned/granted as stated in the offer letter and for no other purpose whatsoever.

10.2 Shall effect all payments in respect of or on account of

the Facility and the interest thereon free of any exchange rates or commission, withholding tax or other taxes and other similar expenses by credit to such Bank accounts.

- 10.3 Shall not take or allow any action, which would cause any creditor of the Borrower or security to the Bank to rank in priority to or Pari passu with the security of Facility herein created without written consent of the Bank.
- 10.4 Shall not during the continuance/ subsistence of the Loan/ Facility Agreement borrow from any other financial/credit institution or moneylender without the written consent of the Bank.
- 10.5 Shall not become surety, guarantor, for or give indemnity on behalf of any third party or render him/herself liable in any way whatsoever for the debts or engagements of any other party except with written authority from the Bank.

11. EVENTS OF DEFAULT

Regardless of whether it is Your fault or not, an event of default shall arise when any of the following happen:

- 11.1 You neglect/fail/forget to pay Us any amount or installment payable on its due date whether or not demanded; or
- 11.2 You fail to comply with any of Your obligations or You breach any of the terms/conditions/covenants express or implied under the offer letter, these standard Terms and Conditions or any Facility Document whether or not notice has been given to You; or
- 11.3 You have committed a dishonest act; or
- 11.4 You use Your Facility for any purpose other than that specified in the offer letter, or
- 11.5 A Receiver, trustee, official assignee, statutory manager, administrator or similar officer is appointed in respect of You or any of Your assets; or You are unable to pay Your debts with third parties; or
- 11.6 In Our reasonable opinion, a material adverse change occurs to You; or
- 11.7 If any legal or criminal proceedings of any nature shall be instituted against You and are likely to affect Your obligations under the Facility; or
- 11.8 You die, become insane or become in any way legally incapacitated; or
- 11.9 It becomes impossible, for any reason, for You to perform any of Your obligations under any Facility Document to which You are a party; or
- 11.10 Any Facility Document or Security or Security Document becomes or is claimed to be invalid or unenforceable in whole or in part or is claimed to have effect otherwise than in accordance with its terms or is withdrawn, revoked, or becomes defective; or
- 11.11 If any representation or warranty, statement or undertaking made or deemed to be made or information provided to Us by You prior to the grant of the Facility or during the Facility period is or becomes incorrect or misleading or turns out to be false or untrue; or
- 11.12 If You cross default with other creditors within or outside the Bank, and any of Your properties is advertised for sale or is being realized to recover a debt.

12. CONSEQUENCES OF DEFAULT

In case ANY of the events stated in condition 13 takes place the Bank may or shall without prejudice to Our rights and remedies do ANY of the following;

- 12.1 Cancel, suspend and demand the Amount Owing;
- 12.2 Declare any or all the Facility amount, interest, and expenses/costs are due and payable either immediately or at such later date as we may specify in the recall notice whereupon that indebtedness will become so due and payable;
- 12.3 Request that You rectify the default identified within a given period of time, failure of which the whole Facility shall be due for full payment; or
- 12.4 Exercise all rights under in Facility or Security Document.

13. INDEMNITY

You agree to indemnify and hold us harmless against any loss, expense and liability sustained or incurred by Us (including any loss of profit) as a result of:

- 13.1 The occurrence of any Event of Default;
- 13.2 Any failure by You in complying with Your obligations under a Facility or Facility Document;
- 13.3 An amount payable to Us under the Facility or a Document not being paid when due;
- 13.4 Any amount not being drawn on the intended date for drawing; or
- 13.5 Any amount owing being paid earlier than originally due (even if that prepayment is permitted by the Documents or is required by us);
- 13.6 Any payment to Us of the amount we certify is required to indemnify Us for that loss, expense or other liability.

14. APPLICATION OF THE CREDIT FACILITY MONEYS RECOVERED BY THE BANK

If any sum is paid or recovered in respect of Your Facility payment obligation to the Bank is less than the amount then owing, We may apply that sum in such manner; first to fees/penalties/expenses, second to interest and thirdly to principal debt or any amount due in such proportions and order and generally in such manner as We think fit and any balance shall be credited on to Your account.

15. SET OFFs COMBINATION OR CONSOLIDATION OF ACCOUNTS

You hereby authorize Us to apply (without prior notice or demand) to combine, consolidate or merge all or any Your account(s) and liabilities held with Us or anywhere whether in or outside the Republic of Uganda and We may transfer or set off any sums in credit in such accounts towards satisfaction of any of the Your Facility, debt or liabilities whether actual or contingent, primary or collateral notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and We are hereby authorized by You to effect any necessary conversions at Our own rate of exchange then prevailing.

16. COSTS, EXPENSES AND FEES

- 16.1 All costs and expenses, legal or otherwise connected to the realization of security and the recovery of monies owing under the Facility including debt recovery fees,

fees towards legal services and fees arising from any legal proceedings of whatsoever nature by the Us or You or a 3rd Party in relation to the Facility or Your account or assets shall be payable by You whether or not on demand, on full indemnity basis together with interest from the date the costs and expenses are incurred to the date of payment in full at such rate as We may prescribe.

- 16.2 You shall pay all stamp duty, registration fees, perfection of security fees, valuation fees, survey fees, legal fees, advocates fees to the Bank lawyers, insurance premiums should You not renew an insurance policy at expiry and other out of pocket expenses of any kind whatsoever required in respect of the Facility or Security. We shall debit any such fees or expenses from Your account or We may at Our discretion where applicable meet such expenses with the right to charge interest on all such amounts due and unpaid or expensed on Your behalf at such rate as We may from time to time determine.

17. DISCLOSURE

You authorize Us to disclose and discuss Your Facility or Bank Account (s) and financial affairs at any time with:

- 17.1 Our accountants, auditors, legal and financial advisers or parent, subsidiaries or related companies.
- 17.2 Any regulatory or supervisory authority including fiscal authority in any jurisdiction.
- 17.3 The Credit Reference Bureau
- 17.4 To any person or office in compliance with a COurt Order or any relevant laws.
- 17.5 Asset Reconstruction Company established by law or contract
- 17.6 On a confidential basis, to a potential assignee, transferee, successor or other person with whom we have or may contemplate having contractual relations in connection with a Facility or any Document, any information about You whether or not that information was obtained in confidence and whether or not that information is publicly available.

18. WAIVER

No failure to exercise any right under the Facility Document will operate as a waiver of that right. No waiver by Us of Our rights under a Loan/Facility Agreement or other Facility Document will be effective unless it is in writing signed by Our Authorized Officer.

19. AUTHORITY TO DEBIT BORROWER'S ACCOUNT

You hereby instructs Us at any time and without notice to deduct from any account You hold with Us, Your Facility re-payment obligations or monies due for payment, required stamp duty for registration of this agreement, Insurance premiums, legal costs incurred by a Bank lawyer to effect any required registrations as instructed by the Bank, ordinary bank charges in accordance with the bank tariff, any fees incurred as a result of recovery of the any outstanding loan amount, any fees/costs payable under the Facility granted to You.

20. AMENDMENTS

Except as otherwise provided in these Terms, no amendment to any Facility Document will be effective unless it is in writing signed by all the parties to that Document.

21. Your WARRANTIES, REPRESENTATIONS AND UNDERKINGS

You acknowledge, represent and warrant to us that:

- 21.1 You have the power to enter into and perform the loan/facility Agreement and all other Facility Documents to which You are a party and have taken all the necessary actions to authorize the execution, performance and delivery of the loan/facility Agreement and all other Documents in accordance with their respective terms.
- 21.2 Your entry into the Loan/Facility Agreement(s) and the Documents will not violate any provision of any law or regulation or any order of any Government, Judicial or Public body or Authority in Uganda; and
- 21.3 These terms and Facility Documents constitute legal, binding and valid obligations enforceable in accordance with their respective terms.

22. AMENDMENT AND TERMINATION

- 22.1 The Terms and Conditions herein contained may be amended from time to time by an addendum or Supplementary Terms and Conditions to the effect and extent only as may be set out in such Supplementary Terms and Conditions.
- 22.2 The obligations under this Agreement will, unless renewed in writing, expire and automatically terminate on payment of the Amount Owing payable to Our satisfaction, except where otherwise expressly stated.
- 22.3 The Loan/facility Agreement once signed by the parties remains in full force and effect, subject to termination as aforesaid, throughout the life of the Facility.

23. GENERAL TERMS

- 23.1 Assignment of Loan/facility Agreement: You shall not assign all or any part of Your rights, obligations or benefits under this agreement without Our written consent.
- 23.2 In event of Your default on the terms of Your Facility, We may assign the Facility or the recovery of the Facility to an agent or Asset Reconstruction Company, with or without first notice to You.

23.2 Notice: Any notice or demand for payment shall be deemed properly served if it is delivered by hand, or sent by registered mail post to the addresses shown in the offer letter or facsimile to the address(es) or facsimile number or to any other address or facsimile number You may notify Us in writing or to Your employer. A notice or demand, if delivered by hand, shall be deemed to be received at the time of delivery whether or not acknowledged received by You or Your employer or if sent by registered post, shall be deemed to be received by You 5 days after posting and if sent by facsimile, shall be deemed to be received at the time of transmission.

- 23.3 Checks with Credit Reference Bureau: We may at any time during the credit facility period carry out credit checks with the Credit Reference Bureau regarding to any or all credits held by You in any financial/credit institution.
- 23.4 Review: We may periodically review Your Facility and have the right to cancel, reduce or amend Your Facility in Our absolute discretion. Without prejudice to the foregoing, where We are not satisfied;
- i. With the operation of the Facility Account; or

ii. That Your current income levels satisfy Our Facility servicing requirements;

then we retain the right to amend the Terms and Conditions of the Facility Agreement including the right to require You to repay all or part of any outstanding principal, interest and fees. We will give You notice of any such decision as we consider appropriate

23.5 Severance: In the event any term or condition of the Loan/facility Agreement is deemed to be void, invalid, or unenforceable, that term or condition shall be severed from the remainder of the conditions in the Agreement so as not to cause the invalidity or unenforceability of the remainder of the conditions therein. All remaining Terms and Conditions shall then continue in full force and effect.

24. GOVERNING LAW

The Loan/Facility Agreement and the other Facility Documents (unless otherwise specified in any Document) shall be governed

by and construed in accordance with the laws of Uganda and the parties hereby submit to the non-exclusive jurisdiction of the courts of the Republic of Uganda, but such submission shall not be construed so as to limit the right of the Bank to commence proceedings in the cOurts of any other country.

The Borrower signifies by signing below these Standard Terms and Conditions, that she/he has read and understood the said Terms and Conditions.

.....
Name of BORROWER

.....
Signature of BORROWER

.....
Date