



Your handy guide to CfC Stanbic Bank Personal Accounts

TERMS AND CONDITIONS



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General Terms and Conditions

1 Deposits

- 1.1 The Bank will accept deposits into your account of cash, cheques and other items payable to you.
- 1.2 The proceeds of cheques and other similar items deposited will only be available as cash when paid by the drawer's bank. (This situation arises because when you deposit a cheque or other item the amount is provisionally credited to your account before we receive the actual payment).
- 1.3 In the normal course, we are unable to process postdated cheques.

2 Deposits Reversed

- 2.1 The Bank will debit your account with the amount of any cheque or other item deposited that is unpaid. Your account will be debited with bank charges associated with these unpaid items. Details of such charges are available on request.
- 2.2 The Bank will debit your account with the amount of any cheque or other item deposited to which you are not entitled and may pay the amount to the owner thereof, whether your account is in credit or debit, and we will advise you of our action taken.

3 Payments

- 3.1 The Bank will make payments from your account on your instructions if there are sufficient funds.
- 3.2 By arrangement, you may instruct us by electronic means to make payments from your account and we will debit your account with the amounts concerned.
- 3.3 Standing order instructions are issued on the understanding that you have no claim against the Bank in the event of any payments not being paid on due date, for any reason that is beyond the control of the Bank.
- 3.4 Simultaneous Orders in Excess of Funds:
Where the Bank receives more than one order at about the same time the total amount of which exceeds the available funds or assets of or the credit granted to the Customer, the Bank may honour the orders in whatever manner it thinks fit within the limit of the funds available.

4 Stop Payments

- 4.1 You may stop payment of a cheque/instrument you have issued before it is presented for payment unless the Bank has made a commitment to pay it, for example, certified it good for payment.
- 4.2 The Bank may accept stop payments of debit orders but the responsibility to cancel the underlying contract rests with you. You shall also indemnify the Bank against any legal action arising out of such cancellation.

5 Interest and Charges

- 5.1 The Bank will charge you interest on any overdrawn balances and we shall inform you of the applicable rate of interest charged at the time you overdraw your account.
- 5.2 The Bank will charge you for various services provided. The charges for the services will be notified to you at the time you take up the services. Details of charges and tariffs for our various services are available on our website and in our branches.
- 5.3 The Bank may vary charges and interest rates from time to time, but will give you a thirty (30) days notice of such changes before they come into effect.

6 Statements

- 6.1 The Bank will provide you with regular statements of your account.
- 6.2 You should advise us within thirty (30) days of receipt of the statement of any entry you regard as incorrect.
- 6.3 If you fail to notify us in good time of forged or unauthorised entries on your account and this results in losses on your part, we will be entitled to refuse to refund the losses to you, provided that we have not been negligent or breached our duty of care.

7 Overdrafts

- 7.1 If your account is overdrawn without suitable arrangement, we may transfer/set off money to it from any other account(s) held by you.
- 7.2 The Bank may demand payment of all amounts owing by you at any time.
- 7.3 A certificate signed by a manager of the Bank containing details of an amount, including interest, owed by you will be sufficient proof thereof unless the contrary is proved.
- 7.4 The Bank shall regard the latest postal or residential address given by you to us as the address where notices may be given and documents in legal proceedings may be served.
- 7.5 If necessary, we may take legal action against you in an appropriate Court of Law.
- 7.6 You shall be responsible for payment of all our expenses in recovering any amounts you owe us, including legal fees payable to our lawyers, collection fees and tracing fees or any other fees we may incur as a result of our efforts.

8 Letter of Set Off

In consideration of us giving you financial and/or banking accommodation and other facilities, you agree that in



addition to any other general lien (the right of the bank to hold the property of a depositor) or similar right to which we as Bankers may be entitled by law, we may at any time and without notice to you combine or consolidate all or any of your accounts with/and liability to us and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of your liabilities to us on any other account or in any other respect whether such liabilities be actual or contingent (dependent on the happening of something else), primary or collateral and several or joint.

9 Cheque Book

9.1 You agree:

- 9.1.1 To look after and use any cheque book and any cheque leaf with the utmost care.
- 9.1.2 We will not be held liable for losses arising from unauthorised alterations to cheques which are not readily detectable.
- 9.2 You further agree to ensure:
 - 9.2.1 That any person preparing a cheque on your behalf is authorised to do so
 - 9.2.2 That any cheque prepared for payment shall be signed in ink or other permanent writing material
 - 9.2.3 That the amount on the cheque is written in such a manner as to prevent any unauthorised addition of letters or figures;
 - 9.2.4 That any cheque and any alteration is signed by an authorised signatory
 - 9.2.5 That no blank cheque is given to any stranger or other person when you do not have reasonable grounds to believe that person to be trustworthy
 - 9.2.6 Upon closure of any account you will return to us any remaining blank cheque leaves relating to that account
 - 9.2.7 You understand that the use and handling of your cheque book is subject to the Bank's Rules and Procedures.

10 Terms and Conditions of CfC Stanbic Bank Card

Your use and application for the debit card (the card) shall be subject to these terms and conditions (terms). These terms constitute an agreement between you and CfC Stanbic Bank (the Bank).

10.1 Application for the card

- 10.1.1 All applications for cards are subject to the Bank's approval.
- 10.1.2 The Bank has the right to refuse you access to the card in its sole and absolute discretion.
- 10.1.3 The Bank shall have the right to verify your identity and refuse to provide you with the card if you cannot provide the Bank with proof of your identity to the Bank's satisfaction.

10.2 Issue of the card

- 10.2.1 You must sign the card on the reverse side in ink immediately after receiving it.

10.2.2 Additional cards linked to your account may be issued to other persons authorised by you.

10.2.3 You will be charged the usual service fees and other account charges in accordance with our tariffs.

10.2.4 The Bank shall always remain the owner of the card.

10.3 Use of the card

10.3.1 Only you may use the card. You must not allow any other person to use the card.

10.3.2 You may use the card to buy goods and/or services from those suppliers who accept the card.

10.3.3 When using the card to buy goods and/or services you must sign a transaction slip provided by the supplier.

10.3.4 The Bank will give you a Personal Identification Number (PIN) which will enable you to draw cash, make local deposits, transfer funds, make purchases and otherwise operate the card on Automated Teller Machines ("ATMs") and Point of Sale (POS) Machines.

10.4 Authority to debit your account

10.4.1 The Bank will charge to your account any payments the Bank makes on your behalf for purchases or cash withdrawals you or the additional cardholders make using the card, whether or not the slips or vouchers are signed.

10.4.2 You will not be allowed to stop payment to any supplier.

10.5 Unauthorised use of the card and PIN

10.5.1 You are responsible for the safe keeping and proper use of the card. You must either memorise the PIN, or keep any record of the PIN separate from the card and in a safe place.

10.5.2 As soon as you discover or suspect that your card is lost or stolen or your PIN is compromised, you must notify the Bank immediately by telephone. The Bank will stop the card as soon as reasonably possible after such notification. Delay in notifying the Bank will be considered as negligence on your part.

10.5.3 If you are negligent in not promptly reporting the card lost or stolen, you will be responsible for all cash drawn including where the PIN is used to withdraw money and/or for payment of goods and services bought with the card, before the Bank has stopped the card.

10.5.4 Should you dispute that any purchase or withdrawal debited to your account was authorized by you, you will have to prove that it was not authorised; whether or not the transaction slip or voucher was signed. Unless you have provided adequate proof to the satisfaction of the Bank you will be deemed to have authorised such purchase or withdrawal.

10.6 Failure/malfunction of Electronic Funds Transfer at Point of Sale Unit ("EFTPOS") or ATM

10.6.1 The Bank shall not be responsible for any loss arising from any failure, malfunction or delay or any EFTPOS unit or ATM, or our supporting or shared networks, where applicable, resulting from circumstances beyond our reasonable control.



10.6.2 The Bank shall be entitled but not obliged to send any notice of such failure of malfunction to the e-mail address (if any) you specified on your application form.

11 Termination of the Relationship with the Bank

11.1 Should you decide to terminate your relationship with the Bank, you must inform your branch in writing and the request must be accompanied with any unused cheque leaves and your card, which must be cut into pieces so that it cannot be used again. If you do not cut your card up and it is used without your authority, you will be held responsible. Such closure of the account will only be effective upon return of the said items and all cheques or other items deposited have been paid.

11.2 The bank will close your account on reasonable prior notice (minimum 4 days) and shall give reasons for such action unless the closure is because of a court order or the account is being used for illegal activity.

12 Dormancy

In the event that your account is inactive for a stipulated period of time as determined by the Bank's policies and procedures, the Bank may close the account after giving you notice of its intention to do so and inform you of the reasons for doing so. Any monies held in the bank account at the time of closure will be paid to you or your legal representative. During the notice period, you may take steps to reactivate the account, and if done to the satisfaction of the Bank, the account shall not be closed.

13 Freezing of Accounts

The Bank may at any time freeze any account of the Customer if and so long as there is any dispute or the Bank has reasonable doubt for any reason as to the person or persons entitled to operate it. The Bank shall not be obliged to institute interpleader proceedings (proceedings brought by a third party to have a court determine the ownership rights of rival claimants to the same money or property) or to take any step of its own initiative for the determination of such dispute or doubt.

14. Disclosure of Information and Confidentiality

14.1. The Bank will treat all your personal information as private and confidential (even when you are no longer a customer). Nothing about your accounts nor your name and address will be disclosed to anyone except to the following classes of people or in the following exceptional circumstances:

14.1.1 to the Standard Bank Group (our parent company) and any other member of the permitted parties in any jurisdiction

14.1.2 where the Bank is legally compelled to do so under any

Kenyan or any foreign laws as may be applicable from time to time (including without limitation, the United States' Foreign Account Tax Compliance Act (FATCA) or such similar law in any relevant jurisdiction, any anti-money laundering legislation and any data protection legislation)

14.1.3 our and the permitted parties' professional advisers, service providers or independent contractors to, or agents of, the permitted parties, such as debt collection agencies, data processing firms and correspondents who are under a duty of confidentiality to us or the permitted parties

14.1.4 any actual or potential participant (a party which desires to enter into a contract with us which might affect your rights under our banking agreement), or assignee (a person to whom any of our rights or obligations under this agreement are legally transferred), or any officer, employee, agent or adviser of any of them

14.1.5 any credit bureau or credit reference agency, rating agency, business alliance partner, insurer or insurance broker of, or direct or indirect provider of credit protection, of any permitted parties

14.1.6 any financial institution which you have or may have dealings for the purpose of conducting credit checks (including in the form of bank references)

14.1.7 any court, tribunal or authority (including an authority investigating an offence) with jurisdiction over the permitted parties

14.1.8 any regulator or tax authority where necessary to establish any tax liabilities in any jurisdiction pursuant to orders, agreements with regulators or authorities or otherwise

14.1.9 the Central Bank of Kenya

14.1.10 a merchant or a member of a card association where the disclosure is in connection with use of a card;

14.1.11 any authorised person or any security provider;

14.1.12 for fraud prevention purposes

14.1.13 where it is in the Bank's interest to disclose

14.1.14 where the disclosure is made at your request or with your written consent

14.1.15 where it is in the public interest to disclose

14.1.16 anyone we consider necessary in order to provide you with services in connection with an account, whether they are located in or outside Kenya.

14.2 You consent to the recipients of the information we disclose, using and transferring the information where it is necessary to:

14.2.1 provide you with services in connection with an account

14.2.2 monitor our compliance with law, agreements with any regulator or any authority and our and the permitted parties policies or

14.2.3 support our and the permitted parties business, financial and risk monitoring, planning and decision making



- 14.3 By completing and signing the form, you acknowledge and agree to our collection, use and sharing of your personal information for the above purposes. You also agree that a disclosure of information by the Bank in the circumstances contemplated by this clause does not violate any duty owed to you in law or pursuant to any agreement between you and the Bank or in the ordinary course of banking business and the customs, usage and practice related to banking. Further that the disclosure may be made without further reference to, or, authority from you.
- 15 Credit Reference Bureau Consent Clause**
- 15.1 By submitting an application for credit facilities, you agree to be bound by the following requirements relating to the submission of information to the Credit Reference Bureau and the issue of whether or not the application for credit facilities is approved.
- 15.2 Definitions
- 15.2.1 "Credit Reference Bureau" means all registered credit reference bureaus being utilized by the Bank from time-to-time
- 15.2.2 "Customer Credit Information" means information concerning
- i your credit history, including applications for credit, credit agreements to which you are or have been a party, pattern of payment or default under any such credit agreements, incidence of enforcement actions with respect to any such credit agreement, the circumstances of termination of any such credit agreement
 - ii your financial history, including your past and current income, assets and liabilities and other matters with respect to your income and financial means
 - iii your education, employment, career, professional or business history, including the circumstances of termination of any employment, career, professional or business relationship or
 - iv your identity, including your name, date of birth, identity number, marital status and family relationships, past and current addresses and other contact details and related matters.
- 15.2.3 "Data" means the raw factual information furnished by us to the Credit Reference Bureau including, but not limited to, credit applications, credit agreements, payment history or patterns or Customer Credit Information collected and arranged by the Credit Reference Bureau and its employees and processed by the Credit Reference Bureau's computer systems which are stored in the database.
- 15.3 Consent to Disclosure of Confidential Information
- 15.3.1 You hereby irrevocably consent to us collecting, receiving, compiling and retaining any Customer Credit Information about you for purpose of:
- i assisting us to perform our statutory assessment of your creditworthiness
 - ii deciding whether or not to grant you credit; and
 - iii monitoring your credit profile should we grant you credit
 - iv filing our Customer Credit Information with the Credit Reference Bureau
- 15.3.2 You hereby consent to the receipt, sharing, provision and exchange of data with Credit Reference Bureau and with other licensed financial institutions and micro finance deposit taking institutions through the Credit Reference Bureau provided that you have the right to lodge a complaint with the Credit Reference Bureau or to challenge any Customer Credit Information held by the Credit Reference Bureau in your respect.
- 15.3.3 You hereby acknowledge that the Customer Credit Information obtained may include positive or negative information regarding your payment record
- 15.3.4 You hereby acknowledge that the Credit Reference Bureau is required by law to collect negative information on the background and credit history relating to your non performing obligations
- 15.3.5 You hereby consent to the collection, recording, retention and submission of all data relating to your economic, financial and commercial obligations in order to determine your overall debt exposure and ability to pay.
- 16 Addresses for Notices**
- 16.1 The postal address you supply on your application form for an account will be regarded as your chosen address where notices may be given and documents in legal proceedings may be served. You must notify the Bank in writing or e-mail immediately if your chosen address changes/has changed.
- 16.2 You choose, for all purposes in connection with the banking products, the address provided in the application form. The Bank shall change address within reasonable time after it receives written notification from you.
- 16.3 Any notice or communication required to be served on you may be served on you or any of your officers personally by hand delivery, by electronic mail, post or by advertisement in a daily newspaper with national circulation published in the Republic of Kenya.
- 16.4 Service by hand delivery shall be effective on actual time of delivery. Service by electronic mail shall be to your last known email address and shall be deemed to have been served on the first known business day following transmission. Service by post shall be to the postal address provided in this application form or at some address as notified from time to time by you as provided above, and shall be deemed to have been effected three (3) business days after posting. Service by advertisement in a local daily newspaper shall be effective on the first business day following the date of advertisement.
- 16.5 Notwithstanding anything to the contrary in this paragraph, a written notice or other communication actually received by any party shall be adequate written notice or



communication to it notwithstanding that the notice was not sent to or delivered at its chosen address.

17 General

- 17.1 The Bank may check by reference to third parties the correctness of details given in the application form you have completed for opening of the account.
- 17.2 Bank accounts may not be ceded (control surrendered) to any other party.
- 17.3 You must notify us immediately if you are placed under an administration order, or placed under any other form of insolvency or legal disability.
- 17.4 You must notify us immediately of any change of your address or any other personal detail.
- 17.5 You must notify us immediately of any change in any of the details you provided us when you opened the account.
- 17.6 The Bank has the right to amend these terms and conditions and will give you notice thereof either in writing or in accordance with our usual practice and in accordance with any applicable law. For the avoidance of doubt, this notification may include notice to you by way of a public announcement
- 17.7 You may not vary any of these terms without the consent of the Bank.
- 17.8 These terms will be governed by the laws of Kenya.
- 17.9 Reference to the card in these terms where applicable, include any additional card.
- 17.10 A favour or concession the Bank may give you will not affect any of the Bank's rights against you.
- 17.11 The Bank's right to receive payment from you will not be affected by any dispute between you and a supplier.
- 17.12 In the event you request the Bank to issue an additional card linked to your account, the Bank reserves the right to conduct credit checks on the holder of the linked card.
- 17.13 The Bank is entitled from time to time to request from you updated identity documents in accordance with the Proceeds of Crime and Anti Money Laundering Act No 9 of 2009 and all the required account opening documents.
- 17.14 The customer shall indemnify and keep the Bank harmless from all actions, claims and proceedings made against the Bank, and all laws or damage, and all payments, costs and expenses made or incurred by the Bank as a consequence of seizure of funds due to sanctions imposed on the customer by a competent authority or due to dealings between the customer and a person against whom sanctions have been imposed by a competent authority.
- 18 You consent to us carrying out identity and fraud prevention checks. Should your account conduct at any time in the future reasonably cause us to suspect that your accounts are being used for improper purposes, you consent to us

closing the account(s). Should your account conduct at any time in the future reasonably cause us to suspect that your accounts are being used for improper purposes, you consent to us providing details of this suspicion to law enforcement agencies and/or the Financial Reporting Centre. You understand and agree that the record of this suspicion will then be available to other members of these agencies if they carry out credit/other checks on your name.

19 Joint Accounts

- 19.1 You will give the Bank, in an acceptable form, the specimen signature(s) of every person authorized to operate the account.
- 19.2 Unless otherwise agreed all signatories are in a position to withdraw all or any of your property or securities held by the Bank from time to time, to open any further account in your name and to overdraw any of your accounts.
- 19.3 Where two or more customers hold a joint account all liability is joint and several.

20 Fax/Email Indemnity and Statements

- 20.1 I/We hereby expressly authorize the Bank to send statements and/or advices in relation to my/our accounts to the contact address provided by me/us by way of email and /or fax.
- 20.2 All documents or information regarding my/our account or transactions with the Bank will be binding if they are in form of data message or accessible in a form which they may be read, stored and retrieved whether electronically or as a computer print out for subsequent reference.
- 20.3 The Bank has no obligation, duty or liability to the customer on contract, tort or whatsoever for breach of statutory duty or otherwise in respect of statements or balances advised via SMS or e-statements.

21 FATCA Compliance Clause

- 21.1 The Bank is subject to the requirements of the Foreign Account Tax Compliance Act (FATCA) which is a United States of America Tax Law.
- 21.2 In compliance with FATCA, the Bank may be required to disclose and/or share details of your account opening information or other account data with other entities in the Standard Bank Group, and/or other regulatory entities outside the Standard Bank Group as mandated by FATCA, including the US tax authorities. You hereby consent to the receipt, sharing, provision and exchange of your customer data within the Standard Bank Group and/or such regulatory authorities.
- 21.3 Please note however that the Bank is not a tax advisor, and does not provide any professional tax advice relating to FATCA or any other tax legislation. You are encouraged to procure independent professional advice on FATCA and all other tax related matters.



E Banking agreement

1. Agreement and Acceptance

This agreement becomes effective between you and CfC Stanbic Bank Limited ("the Bank", "we" or "us") at the time of registering for Electronic Banking or at the time you access Electronic Banking, whichever occurs first. For purposes of this agreement "Electronic Banking" includes Internet Banking, and prepaid products through internet. A registered user can undertake any of the following instructions:

- i) Change any access codes
- ii) Download a statement of the account
- iii) View the balance of the account
- iv) Display account information
- v) Display loan and deposit details
- vi) Search internet transactions
- vii) Transfer funds from accounts held by the Account Holder
- viii) Request for standing orders
- ix) Review the status of a cheque
- x) View pending payments
- xi) View direct debits
- xii) View future dated payments

2. Incorporated Terms

In addition to this agreement, the Terms and Conditions of your Debit card (Bank card terms) and account or facility Terms and Conditions (other terms) shall apply to all transactions you carry out or instruct us to carry out through Bank accounts linked to the card or account number you select when using Electronic Banking. In the event of conflict between the provisions of this agreement and the Bank card terms or any other term, the provisions of this agreement prevail. Where the Bank card terms or other terms require amendments or additions thereto to be reduced to writing and/or signed, your acceptance of this agreement shall be deemed to satisfy such requirements.

3. Defining the Device and Medium

The device which you select to access Electronic Banking may include a computer, cellphone, telephone, television or similar technologies (the device) and the medium through which you access Electronic Banking may include the internet, Wireless Application Protocol (WAP), Wireless Internet Gateway (WIG), Short Messaging System (SMS), voice over an automated voice recognition system or similar technologies (the medium). The Bank will refer to the device and the medium collectively as "the communication system". Where a particular communication system requires contractual provisions different from other communication systems, this will be clearly stated in this agreement.

4. Linked Text

For ease of use, we have included automated links (hyperlinks) which can be accessed through your

communication system. These links are indicated by blue underlined text and your mouse's cursor should change into a hand or other pointer when held over this text. You are obliged to view the relevant parts of the hyperlinked information, which information will be regarded as forming part of this agreement. If your communication system cannot access the hyperlinks, you must visit our website at www.cfcstanbicbank.co.ke to access the linked information or contact our Customer Contact Centre.

5. Amendments

The Bank may amend this agreement from time to time and you are bound by the version of this agreement that exists at the time you access Electronic Banking.

6. Requirements and Registration

Before you can use Electronic Banking you must follow certain steps.

6.1 Internet Banking

You must first register at your nearest branch by filling in a registration form.

You will be issued with a password that you have to change once you have logged on to the Internet site for the first time. You must then create your own password.

For more information on how to do this you can visit a branch or call our Customer Contact Centre. Terms and Conditions for Internet Banking are available at www.cfcstanbicbank.co.ke. Kindly review these when you log-in for the first time.

6.2 Verification

You may not create a password using somebody else's Bank details. Before the Bank allows you access to Electronic Banking we may require information from you so that we can verify that you are who you say you are. The Bank will require your prior consent (express or implied), to perform credit or other checks on you before we process an instruction.

7. Fees

For the use of Electronic Banking you will be charged the following fees:

- a) For Internet Banking we will charge you a monthly subscription fee.
- b) The Bank will charge a transaction fee based on the type of transactions you perform. Details of our standard subscription and transaction fees are available on our website and branches.

8. We Will Act on Instructions that Appear to Have Been Sent by you

Use of a communication system means we do not interact face-to-face. Unless you notify us before we give effect to an instruction, you authorise us to rely on and perform all instructions that appear to originate from you (even if someone else is impersonating you).



9 Sending and Processing Instructions

- 9.1 Your instructions to us will be done within the time and processes that apply to your customer profile, the type of account you have and type of transaction involved. More information on the time taken for processing of instructions is available on our website.
- 9.2 An instruction, including purchases of prepaid products, cannot be terminated or revoked once sent to us.
- 9.3 You will not hold us liable if you execute the same instruction more than once and neither instruction will be reversible.

10 Where you are not sure that your instruction has been carried out, please contact our Customer Contact Center before repeating it. This is because the initial instruction may still be processed and repeating the instruction may lead to a double transaction for which we will not be held liable.

11 Access Code Protection and Irregularities

An "access code" refers to your password and user name. You must protect and keep your access codes confidential at all times. It is not safe to store it on your computer or on a network. We rely on you to report any compromise of your access codes to us without delay. You may do this by contacting our Customer Contact Centre or your branch and we may ask you to verify your identity to prevent someone else from impersonating you. Once you notify us to disable an access code we are entitled to:

- a) Reject all instructions received after such notification
- b) Suspend the processing of all instructions not yet executed
- c) Deactivate the access code without further notice.
- d) There will never be a reason for any person including a member of our staff or Customer Contact Centre to know or ask for your access code. Do not disclose it to any person. You must immediately notify us if you discover an error or irregularity. You can report any errors to our Customer Contact Centre or at any branch.

12 One Time Password

A unique and time-sensitive password is used as added security on Internet Banking. The password does not replace the password you use to log on to Internet Banking but provides a second layer of security. The password will be sent to you by SMS and is valid for one Internet Banking session only. The one time password (OTP) is used for the following:

- Adding beneficiaries
- Amending beneficiaries
- Changing your password
- Changing your cell phone number

13 Ending Session

- i) For the purposes of determining whether or not an Internet Banking Transaction has successfully taken place, the Bank shall provide before the Registered User logs off, an electronic confirmation of the instruction(s) that have been undertaken during the duration of use of the Internet Banking service.

- ii) You must ensure that you log-off from the Internet Banking service.

14 Your Authority

You permit us to regard all activities you conduct or instructions sent after you enter your access code as being authorised by you and intended to have legal force and effect.

15 Sufficient Notice

You permit us to issue notices required in terms of this agreement, legislation or regulation by making such notification available via our communication systems or sending such notification by email, SMS or similar future technologies. Such notice issued by us, will, if they contain contractual terms relating to Electronic Banking, also form part of this agreement.

16 No Offer, Recommendation or Solicitation

Unless clearly stated, all material on the communication system merely constitutes an invitation to do business with us. It does not constitute an offer or solicitation to buy or sell, or dispose in any way, of any investment, or to enter into any transaction.

17 Nature of Information on the Communication System

Information on the communication system is intended to provide you with only general information about the Bank, its products, services and objectives. From time to time we may provide information on:

- a) projected revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items
- b) our plans, objectives and projections for future operations and services
- c) future economic performance.

These will be estimates so actual events or results may differ. All information is provided "as is" and should not be treated as professional or investment advice of any kind. You should consult your own professional advisers before relying on any information on the communication system.

18 Information Feeds

We may use the services of other organisations to provide information on the communication system. We have no control over this information and make no representations or warranties of any nature as to its accuracy, appropriateness or correctness. You agree that such information is provided "as is" and we will not be directly or indirectly liable for any damages that may arise from you relying on it. All quotes, news, market information such as share prices or data shown on the communication system by way of live information feeds shall be updated daily unless otherwise stated. You should always select the "refresh" or similar page or screen update function on your internet browser or handset to ensure that the information you are viewing is current.



19 Links to Third Parties Communication Systems

The communication system may contain links to other communication systems that carry information and material produced by other parties. While we try to provide links only to reputable communication systems, we cannot accept responsibility or liability for the information provided on other communication systems. A link from our communication system to any other communication system does not mean that we have scrutinised or endorsed the owners or administrators of such communication systems or their business or security practices and operations.

20 Our Intellectual Property

The Bank retains all copyright and other intellectual property rights in all material, including logos and other graphics and

multimedia works published on or via the communication system. You are authorised to view and download one copy to a local hard drive or disk, print and make copies of such printouts provided that:

- a) the material is used for considering or using Electronic Banking and for no other commercial purposes; and
- b) any reproduction of any portion of our proprietary material must include our entire Terms and Conditions for Internet Banking. They are available at www.cfcstanbicbank.co.ke. Your agreement with us is contained in these general terms and conditions, in the terms and conditions of your savings and/or current account and in the application form signed by you.

Mobile Banking Agreement

Your agreement with us is contained in these general terms and conditions, in the terms and conditions of your savings and/or current account and in the application form signed by you.

1. Definition

In these Terms and Conditions, the following terms shall have the following meanings

- 1.1 In this agreement "you" and "your" refer to any customer operating an account and includes (where appropriate) any person that you have authorized to give instructions on your account. "We" "your" "the Bank" and "our" refer to CfC Stanbic Bank.
- 1.2 **"Bank"** means any branch in Kenya of CfC Stanbic Bank Limited, which the Customer's Account is maintained.
- 1.3 **"Customer"** means the person who holds an Account with the Bank.
- 1.4 **"Facility"** means the SMS banking services granted by the Bank to the holder(s) of CfC Stanbic Bank VISA MasterCard and of any account and/or joint account and/or any other accounts or services as determined by the Bank from time to time for access to information on Accounts as may be prescribed by the Bank from time to time and usage of products and/or services as may be available and included on mobile phone by the Bank from time to time.
- 1.5 Facility **"Alerts"** means the customized messages sent either by short messaging service text ("SMS" over the Customer's mobile phone, email, fax or any other modes of communication).
- 1.6 **"MSP"** means any mobile service provider through whom the Customer or the Bank receives the mobile services as notified by the Bank.
- 1.7 **"PIN"** means the 6 digit PIN as provided to the Customer by the Bank for authentication/verification by bank of his/her identity. The Customer will be able to obtain a range of financial information as determined by the Bank related to his/

her relevant Account(s) through the use of PIN and such other means of identification assigned to the Customer in connection with the Account(s).

- 1.8 **"Service Provider (s)"** definition includes but is nominated to MSPs organizations or individuals whose services the bank uses in relation to SMS Banking Service in any capacity.

2. The Service

- 2.1 We will provide the mobile banking service ("the Service") to you through your mobile phone. You must be a subscriber of a mobile service provider with which the Bank has an agreement with for the provision of this service for you to access the Service.
- 2.2 The Service is only available to CfC Stanbic Bank account holders. The Bank can accept or decline any application for the Service at its sole discretion.
- 2.3 The Service will only be provided through the mobile service provider(s) which, the Bank on its sole discretion may determine from time to time. The processing of your application and the subsequent registration for the Service will be done within five (5) working days of submitting your application.
- 2.4 It is your responsibility to familiarize yourself with the operating procedures of the Service as will be provided by the Bank when you register for the Service. The Bank will not be liable for any losses incurred as a result of your errors either of commission and/or omission.
- 2.5 You agree and undertake to be bound by and to comply with all of the Procedures as may be issued by the Bank from time to time. The Bank shall not be bound by or obliged to take any action on any instructions which do not properly comply with the procedures and the Bank may reject or refuse to act on such non-compliant instructions.
- 2.6 The Bank will provide you with a Personal Identification Number (PIN) for use with this Service. You must keep this PIN secret and not disclose it. You must take all reasonable



- steps to prevent unauthorized or fraudulent use of the Service. The Bank will not be held liable for any losses arising from the unauthorized use of your PIN.
- 2.7 The provision of the Service is subject to the availability of the mobile telephony connectivity. The Bank will not be held liable for non-delivery or delay in delivery or wrongful delivery of the Service a resulting from the failure of the mobile telephony connectivity.
- 2.8 You agree that the Bank shall not be held liable for any disputes that may arise between you and your mobile service provider.
- 2.9 This service will be provided to you as long as you are the sole account holder of your account(s) or have the mandate to operate the specified accounts alone. Should you change the mandates to any of the accounts you have under this service, it is your responsibility to notify us of the change(s). Such changes will be made within seven (7) working days. The Bank will not be held liable for any loss incurred by you as a result of you failing to notify us of such changes.
- 2.10 The Bank will ensure as far as possible that any information supplied to you through the Service is accurate. We shall not be liable for any error which results in the provision of inaccurate information.
- 2.11 The Service will only be available in geographical regions where the chosen mobile service provider(s) provide(s) mobile telephony connectivity.
- 2.12 You must not leave your mobile phone unattended or permit any person access to your Mobile Phone in such a manner that he may use it and/ or the Mobile Banking-Service, whether with or without your consent.
- 2.13 You must notify the bank immediately of theft or loss of your mobile phone/SIM Card, any unauthorized access to the Service or upon your discontinuation of the telephony service with your service provider, through our Customer Care Center email at customercare@stanbic.com or Telephone 3268888. The Bank shall not be held liable for any losses resulting from the loss of the SIM card and/or cell phone.
- 2.14 The Bank has the right to enhance the Services at anytime without notice to you. It is your responsibility to keep updated with these enhancements. The Bank will make all reasonable efforts to notify you of any changes or updates.
- 2.15 The Bank has the right to charge a fee for the provision of the Service and for the use of all or part of the Service. You will be notified of these fees from time to time. You will be liable to pay the Bank for any fees levied for the use of the service, unless the Bank in its sole discretion has waived such fees. By accepting these Terms and Conditions, you provide the Bank with the authority to debit these fees from your account immediately the transaction is completed. These charges will be reflected in your normal bank statement. The Bank has the right to revise the fees chargeable for this Service from time to time. The Bank has the right to terminate this Agreement if you fail to pay any fees levied for the provision of the Service.
- 2.16 The Bank shall not be held liable for the quality of service of the mobile service provider and gives no warranty with respect to the quality of service by the mobile service provider.
- 2.17 You must notify the Bank of any changes in your account number, mobile telephone number, address and any other information that may affect your ability to access the Service. The Bank will not be held liable for sending information to the mobile telephone number contained in our records at any given time if it happens that you had changed it and did not inform the Bank.
- 2.18 You agree to bear all risks and consequences of the inability to comply with any instruction sent using the Service due to errors in transmission of your instructions.
- 3. Non-repudiation**
- Until and unless you notify the Bank otherwise, all instructions received by the Bank which are associated with your mobile phone details shall be deemed to have come from you, and the Bank shall be entitled to rely on such Instructions, whether they actually originated from you or not. You acknowledge that the Bank may not be able to reverse or cancel any transaction concluded based on instructions received prior to your notice to the Bank that it did not originate from you.
- 4.** You hereby indemnify and hold indemnified the Bank against any loss, claim and/or damage that may arise due to negligence, fraud collusion or violation of these Terms on your and/or a third party's part.
- 5. Addition and Withdrawal or Termination of Facility**
- 5.1 The Bank reserves the right to introduce additional services with or without giving any notice to the customer. The Bank reserves the right to send messages to the registered mobile phones regarding its products, services or any related manner, without the express consent of the customer.
- 5.2 You may terminate the use of this Service through an application form available at our branches. Such requests will be effected within five (5) working days of us receiving the termination notice. Any fees that may be outstanding at the time of such termination will remain payable and the Bank reserves the right to debit such fees from your account.
- 5.3 You will remain liable for any mobile service provider charges that may arise from the use of this service, as per the mobile service provider's terms and conditions.
- 6. Discontinuation of the Service**
- The Service may be discontinued by us at our sole discretion and at any time without prior notice to you. The Bank may suspend the service temporarily for upgrade, expansion, maintenance and repair activities, or for any emergency reason as deemed necessary. Where possible reasonable notice will be provided prior to the suspension.



7. Force Majeure

Notwithstanding any provision contained in this Agreement, We shall not be liable to you to the extent fulfillment or performance of any terms or provisions of this Agreement is delayed or prevented by revolution or other civil disorders; wars; acts of enemies; strikes; lack of available resources from persons other than Us; labour disputes; electrical equipment or mobile network failure; fires; floods; acts of God; government or regulator action; or, without limiting the foregoing, any other causes not within our control, and which by the exercise of reasonable diligence We are unable to prevent, whether of the class of causes hereinbefore

mentioned or not. If any force majeure event occurs, we will give prompt written notice to you and will use commercially reasonable efforts to minimize the impact of such event.

8. The Bank has the right to amend these Terms from time to time. Reasonable notice shall be provided before such changes are effected.
9. The Terms shall be governed by the Laws of Kenya.

SMS Alerts Agreement

1. Introduction

- 1.1 These Terms become effective when you subscribe for MyUpdates and apply to any MyUpdates Service Options.
- 1.2 You must know, understand and comply with these Terms, as they form a binding agreement between you and us.
- 1.3 Important clauses, which may limit our responsibility or involve some risk for you will be in bold and italics or highlighted.

2. Definitions

We have defined some words for consistency. These words will begin with a capital letter, where indicated. Singular words include the plural and the other way round.

You must pay special attention to these clauses.

Words	Meaning
Account	Any account opened by us in your name at your request on which you subscribe for MyUpdates.
MyUpdates	A service whereby we update you about activity on your Account. The updates are additional to any statement you may receive on your Account.
MyUpdates Notifications	The notification we send to you or a Recipients Preferred Communication Method.
Preferred Communication	The communication method by means of which you have chosen to receive MyUpdates.
Method	Notifications, being e-mail or SMS.
Recipient	You or someone you nominate to receive a MyUpdate Notification
Service Option	Your choice of the MyUpdates package options available from time to time, which you select. A short message service.
SMS	A short message service.
We, us, our	The CfC Stanbic Bank Limited (Registration Number 1962/000738/06) and its successors or assigns.
You or your	The person who subscribes for MyUpdates for their Accounts.

3 Using MyUpdates

- 3.1 Your MyUpdates Notification will be sent to the Recipient by means of your Preferred Communication Method.
- 3.2 You must ensure that your MyUpdates contact details are correct at all times.
- 3.3 You will only receive the MyUpdates Notifications that apply to your Service Option.
- 3.4 You must alert us immediately of suspicious or unauthorized transactions on your Account. Failure to alert us will exonerate (relieve or clear) the Bank from all liability.

3.5 Any balance sent to you on MyUpdates will be the balance on your Account at the time:

- a transaction is processed if it is a transaction alert or
 - the MyUpdates Notification was sent if it is a scheduled balance alert.
- 3.6 You must immediately inform us if a Recipient should no longer receive the MyUpdates Notification for any reason.
 - 3.7 The Customer accepts that each Alert may contain certain Account(s) information relating to the Customer. The Customer authorizes the Bank to send Account related information, though not specifically requested, if the Bank deems that the same is relevant.



4 Disclaimers

- 4.1 Your receipt of the MyUpdates Notification is dependent on factors beyond our control, such as your network's coverage or availability, your Internet Service Provider's availability or your e-mail or sms inbox's capacity. We are not liable for any loss or damages you may suffer if a factor beyond our control arises, and you do not receive your MyUpdates Notification.
- 4.2 You are responsible for ensuring that no unauthorised persons gain access to your MyUpdates Notification once you have received it.
- 4.3 We are not responsible if your MyUpdates Notification is sent to an incorrect cell phone number or e-mail address where you have given us the incorrect details.
- 4.4 While we will endeavour to ensure the integrity and content of any MyUpdates Notification sent to you, your statement will remain the record of your Account's transactions.

5 Fees

- 5.1 We may charge you a monthly service fee at the end of each month that you use MyUpdates, based on your Account type and Service Option.

5.2 We may either suspend or deregister you from MyUpdates if you do not pay the monthly service fee.

5.3 If you do not pay the monthly service fee, we may set off any credit balances you hold in any other account you hold with us to settle any unpaid service fees you owe us.

6 General

6.1 We may change these Terms by notice to you in writing.

6.2 The invalidity, illegality or unenforceability of any of the clauses of these Terms will not affect the validity, legality or enforceability of the remaining clauses of these Terms.

6.3 We may send you any notice about MyUpdates by means of your Preferred Communication Method and we may regard the notice as having been received one day after it was sent.

6.4 We may terminate MyUpdates at any time. We shall provide sufficient notice before doing so.



- 1 The loan facility is a Revolving Loan facility. You can access the loan facility by transferring funds from your Home Loan account to your linked CfC Stanbic Bank account using any of our electronic banking facilities as offered by the bank from time to time. This loan is secured by a mortgage/charge over your property in favour of the Bank (this will now be referred to as the "Home Loan") and any other general security that you provide to the bank. Should you have any other transaction accounts linked to your CfC Stanbic Bank card/nominated account, funds can be transferred directly from your Home Loan account to any of these accounts.
- 2 There are two modes of accessing the funds of Access Bond/Access Mortgage facilities and the bank will confirm to you in writing which type is applicable to your Home Loan account.
 - 2.1 ATM Link Option (access to additional deposits). With this option you can make up to three (3) transfers in a calendar month from your Mortgage account in multiples of KES 10000.00, provided that the total amounts transferred, do not exceed the total amounts which you have previously deposited into the Home Loan account in addition to your required minimum monthly home loan instalment.
 - 2.2 ATM Limit Option (revolve to an agreed limit). With this facility you can make up to three transfers in a calendar month from your Mortgage account in multiples of KES 10000.00, provided the balance after the transfers from your Home Loan account does not exceed the access limit, agreed to in writing by the Bank.
- 3 Each Home Loan instalment is payable to the Bank either on or before the date in each calendar month which the Bank and you have agreed to. This instalment amount includes interest at the initial rate advised by the Bank or at another rate that the Bank may advise from time to time in writing to you.
- 4 It is a rule of the Access Bond/Access Mortgage facility that you can only make up to a maximum of three cash deposits into your Access Bond account in any calendar month. The Bank may cancel this facility if you fail to comply with this rule. Unlimited cheque or electronic transfer deposits can still be made.
- 5 No interest will be paid on any credit balance on the Home Loan account.
- 6 The Bank may charge an additional finance fee and any legal or other fees and costs including attorney and client fees, allowed by the law, in respect of the Home Loan account. The bank will notify you in compliance with the law.
- 7 The Bank, for account purposes, will consolidate all advances from the Home Loan account and the Bank will notify you, by sending you a disclosure notice, of the revised terms of agreement on your Home Loan account. Each advance will be governed by the same terms and conditions as the initial Home Loan agreement, except as otherwise provided in the disclosure notice sent to you by the Bank. Your continuing covering security will extend to cover this advance.
- 8 A new monthly instalment will be calculated based on the outstanding balance on the Home Loan account together with any withdrawals made from the account, including finance charges, in such a way that the Home Loan is repaid within the original term agreed to when the Home Loan was granted. The Bank will notify you of the new instalment payable in the disclosure notice sent to you.
- 9 Withdrawals from the Access Bond/Access Mortgage account will not be permitted during the last 24 (twenty four) months of the agreed loan term. You can however request that the term of the loan be extended. Any such request must be submitted in writing. The Bank is under no obligation to grant such an extension.
- 10 You may increase your monthly instalments into the Home Loan account or make extra payments at any time so that the outstanding balance of the home loan, any accrued interest and other fees are repaid over a shorter period. If you intend to settle the full outstanding amount of your Home Loan in one amount prior to the due date of your last instalment, you are required to give the Bank, Thirty (30) days prior written notice of the date on which you intend to settle the outstanding amount.
- 11 From time to time, the Bank may amend the amount of your total monthly Home Loan instalment, so that the full outstanding amount and finance fees, are repaid within the agreed term. The Bank will notify you thirty (30) days before this change.
- 12 The loan facility is granted to you solely at the Bank's discretion. The Bank may, any time, cancel this facility without giving you any notice or reasons.
- 13 Direct deposits into the Home Loan account and transfers made on the ATM will only be cleared after ten (10) days.
- 14 If any deposit into the Home Loan account is not cleared, for any reason, you will not be able to claim against the Bank for any consequential loss, loss of profit or any indirect loss. You waive any such claim. However, if any deposit is not cleared as a result of the Bank, its agents or servants, being grossly negligent you will be able to institute a claim against the bank.



- 15 Any amount withdrawn by using the loan facility is governed by the terms and conditions in the mortgage/charge and the general terms and conditions which apply to home loans. Should there be any conflict between this list of terms and conditions and those in the above documents, then the terms and conditions in the mortgage/charge and the general terms and conditions applicable to home loans will take preference.
- 16 If you are an incorporated entity/corporation:
- 16.1 unless you inform the Bank differently, in writing, the Bank will be entitled to rely on the documents you previously provided, particularly documents that relate to the authority of the persons entitled to use the loan facility
- 16.2 you are required to notify the Bank immediately, in writing, of any changes in constitution, ownership or control of the incorporated entity or corporation
- 16.3 the loan facility shall immediately lapse if you are no longer in control or there is a change in the constitution or ownership. If you still require the facility you must re-apply in writing for a new loan.
- 16.4 any security given for the Home Loan remains in full force and effect until the Bank, in writing releases such security.
- 17 You will indemnify the Bank against any harm or loss of whatsoever nature that you may suffer in the event that the access facility hereby applied for, is used by any or either of the you without the prior consent or knowledge of the remaining mortgagors or the Bank.



Terms and Conditions of Loans - Secured by Mortgage/Charge

1 Definitions and Interpretations

1.1 In these terms and conditions, unless the context otherwise requires or indicates:

“Access Mortgage facility” means a revolving loan facility governed by the terms of clause 5 below, in terms of which the Borrower can access the loan by transferring funds from the Borrower’s loan account to any of the transaction accounts using any of the Banks’ banking facilities as offered by the Bank from time to time. In terms of the facility the Borrower can make up to three transfers in a calendar month from the Borrower’s loan account into any transaction account, in multiples of Kes 10,000.00, provided that following each such transfer, the balance on the Borrower’s loan account does not exceed the access limit on such loan account agreed to in writing by the Bank.

“Authority to pay” means the Borrower’s written authority to the Bank to guarantee and/or to pay stated amounts to the persons mentioned in the authority, and to charge such payments to the loan account, subject to any conditions contained in the authority;

“Bank” means CfC Stanbic Bank Kenya Limited (Registration Number 9520) its successors in title, or assigns;

“Buildings” means the existing and any future buildings and other improvements on the property

“Charge” or “mortgage” means a registrable instrument created under the Laws of the Republic of Kenya relating to the property in the approved format by the Bank and/or the Chief Land Registrar, on terms acceptable to the Bank, securing repayment of the debt. The Charge or Mortgage may be drawn as a continuing security so as to secure subsequent advances agreed with the Bank or other obligations of the Borrower

“Debt” means all monies debts and liabilities (including interest costs and charges) from time to time due owing or incurred by the Borrower to the Bank on any current or other account whatsoever pursuant to the loan agreement or otherwise howsoever including any indemnity given by the Borrower in favor of the Bank from time to time

“Deliver/delivery” means that the Bank will deliver any documents relating to the loan agreement to the Borrower by registered post and or by hand, whereas all statements will be delivered by post

“Finance charge rate” means such rate of interest as agreed upon between the Bank and the Borrower/Mortgagor/Chargor subject to such limits as the law may prescribe

“Instrument of debt” means any such agreement, including applications for home loans constituting evidence of debt including this loan application agreement

“Loan” or “home loan” means any amount which the Bank has lent or agreed to lend to the Borrower upon registration of

the Charge/Mortgage (and the granting of such other security required by the Bank), on the terms and conditions set out in the loan agreement

“loan account” means the account in the books of the Bank which records the details of the loan, from time to time

“loan agreement” means the loan agreement made up of the Application form, these terms and conditions, the authority to pay and all annexures and schedules thereto from time to time, all as may be amended, substituted or novated from time to time

“Mortgagor/Chargor/Borrower” means the registered proprietor of the property (including a Borrower) who creates a Charge/Mortgage over the property or who has executed the Charge/Mortgage in favour of the Bank as security for the repayment of the debt by the Borrower

“Payment instruction” means the debit order authorisation signed by the Borrower

“Property” means the immovable property which is to be mortgaged/charged as security for the repayment of the debt by the Borrower to the Bank

“Guarantor” means a person who stands as guarantor for the obligation of the Borrower in terms of the loan agreement, or in terms of any debt (or any part thereof)

“Transaction account” means any one or more transaction accounts of the Borrower held with the Bank, and linked to the Borrower’s loan account, from time to time

1.2 In the loan agreement, the singular includes the plural and vice versa, any gender includes the other genders and persons include natural and juristic persons.

1.3 In the loan agreement, headings have been inserted for convenience only and are not to be taken into account for the purposes of interpreting these terms and conditions.

1.4 Unless otherwise defined in the remainder of the loan agreement, the words defined in these terms and conditions will bear the same meanings in the remainder of the loan agreement.

2 Payments

2.1 The Borrower shall pay (by way of a written payment instruction acceptable to the Bank or such other means as may be acceptable to the Bank) all amounts owing to the Bank in terms of the loan agreement into the bank account nominated for this purpose by the Bank.

2.2 All amounts owing to the Bank in terms of the loan agreement shall bear interest (which shall accrue daily) from the date advances or any other payments are made by the Bank, at the interest rate/s and calculated in the manner determined in the loan agreement.

2.3 Payments of all amounts received by the Bank from or on



behalf of the Borrower may be used by the Bank towards such of the Borrower's indebtedness to the Bank, as the Bank in its sole and unfettered discretion may decide.

- 2.4 The Borrower shall make all payments due to the Bank free of any deduction or setoff and without any cavil or argument.

3 Default and Termination

- 3.1 Without prejudice to the Bank's other rights under the loan agreement, the Bank:
- will not be obliged to make any advance or re-advances on the loan;
 - may convert the loan to one repayable on demand;
 - may revise any of the terms and conditions; increase the interest rate charged or remove any interest rate concession granted to the Borrower if any of the following events occur:
- 3.1.1 if the Borrower breaches any of the terms and conditions of the loan agreement (other than those set out in clauses 4.1.2 to 4.1.9 below) or any other agreement between the Borrower and the Bank and fails to remedy this breach within seven (7) days of receiving a written notice to do so;
- 3.1.2 the Borrower fails to pay any instalment due in terms of the loan agreement, including where there are insufficient funds in the Borrower's transaction account(s) to meet the Borrower's payment instruction. In these circumstances, the Borrower agrees that the Bank may make one or more partial recoveries of whatever credit balance is available in the Borrower's transaction account(s) until the full instalment has been paid;
- 3.1.3 any representation or warranty made in connection with the loan agreement or any documentation supplied by or on behalf of the Borrower is, in the Bank's opinion, materially incorrect;
- 3.1.4 any guarantor commits any breach of their obligations to the Bank, whether as guarantor or otherwise;
- 3.1.5 a provisional or final order is passed placing the Borrower or any guarantor:
- 3.1.5.1 under sequestration (where your property is placed in the hands of a trustee for the benefit of your creditors) or any other legal disability; or
- 3.1.5.2 in liquidation or under judicial management;
- 3.1.6 any compromise or arrangement between the Borrower and his creditors or any guarantor and his creditors is sanctioned or otherwise becomes effective;
- 3.1.7 a warrant of execution issued by any competent court attaching any of the Borrower's assets or any guarantor's assets remains unsatisfied for more than seven (7) days after the date on which it is issued; or
- 3.2 In any of the events envisaged in clause 4.1 above, the Bank shall have the right, without prejudice to any other rights or remedies available to the Bank, to terminate the loan agreement and claim immediate repayment of the

outstanding balance by giving written notice. It may be effective immediately or from a date stated in the notice. If the loan agreement is cancelled any amounts owing to the Bank become payable:

- 3.2.1 immediately, if so stated in the notice; or
- 3.2.2 on the date stated in the notice.

4 Access Mortgage Facility

- 4.1 The terms and conditions in this clause 5 only apply if the Borrower has applied for, and has been granted an Access Mortgage Facility.
- 4.2 Should any transaction accounts with the Bank be linked to the Borrower's loan account, available funds can be transferred directly from the Borrower's loan account to any of these transaction accounts.
- 4.3 The Borrower can make up to three (3) transfers in a calendar month from the Borrower's loan account into any transaction account, in multiples of Kes 10,000.00 provided that following each such transfer, the balance on the Borrower's loan account does not exceed the access limit on such loan account agreed to in writing by the Bank;
- 4.4 Notwithstanding any other provision in the loan agreement, the Access Mortgage Facility is granted to the Borrower at the Bank's sole discretion. The Bank may, at any time, cancel the Access Mortgage Facility (or any part thereof) or the right to the advancement or transfer of any amount under the Access Mortgage Facility, by giving the Borrower thirty (30) days' notice.
- 4.5 The Borrower may only make up to a maximum of three (3) cash deposits into the Borrower's loan account in any calendar month. Unlimited cheque or electronic transfer deposits into the loan account can still however be made.
- 4.6 No interest will be paid on any credit balance on the loan account.
- 4.7 Withdrawals from the loan account will not be permitted during the last twenty four (24) months of the agreed loan term.
- 4.8 The Bank, for accounting purposes, will consolidate all advances from the loan account. Each advance will be governed by the same terms and conditions as this loan agreement. However, a new monthly instalment, including finance charges, will be calculated based on the outstanding balance on the loan account, from time to time, together with any withdrawals made from the loan account, from time to time, in such a way that the loan is repaid within the original term agreed to when the loan was first granted. The Borrower can however request that the term of the loan be extended. Any such request must be submitted in writing. The Bank is under no obligation to grant such an extension. Any extension granted will be included in the disclosure notice sent to the Borrower from time to time and referred to in 4.9 below.
- 4.9 The Bank will send the Borrower a new disclosure notice, from



time to time, in which the Borrower will be notified of the new instalment payable by the Borrower, from time to time and, if applicable, any extension to the period of the loan.

- 4.10 It is intended that all security provided in respect of the loan (and any debt related to the loan) will also cover any advances and transfers made in terms of the Access Mortgage Facility.
- 4.11 Direct deposits into the loan account (including debit orders), and transfers made on the ATM will only be cleared after ten (10) days.
- 4.12 Lack of clearance of a deposit into the loan account for whatever reason shall not give cause for any action against the Bank whether in contract or tort or any other cause unless it is as a result of wrong or unlawful acts, or intentional misconduct on the part of the Bank.
- 4.13 If the Borrower is a company, co-operative, close corporation, trust, partnership, or association of persons the provisions of clause 32 shall apply. In addition, and notwithstanding any provision to the contrary in the loan agreement, the Access Mortgage Facility shall automatically be cancelled in the event of a change of control of the Borrower (as set out in clause 32) or any amendment to its constitutional documents. In such event should the Borrower require the Access Mortgage Facility, a new applications shall be submitted to the Bank.
- 4.14 The Borrower agrees to indemnify the Bank against any loss or damage suffered by the Bank in the event of the unauthorised use of the Access Mortgage Facility or use of the Access Mortgage Facility contrary to the provisions of the loan agreement.

5 Homeowners Insurance and Life Assurance

- 5.1 The Bank may at any time during the period of the loan, in the name of the Bank and/or the Borrower, insure the buildings with an insurance company nominated by the Bank against loss or damage by fire and such other risks (including political riot or civil commotion) as the Bank decides is necessary. The insured amount will not be for less than the minimum replacement value of the buildings from time to time as determined by the Bank. The Borrower must ensure compliance with the Borrower's responsibilities in the loan agreement and will have no claim against the Bank for any loss suffered by the Borrower if the replacement value for insurance purposes is found to be different to the actual replacement value.
- 5.2 The Bank may, without reference to the Borrower and without requiring the Borrower's consent, in the name of the Bank and/or the Borrower, adjust, settle, compromise and/or submit to arbitration any claims, demands, disputes and other matters arising from any policy of insurance referred to in clause 6.1 above, and/or may institute or defend legal proceedings arising from the policy. The Borrower will have no claim against the Bank and/or any of its employees

arising from any act or omission of the Bank and/or any of its employees in exercising or failing to make use of the authority granted in terms of this clause 5.2, unless in exercising this authority, a claim arises as a result of wrongful or unlawful acts, or intentional misconduct, on the part of the Bank.

- 5.3 The Bank may grant receipts for any moneys received by it in respect of any insurance claim, settlement or compromise and may, at its discretion, use the moneys wholly or partially, either in reduction or payment of any amount due under the loan agreement or for the restoration of the buildings which are damaged or destroyed, under such conditions as the Bank may determine.
- 5.4 The Bank may pay any premium on any policy of insurance referred to in clause 6.1 above or on any life assurance policy taken out by the Borrower in connection with the loan, and the Bank may debit such payment to any account of the Borrower with the Bank.
- 5.5 Nothing in the loan agreement will oblige the Bank to take out or pay any premiums on any insurance on behalf of the Borrower. If any insurer repudiates any insurance policy for any reason, the Borrower will have no claim against the Bank.
- 5.6 The Bank reserves the right, at any stage, in the sole and absolute discretion of the Bank, to terminate the existing insurance or to elect not to renew an insurance policy. If the Bank elects either of these options, it will notify the Borrower of its decision in writing and it will furnish reasons for this decision. The Borrower shall immediately thereafter arrange homeowners insurance cover.

6 Maintenance

The Borrower shall at all times whilst any part of the debt is outstanding keep and maintain the property in good repair to the satisfaction of the Bank. The Borrower shall ensure that the property conforms to the requirements of any competent public or other authority, and shall make no material alterations or improvements to the property or remove the buildings or any part thereof without obtaining the prior written consent of the Bank. The Bank or its duly appointed agents shall be entitled at all reasonable times to enter upon and inspect the property for the purposes of valuation, at the expense of the Borrower. If the Borrower has failed to comply with these conditions, the Bank in its discretion may, on behalf of and at the cost of the Borrower, pay any sum necessary for the repair, maintenance, preservation and upkeep of the property, including for compliance with the requirements of any competent public or other authority. Any moneys paid by the Bank in this regard can be claimed immediately and shall be payable by the Borrower on demand and shall bear interest at the maximum rate permitted by law.



7 Rates, Land Rent and Taxes

- 7.1 The Borrower shall, on or before the due dates, pay all charges in respect of the property, inclusive of rates, land rent, taxes, licences and any other charges and shall produce proof, at the request of the Bank, of having done so. Notwithstanding the foregoing, the Bank shall be entitled at its option to make payment on the Borrower's behalf of any such charges without reference to the Borrower and without being obliged to wait until the Borrower is in arrear therewith and which amounts shall, be recoverable from the Borrower.
- 7.2 It shall be the Borrower's responsibility to notify the Bank in writing of any arrears in respect of rates, taxes, charges, insurance premiums, rent and other imposts and fees of whatsoever nature which may at any time become owing to any competent public or local authority.

8 Title Deeds, Grants etc

The Borrower shall, on or before registration of the Charge/Mortgage, deposit with the Bank the title deeds, grants, certificates of title, indentures, assignments licences and leases of the property, share certificates and all other documents of title ("the title documents" and, during the period of the Charge/Mortgage, hand to the Bank the policies of insurances and title documents relating to the property together with any collateral documents and insurance premium receipts and the Bank shall retain all the title documents deeds and Mortgage / Charges in safe custody.

9 Sale of Mortgaged Property

- 9.1 The Borrower shall not, without the prior written consent of the Bank, sell, dispose of or otherwise alienate the property under a contract in terms of which the purchase price or consideration is payable in more than two (2) instalments extending over more than one (1) year. If the Borrower does not obtain the consent of the Bank then, without prejudice to any of the Bank's other rights, the Borrower hereby irrevocably cedes and transfers to the Bank, with power of substitution and in the interests of the Bank as the Borrower's attorney and agent for the purpose of, inter alia, recording the sale of the property in the appropriate Land's registry, all the Borrower's right, title and interest in and to:-
- 9.1.1 all the instalments and other sums payable under the contract;
- 9.1.2 collect and receive the instalments, with power to give proper receipts and acquittances discharges for them;
- 9.1.3 institute any legal proceedings for recovery of the instalments if payment is not made; and
- 9.1.4 cancel the deed of sale or contract and evict the purchaser.
- 9.2 The Bank may charge a commission of 10% (ten percent) of the gross amount of any instalments collected by it in addition to any amount charged by collection agents or rent collectors.

10 Use, Letting or Charging of Property

- 10.1 The Borrower may not let, charge or in any way further alienate, burden, encumber or give up occupation of the property or any part of it without the prior written consent of the Bank.
- 10.2 The Borrower may not use the property or any part thereof for purposes other than the intended use at the time that the loan was granted, without the prior written consent of the Bank and prior notification to the insurance company referred to in clause 6 above.

11 Compliance with Laws

The Borrower shall, at all times, comply with the conditions of title, the provisions of all servitudes and town planning schemes, environmental laws and with all laws, bylaws, and regulations applicable to or incumbent on the Borrower or the property.

12 Expropriation

- 12.1 If the whole or any part of the property is lawfully expropriated by any competent authority, the Borrower irrevocably appoints the Bank and in the Bank's interests to receive all compensation and to make any claims and sign any documents as the Bank may consider necessary or desirable.
- 12.2 The Bank will pay to the Borrower any amount received by the Bank in regard to such expropriation after deducting the amounts due under the loan agreement and, the costs incurred by the Bank.

13 Assignment

- 13.1 The Borrower is not entitled to transfer or delegate all or any part of its rights or obligations under the loan agreement without the prior written consent of the Bank.
- 13.2 The Bank is entitled, without the consent of or notice to the Borrower, to transfer or delegate all or any part of its rights or obligations under the loan agreement, either absolutely or as collateral security, to any person (even though that transferor delegation may result in a splitting of claims against the Borrower).
- 13.3 Even if the loan is sold or transferred, the Borrower acknowledges that the servicing or administration of such loan may:
- 13.3.1 still be performed by the Bank on behalf of the purchaser/transferee;
- 13.3.2 be contractually managed by a third party on behalf of the purchaser/transferee; or
- 13.3.3 be performed by the purchaser/transferee itself. These services and administrations can include the giving of notices, realisation of any collateral and the recovery of amounts due under the loan agreement.
- 13.4 Even if the loan agreement (or any part thereof) is sold,



transferred, ceded and/or delegated to any person ("the transferee"), the Borrower acknowledges that the Bank may elect not to transfer or sell its rights under the Charge or any other collateral given directly or indirectly in respect of the Borrower's obligations under the loan agreement ("relevant collateral") to the transferee such that, notwithstanding the sale, transfer or delegation of the loan agreement (or any part thereof) to the transferee, the relevant collateral (or any part thereof) shall, as between the Bank (or its successors in title or assigns under the relevant collateral) and the Borrower, continue to cover the indebtedness of the Borrower to the Bank (or its successors in title or assigns under the relevant collateral) on the terms set out in the relevant collateral (or any part thereof).

14 Certificate of Amount Owing

- 14.1 A certificate signed by any of the Bank's managers, whose appointment need not be proved, will, on its mere production, be sufficient proof, unless the contrary is proved, of the following stated in the certificate:
- 14.1.1 amount of the debt at any time;
 - 14.1.2 the fact that the debt is due and payable;
 - 14.1.3 the rate of interest payable;
 - 14.1.4 the date from which the interest is calculated; and
 - 14.1.5 any other matter relating to the debt.
- 14.2 In the event that I/we request the bank to send me/us a bank statement or any other information by any means, I/we agree to indemnify you against any claim(s) or liability that may arise or be made by any person (including myself/ourselves) against it in consequence of the supply of such information by the requested means.

15 Withdrawal from Agreements

The Bank may, at any time before the payment of the loan (or any part thereof) to or on behalf of the Borrower, withdraw from the loan agreement and the Borrower will have no claim against the Bank if the Bank does so.

16 Joint and Several Liability

- 16.1 Should there be more than one Borrower, then
- 16.1.1 each of them shall be jointly and severally liable with the other as co-principal debtor for every indebtedness and obligation of the Borrower to the Bank; and
 - 16.1.2 all references to "the Borrower" shall be construed as reference to all of the Borrowers, jointly and severally, unless otherwise indicated.

17 Costs

- 17.1 The Borrower shall;
- 17.1.1 pay all costs relating to the preparation and registration of the Charge, including advocates fees, stamp duty

and registration fees, and shall also pay for the costs of discharge of the Charge upon repayment of the loan; and

- 17.1.2 pay all costs and expenses of any nature (including legal costs) incurred by the Bank in taking steps to exercise or enforce its rights under the loan agreement and any collateral given directly or indirectly in respect of the Borrower's obligations under the loan agreement.
- 17.2 Searches and valuation assessments of properties undertaken by us are to ascertain whether the land and improvements to it have sufficient apparent value for the property to act as a security for the loan granted and also assess the replacement value of improvements for insurance purposes. Such searches and valuation assessments are for our internal purposes only and no warranties whatsoever in respect of the property, its title, condition, the purchase price or the insurance amount are given or implied in the granting of the loan. The cost of such searches will be for your account.

18 Set-off and Realisation

- 18.1 If the Bank terminates the Borrower's loan agreement in terms of the provisions of clause 4 above, the Bank may in addition to any rights the Bank has:
- 18.1.1 set-off any credit balances held in any other account (including any transaction account) which the Borrower has with the Bank that are due and payable, against the debt; and/or
 - 18.1.2 realise any collateral held by the Bank and use the proceeds in payment of any amount due by the Borrower on the debt. If the Bank does so, it will advise the Borrower in writing.

19 Acceleration of Payments

- 19.1 The Borrower may at any time in reduction of any loan make payments in addition to any stipulated minimum monthly instalments. If the Borrower wishes to pay the outstanding balance of the loan in one amount prior to the due date of the last instalment the following provisions will apply:
- 19.1.1 the Borrower will give the Bank not less than thirty (30) days' advance notice in writing (or such shorter period as may be agreed to by the Bank) of the date on which the Borrower will pay the outstanding balance of the loan in one amount;
 - 19.1.2 a notice in terms of clause 20.1.1 above may be given at any time before the expiry of the term of the loan; and
 - 19.1.3 the date of payment stated in this notice will be deemed to be the date on which the outstanding balance of the loan became due for payment, provided that the Borrower must pay all instalments and other amounts becoming due for payment prior to the date stipulated in this notice.

20 Finance Charges and Fees.

- 20.1 The Bank is entitled to charge and recover the following fees in respect of any home loan,



- 20.1.1 an administration fee, being a monthly fee recoverable by the Bank as valuable consideration for the Bank's administering of the Borrower's home loan account into which payments from the transaction account are made;
- 20.1.2 a facility variation fees for consenting to any request by the Borrower for any variation of the terms of the Charge, the delegation of the obligations of the Borrower in respect of the loan, or a variation or substitution of any suretyship guarantorship or other collateral in connection with the loan;
- 20.1.3 a facility fee being a one off fee recoverable by the Bank as valuable consideration for the Bank's administering of the Borrower's home loan account into which payments from the transaction account are made;
- 20.1.4 rates, taxes, other fiscal charges actually paid or to be paid by the Bank in respect of the property; and
- 20.1.5 certain legal costs incurred by the Bank in respect of legal proceedings instituted against the Borrower for the recovery of any amount or charges referred to in this clause 21, which will be as between attorney and own client.
- 20.2 The Borrower undertakes to repay the Bank all amounts paid by the Bank in terms of clause above, together with finance charges at the annual finance charge rate payable on the principal debt stipulated in the loan agreement.
- 20.3 Subject to the provisions of the law, the Bank may charge and recover from the Borrower finance charges on and in respect of the loan and on any amounts referred to in clause 20.1 above. If any amounts or finance charges on those amounts are not paid by the Borrower on their due date or if the Bank agrees with the Borrower to defer the payment of any amount, the Bank may recover from the Borrower additional finance charges in accordance with the provisions of the Act, which will be capitalised monthly.
- 20.4 The Bank's rights under this loan agreement shall in all respects be subject to the provisions of the of the Banking Act, Chapter 488, Laws of Kenya and the regulations and notices as promulgated by the Central Bank of Kenya from time to time under the Central Bank of Kenya Act, Chapter 491, Laws of Kenya.

21 Variation of Finance Charges and Fees

- 21.1 The Bank may from time to time vary the annual finance charge rate, and will deliver at least thirty (30) days written notice to the Borrower of each variation.
- 21.2 In the event of a variation, the Bank may adjust the monthly instalments as much as is necessary for the loan to be repaid within the same period in which it would have been repaid if there had been no variation.
- 21.3 The Bank may from time to time vary the Facility fee, and will deliver a thirty (30) day written notice to the Borrower of each variation.
- 21.4 The Bank reserves the right to increase the rate of interest above that of the then current ruling rate and vary other

terms of the Facility as applicable should more than 50% (fifty percent) of the property be used for commercial purposes

22 Loss of Employment

- 22.1 If
- 22.1.1 the loan is conditional on the Borrower's employer giving the Bank a suretyship or guarantee for payment of all or part of the loan; and
- 22.1.2 the Borrower ceases to be employed by that employer for any reason; and the Borrower default on their repayment obligations to the Bank.
- 22.1.3 the Borrower does not within 30 (thirty) days of ceasing to be employed make arrangements satisfactory to the Bank for the substitution of the suretyship or guarantee, then, the borrower will on written demand by the Bank, pay the Bank the full amount of the loan.
- 23.2 The Bank will have the same rights as those mentioned in clause 24.1 below if the Borrower or his/her spouse or any surety for the Borrower is employed by the Bank, and the employment is terminated for any reason.

23 Collateral

- 23.1 The collateral required by the Bank in respect of the loan (including any debt related to the loan) is set out in the Application form (which collateral shall, if required by the Bank, include an indemnity by the Borrower).
- 23.2 If the value of any collateral for the loan is no longer adequate or the Borrower's management of the Borrower's accounts increases the Bank's risk regarding the loan or any other amount owing to the Bank in terms of any other agreement, the Bank will have the right to ask the Borrower to provide the Bank with additional collateral to secure repayment of the debt, vary the terms and conditions of the loan agreement or to increase the interest rate above the rate currently being charged. The Bank will give a thirty (30) day written notice of the variation.
- 23.3 Any collateral required by the Borrower in respect of the loan shall not prejudice any other collateral or preference of whatever kind in existence in favour of the Bank.

24 Assessments

- 24.1 The assessment of the property by the Bank is to determine whether the land and buildings have enough apparent value for the property to secure the debt, and to assess thereplacement value of the buildings for insurance purposes.
- 24.2 The Bank uses various methods to assess the value of properties offered to it as collateral for home loans. These methods may involve a physical assessment of the property, or be based on statistical data provided. The assessment is for the Bank's internal use only and the Bank does not warrant the accuracy thereof.



24.3 The Bank accepts no liability for any defects whether latent (that is, existing but not active or developed or visible) or patent (that is, obvious) in respect of either the land or improvements. The Bank will not advise on any matter, especially improvements, from the aspect of structural integrity, conformity with approved building plans, the national building regulations nor the land and improvements for suitability to underlying geological conditions or flooding. If the Borrower has concerns regarding the property, it is the responsibility of the Borrower to seek appropriate independent expert advice.

25 Rearrangement of the Loan Agreement

No rearrangement of any loan or alteration of the loan agreement will adversely affect the operation of any collateral given in respect of the loan (and/or any debt in respect of the loan), nor will it substitute the loan or adversely affect the rights of the Bank to sue in terms of the Charge/Mortgage or any such collateral, and all the provisions of the loan agreement shall apply to all or any such rearrangement or alteration fully and effectually, as if such rearrangement or alteration had been originally contained in the loan agreement.

26 Liability for Loss

The Bank will not be liable for any loss incurred by the Borrower in terms of this loan agreement, save and except where such loss is caused by the Bank's gross negligence, gross misconduct and/or willful misconduct.

27 Credit Reference Bureau Consent Clause

27.1 By submitting an application for credit facilities, you agree to be bound by the following requirements relating to the submission of information to the Credit Reference Bureau and the issue of whether or not the application for credit facilities is approved.

27.2 Definitions

27.2.1 "Credit Reference Bureau" means all registered credit reference bureaus being utilized by the Bank from time-to-time

27.2.2 "Customer Credit Information" means information concerning

- i your credit history, including applications for credit, credit agreements to which you are or have been a party, pattern of payment or default under any such credit agreements, incidence of enforcement actions with respect to any such credit agreement, the circumstances of termination of any such credit agreement
- ii your financial history, including your past and current income, assets and liabilities and other matters with respect to your income and financial means
- iii your education, employment, career, professional or business history, including the circumstances of termination of any employment, career, professional or business relationship or

iv Your identity, including your name, date of birth, identity number, marital status and family relationships, past and current addresses and other contact details and related matters.

27.2.3 "Data" means the raw factual information furnished by us to the Credit Reference Bureau including, but not limited to, credit applications, credit agreements, payment history or patterns or Customer Credit Information collected and arranged by the Credit Reference Bureau and its employees and processed by the Credit Reference Bureau's computer systems which are stored in the database.

27.3 Consent to Disclosure of Confidential Information

27.3.1 You hereby irrevocably consent to us collecting, receiving, compiling and retaining any Customer Credit Information about you for purpose of:

- i assisting us to perform our statutory assessment of your creditworthiness
- ii deciding whether or not to grant you credit; and
- iii monitoring your credit profile should we grant you credit
- iv filing our Customer Credit Information with the Credit Reference Bureau

27.3.2 You hereby consent to the receipt, sharing, provision and exchange of data with Credit Reference Bureau and with other licensed financial institutions and micro finance deposit taking institutions through the Credit Reference Bureau provided that you have the right to lodge a complaint with the Credit Reference Bureau or to challenge any Customer Credit Information held by the Credit Reference Bureau in your respect.

27.3.3 You hereby acknowledge that the Customer Credit Information obtained may include positive or negative information regarding your payment record

27.3.4 You hereby acknowledge that the Credit Reference Bureau is required by law to collect negative information on the background and credit history relating to your non performing obligations

27.3.5 You hereby consent to the collection, recording, retention and submission of all data relating to your economic, financial and commercial obligations in order to determine your overall debt exposure and ability to pay.

28 Variation

28.1 We may, at our discretion, vary any of the terms and conditions from time to time on written notice to you

28.2 No such variation and no agreement inconsistent therewith will be of any force or effect unless it is recorded in writing and signed by both you and us

28.3 If any part of the Loan is denominated in a foreign currency ("the currency of the account"), payment under or the repayment of such Facilities will be made in such foreign currency

28.4 Any money received by the Bank, or by any person appointed by the Bank, in a currency other than the currency



of the account may be converted by the Bank into the currency of the account or such other currency as the Bank considers necessary to cover the obligations or liabilities of the Borrower. The Bank shall use the Bank's spot rate of exchange for such conversion.

- 28.5 In the event of any legislation or extreme change in market conditions affecting the ability of the Bank to provide or fund facilities in foreign currency, the Bank reserves the right, at its sole discretion, to convert any foreign currency indebtedness by the Borrower into Kenya Shillings at the rate ruling on the day of such conversion.
- 28.6 In the event that the Bank demands repayment of any indebtedness of the Borrower, after such demand has been made, the Bank reserves the right, at its sole discretion, to convert any foreign currency indebtedness by the Borrower into Kenya Shillings at the Bank's spot rate ruling at the day of such conversion.
- 28.7 In exercising the aforementioned rights to convert foreign currency indebtedness into the Kenya Shillings, the Bank will not be liable for any losses resulting from exchange rate fluctuations.

29 Change in Control and Constitutional Documents

- 29.1 If the Borrower is a legal persona such as a company, co-operative, close corporation, trust, partnership, or association of persons:
- 29.1.1 the Bank shall be entitled in all its actions to rely exclusively upon the documents, including all constitutional documents and authorisations, submitted by the Borrower and in the Bank's possession. (This provision should be noted in particular in relation to the Borrower's dealings with an Access Mortgage Facility)
- 29.1.2 the Borrower is required to notify the Bank, in writing, as soon as the proposed or actual change becomes known of any proposed or actual changes:
- 29.1.2.1 in the direct or indirect ownership, or control (including if there is a change in the person that may directly or indirectly exercise the majority of the voting rights in the legal persona), or management of the Borrower, or any such change in any surety for the Borrower's debt to the Bank; or
- 29.1.2.2 to the Borrower's constitutional documents; and any security given for the loan remains in full force in writing releases such security.
- 29.2 Any change in control of the Borrower will not affect any collateral held by the Bank nor will it release any surety/guarantor from a suretyship/guarantorship

30 Jurisdiction

The Borrower consents to the jurisdiction of Courts in Kenya of competent jurisdiction and to the Bank, at its option, taking legal proceedings to enforce or implement any of the Bank's rights.

31 Non-waiver

The failure by the Bank to exercise any of its rights on due date or any indulgence granted to the Borrower shall not be construed as a waiver, abandonment or novation of any of the rights of the Bank in terms of the loan agreement

32 Address for Notices and Service of Legal Documents

- 32.1 The postal address you supply on your application form for an account will be regarded as your chosen address where notices may be given and documents in legal proceedings may be served. You must notify the Bank in writing or e-mail immediately if your chosen address changes/has changed.
- 32.2 You choose, for all purposes in connection with the banking products, the address provided in the application form. The Bank shall change address within reasonable time after it receives written notification from you.
- 32.3 Any notice or communication requiring to be served on you may be served on you or any of your officers personally by hand delivery, by electronic mail, post or by advertisement in a daily newspaper with national circulation published in the Republic of Kenya.
- 32.4 Service by hand delivery shall be effective on actual time of delivery. Service by electronic mail shall be to your last known email address and shall be deemed to have been served on the first known business day following transmission. Service by post shall be to the postal address provided in this application form or at some address as notified from time to time by you as provided above, and shall be deemed to have been effected three (3) business days after posting. Service by advertisement in a local daily newspaper shall be effective on the first business day following the date of advertisement.
- 32.5 Notwithstanding anything to the contrary in this paragraph, a written notice or other communication actually received by any party shall be adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address.

33 Changes in Law and Governing Law

The Bank may immediately amend the pricing structure of the loan if there is any change in law, statute, regulation, ruling, directive, policy or any similar event with which the Bank is obliged to comply resulting in an increase in cost to the Bank in providing the loan or any part thereof. If the Bank does so, it will advise the Borrower in writing. These terms and conditions shall be governed by and accordance with the Laws of the Republic of Kenya



General Terms and Conditions Applicable to all Personal Loans

Definitions

“account” means the loan account opened in our books in respect of this agreement;

“agreement” means the personal loan application form, additional information forms and the letter of offer read together with these Terms and Conditions and all payment instructions, letters, notices and appendices hereto;

“applicant” “borrower”, “you” or “your” means the person applying for the personal loan in the Personal Loan Application,

“bank”, “we”, “us” or “our” means CfC Stanbic Bank Ltd its successors in title or assigns;

“business days” mean any days other than a Saturday, Sunday or a public holiday in Kenya;

“current account” means an active account into and from which deposits and withdrawals can be made by way of cheques, bills, repayment authorisations or any of our self-service channels

“KBRR” means the publicly quoted Kenya Banks’ Reference Rates stipulated by the Monetary Policy Committee of the Central Bank of Kenya, subject to change from time to time;

“loan” means the amount we have agreed to lend you in terms of this agreement;

“margin” means the number of percentage points interest charged by us, subject to change from time to time and which is determined by the Bank after taking into account:

- the Bank’s costs, benefits and risks of funds (deposit) during the tenure of the loan;
- the Bank’s required net income return as a percentage of shareholders equity multiplied by the minimum regulatory required capital;
- credit risk premium being factors that affect a customer, business or industry/sector’s ability to repay the loan; and
- the Bank’s operational costs associated with originating the loan.

“minimum repayment” means the amount due shown on your statement;

“payment date” or “due date” means the due date for payment of all amounts due and payable as shown on your statement; and

“repayment” means a payment made by you to us to pay off your loan.

“limit”, “agreed limit”, “credit limit” or “reduced credit limit” means the amount of the loan that is available for use by you in terms of this agreement;

1 Repayment

- 1.1 Loan repayments will be recovered from an account held with CfC Stanbic Bank Ltd.
- 1.2 All payments by you, whether of the principal amount, interest, fees, costs, charges or otherwise, will be made in fully cleared funds, without set off or counterclaim, and free and clear of any deduction or withholding on account of tax or otherwise.

- 1.3 In all instances the onus is on you to ensure that sufficient funds are available to meet the repayments as indicated on the date specified in the repayment schedule, annexed hereto.
- 1.4 If you fail to pay the minimum amount of any stipulated monthly instalment by its due date in full or at all, we may cause such amount or the shortfall, as the case may be, to be transferred to your account from any other account you hold with us and any insufficient payment instruction then held by us will be deemed to have been amended accordingly.
- 1.5 You authorise us to debit any other account you hold with us on any date we deem necessary to collect any repayments due.
- 1.6 Payments of the loan over and above the monthly instalments may be made by you at any time without notice.
- 1.7 If you make an early reduction of the loan, unless the repayment instalments as stipulated in the repayment schedule are rescheduled by written agreement between you and us, this early reduction will not affect your obligations to continue paying instalments as stipulated in the repayment schedule until the loan, including all interest thereon, has been repaid in full
- 1.8 You may wish to repay the outstanding balance of the loan, including accrued interest, in full before the loan’s maturity date.
- 1.9 Notwithstanding that we may allow you to reduce the outstanding balance on your Revolving Term Loan in monthly instalments as set out in the repayment schedule as may be amended from time to time, the monthly instalment payable by you does not imply that the said loan will be repaid in full over its initial term, as a result of redraws and/or subsequent deposits made into the loan account and/or fluctuations in the interest rate applicable from time to time.
- 1.10 All payments made under this loan will be credited by us on date of receipt as follows:
- 1.10.1 firstly, to satisfy any due or unpaid interest charges;
- 1.10.2 secondly, to satisfy any due or unpaid fees or charges; and
- 1.10.3 thirdly, to reduce the amount of the principal debt.
- 1.11 You will not be able to draw against certain deposits (for example bills, cheques and debit orders) to your account until they have been duly and legally paid, even if your account has already been credited. Such funds are subject to a 3 (three) business day clearing period
- 1.12 The Bank requires all loans to have adequate loan protection cover. The Bank will effect the cover in order to secure the loan in event of your death or permanent disability, until such time as the loan is settled in full. The cost of the loan protection shall at the Bank’s sole discretion either be deducted from the loan amount upon disbursement or included in the monthly instalments. The Loan Protection Benefit remains valid during the period of the Borrower’s full compliance with these General Terms and Conditions. A copy of the Loan Protection Terms and Condition is available on request.



2 Interest

- 2.1 Interest payable on the loan will:
- 2.1.1 be calculated on the basis of a 365-day year for loans denominated in Kenya Shillings and a 360 day year for loans denominated in foreign currency, irrespective of whether or not the year in question is a leap year;
- 2.1.2 accrue from day to day; and
- 2.1.3 be calculated on the daily balance owing under the loan facility, notwithstanding that such balance may have increased by being debited with interest thereon;
- 2.1.4 be debited to your loan account monthly in arrears.
- 2.2 Rates of interest quoted or determined initially or subsequently altered by us apply to the use of loans within the limit(s) agreed to by us in writing. Any indebtedness to us in excess of the limit(s) agreed by us in writing may be subject to interest at such higher rate(s) as we may determine at our discretion at the time when such indebtedness is incurred and/or at any time thereafter. Advising this rate does not constitute an agreement by us to allow borrowing in excess of the approved loan limits.
- 2.3 If any sum payable by you under any of these loans is not paid when due, such sum will attract interest at a default rate to be determined by us from time to time, as we may deem fit, from the date on which such sum fell due to the date on which it is actually paid which default rate shall be as set out in the letter of offer.
- 2.4 The interest charged under this loan is linked to KBRR by a margin related to the KBRR, which margin is determined by us.
- 2.5 We may, from time to time, vary the interest rate applicable to your loan if the KBRR fluctuates during the agreed term of the loan. If we elect to do so, written advice of the amendment and its effective date will be sent to you in compliance with the law.
- 2.6 The rate of interest payable as of the date that the loan is made available to you is set out in the repayment schedule as may be amended from time to time and to which these terms and conditions are attached.
- 2.7 We reserve the right to vary the rate of interest payable on revolving/redraw of the Revolving Term Loan in line with market conditions or if in our opinion the conduct on your account increases our risk regarding the debt, provided that this amended rate does not exceed the legal maximum permissible rate, where applicable. If we elect to do so, written advice of the amendment and its effective date will be sent to you in compliance with the law.

3 Changes in the Law

We may immediately amend the pricing structure of the loan if there is any change in law, statute, regulation, ruling, directive, policy or any similar event with which we are obliged to comply resulting in an increase in cost to us. We will notify you through various methods, these include but

are not limited to, the media, notices on ATM's and inside our branches, and any other means that we may deem necessary from time to time.

4 Certificate of Amount Owing

A certificate signed by any of our managers or officers, whose appointment and authority to sign need not be proved, as to the amount of the indebtedness at any time and that such indebtedness (including any interest and the rate, and the period for which interest is accruable) is due, by you in respect of the loan or any other amount will be proof of the facts stated therein (unless the contrary is proved).

5 Income

- 5.1 You undertake to maintain a current account with us into which your monthly salary will be deposited.
- 5.2 You irrevocably authorise us to debit the account with the monthly instalments referred to in the repayment schedule as may be amended from time to time and in the loan agreement together with any monthly bank fees and charges incidental thereto. Such instructions will remain standing for the term of the loan and until we authorise cancellation.
- 5.3 During the term of this loan, you undertake that you will not issue any contra payment instructions without our prior written consent.
- 5.4 Should your salary not be deposited to this current account, we reserve the right to amend the interest rate as per Clause 2.7.

6 Revolving Capability (Revolving Term Loan and Revolving Line of Credit)

- 6.1 You have requested and we have agreed that you may consider revolving any amount under your loan subject to:
- 6.1.1 you having repaid at least 25% of the original loan amount, and a minimum period (six months for a Revolving Term Loan and one month for a Revolving Line of Credit) having elapsed since the date of the most recent loan being granted and drawn;
- 6.1.2 confirmation by us that you have conducted all accounts with us in an entirely satisfactory manner;
- 6.1.3 our being entitled to carry out satisfactory credit appraisals on receipt of your request to revolve; and
- 6.1.4 the terms and conditions of the said approvals will be subject to the terms and conditions applicable to personal loans and will also be embodied in a formal redraw agreement to be executed by you and us.
- 6.2 You are required to only revolve in multiples of 1,000 (one thousand) from your loan account to your transaction account, provided that the agreed limit is not exceeded.
- 6.3 If you fail to comply with the terms and conditions, we reserve the right to withdraw the above transaction and revolving capability. If we elect to do so, we will advise you in writing.



7 Fixed Term Loan

- 7.1 During the term of your Fixed Term Loan, no increase in the amount of the loan or further loans will be allowed nor will you be able to apply for a secondary loan, until this loan has been repaid in full.
- 7.2 Your repayment amount will be adjusted to recognise any interest rate changes, fees, costs and other allowed charges to ensure that the loan is repaid within the agreed term.

8 Default

- 8.1 We will not be obliged to make any transfer or revolve any amount under the loan and may convert your loan to one repayable on demand and/or we may revise any of the terms and conditions and/or increase the interest rate charged if any of the following events occur:
- 8.1.1 you breach any of the terms and conditions of your loan or any other agreement between you and us and fail to remedy the breach within 7 (seven) days of written notice having been given to you to do so; or
- 8.1.2 you fail to pay any instalment due in terms of this agreement; or
- 8.1.3 we are of the opinion that there has been a material deterioration in your financial position or the conduct of your transactional account; or
- 8.1.4 any representation or warranty made in connection with your loan or any documents supplied by you is, in our opinion, incorrect, incomplete or misleading; or
- 8.1.5 proceedings are initiated to declare you and/or any guarantor bankrupt or a provisional or final order is passed declaring you and/or any guarantor bankrupt; or
- 8.1.6 any compromise or arrangement between you and your creditors is sanctioned or otherwise becomes effective; or
- 8.1.7 a warrant of execution issued by any competent court attaching any of your and/or any guarantor's assets and is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such warrant, notice or other order; or
- 8.1.8 if at any time, the amount outstanding on your loan exceeds its maximum aggregate limit; or any guarantor, in respect of your indebtedness to us, commits any breach of their obligations to us, whether as guarantor or otherwise; or
- 8.1.9 if any guarantor in respect of your indebtedness to us delivers a valid and effective notice of termination of liability under such surety or guarantee; or
- 8.1.10 if any security for any of your indebtedness to us becomes enforceable or subject to seizure by a court or a government body or an authority, whether such security is enforced or not; or
- 8.1.11 you generally do or omit to do anything which may affect our rights in terms of the loan or cause us to suffer any loss or damage; or
- 8.1.12 you fail to provide any additional security when so requested and/or called on by us.

- 8.2 If a default occurs then, the full amount of your loan and any other facilities accorded to you by us, then outstanding, and all charges accrued thereon, together with additional interest as defined under this loan and these attached general terms and conditions will immediately become due and payable.
- 8.3 In addition, we will have the right to exercise all other remedies available to us in terms of the laws of Kenya.

9 Set-off and Realisation

- 9.1 In the event of default, we may at any time without further notice to you, and notwithstanding any settlement of amounts or other matter whatsoever, consolidate or combine all or any of your existing accounts with us, including those held in our name or yours alone, or jointly with others wherever situate (whether current, deposit, loan or any other accounts of any nature whatsoever whether subject to notice or not) and set off or transfer any sum standing to the credit of any one or more accounts in or toward satisfaction of any obligations or indebtedness to us, whether those liabilities be present, future, actual, contingent, security, joint or several. You waive any rights of set off that you may have, so far as is permitted by law.
- 9.2 Any security provided may be, if realised, used to pay any indebtedness by you to us, at our sole discretion notwithstanding that such indebtedness may be expressed in a currency other than the currency received by us in realisation thereof.

10 Costs

- 10.1 You irrevocably authorise us to debit your current/transactional account and recover (whether or not the loan is drawn) all legal fees, charges and other out-of-pocket expenses (including stamp duty and value added tax) incurred by us in connection with the creation or any revaluations of security (if any) or the enforcement or preservation by us of our rights under this agreement or under any amendments hereto.
- 10.2 You will pay all the fees, costs and charges referred to in this agreement and all fees, costs, charges, taxes and duties we may incur or pay in connection with the preparation, conclusion or enforcement of the loan, including:
- 10.2.1 legal costs, charges, collection commission and other fees or disbursements incidental thereto or incurred in recovering or endeavouring to recover all or any amounts owing us, together with value added tax, where applicable;
- 10.2.2 any increase in fees, costs and charges as determined and published from time to time;
- 10.2.3 all other fees and charges will be payable in accordance with our standard tariffs from time to time. The applicable rate can be provided to you on request;
- 10.2.4 an upfront processing fee (to be set out in the letter of offer) for both Fixed Term and Revolving Term loans is chargeable and will be debited to your current account.
- 10.2.5 an upfront management fee (to be set out in the Letter of offer) for both Fixed Term and Revolving Term loan is



chargeable and will be debited to your current account.

- 10.2.6 a revolving fee (to be set out in the letter of offer) is chargeable for the Revolving Term Loan and Revolving Line of Credit with regard to the percentage of the loan you may request to revolve from time to time and will be debited monthly to your current account. The applicable fee can be provided to you on request.

11 Variation

- 11.1 We may, at our discretion, vary any of the terms and conditions from time to time on written notice to you
- 11.2 No such variation and no agreement inconsistent therewith will be of any force or effect unless it is recorded in writing and signed by both you and us
- 11.3 If any part of the Loan is denominated in a foreign currency ("the currency of the account"), payment under or the repayment of such Facilities will be made in such foreign currency
- 11.4 Any money received by the Bank, or by any person appointed by the Bank, in a currency other than the currency of the account may be converted by the Bank into the currency of the account or such other currency as the Bank considers necessary to cover the obligations or liabilities of the Borrower. The Bank shall use the Bank's spot rate of exchange for such conversion.
- 11.5 In the event of any legislation or extreme change in market conditions affecting the ability of the Bank to provide or fund facilities in foreign currency, the Bank reserves the right, at its sole discretion, to convert any foreign currency indebtedness by the Borrower into Kenya Shillings at the rate ruling on the day of such conversion.
- 11.6 In the event that the Bank demands repayment of any indebtedness of the Borrower, after such demand has been made, the Bank reserves the right, at its sole discretion, to convert any foreign currency indebtedness by the Borrower into Kenya Shillings at the Bank's spot rate ruling at the day of such conversion.
- 11.7 In exercising the aforementioned rights to convert foreign currency indebtedness into the Kenya Shillings, the Bank will not be liable for any losses resulting from exchange rate fluctuations.

12 Force Majeure (Events Beyond Our Control)

We will not be liable for any failure to perform our obligations herein caused by reasons beyond our control or resulting directly or indirectly from the action or inaction of the government, any government authority, riot, strike, boycott, blockade, act of God, revolution, civil strike, change in legislation or extreme change in market conditions.

13 Assignment

- 13.1 You will not be entitled to assign all or any part of your rights, obligations or benefits hereunder without our prior written consent, which will not be unreasonably withheld.

- 13.2 We will be entitled, without your consent or notice to you, to cede and/or delegate all or any part of our rights and/or obligations under the loan and/or the security, either absolutely or as collateral security to any person (even though that cession and/or delegation may result in a splitting of claims against you). Even if your loan facility and/or security is sold or ceded, you acknowledge that the servicing and/or administration of such loan facility and/or security may:
- 13.2.1 still be performed by us on behalf of the purchaser/cessionary or cedent; or
- 13.2.2 be contractually managed by a third party on behalf of the purchaser/cessionary or cedent; or
- 13.2.3 be performed by the purchaser/cessionary or cedent itself. These services and administrations can include the giving of notices, realisation of any security and the recovery of amounts due under the loan agreement.
- 13.3 Even if the loan facility (or any part thereof) is sold, ceded and/or delegated to any person (the transferee), you acknowledge that we may elect not to cede or sell our rights under the security and/or any other security (relevant security) to the transferee such that, notwithstanding the sale, cession and/or delegation of the loan facility (or any part thereof) to the transferee, the relevant security will as between us (or our successors in title or assigns under the relevant security) and you, continue to cover your indebtedness to us (or our successors in title or assigns under the relevant collateral) on the terms set out in the relevant security documents.

14 General Undertakings

- 14.1 While the loan remains available, you undertake to ensure that:
- 14.1.1 your obligations in respect of the loans will at all times rank at least equal with all your other present and future unsecured obligations;
- 14.1.2 you will, immediately on becoming aware of it, notify us of any material litigation, arbitration or administrative proceedings pending or, to the best of your knowledge, information threatened against you which may adversely affect your ability to honour any of the terms and conditions in this agreement.

15 Information

- 15.1 We may verify the information on the application and may make whatever enquiries we consider necessary.
- 15.2 We and our associated companies may furnish any credit reference agency with any information regarding your accounts and loans, provided that such disclosure falls within the laws of Kenya.
- 15.3 You agree that we may:
- 15.3.1 hold and process, by computer or otherwise, any information obtained about you as a consequence of the loan contemplated in this application;
- 15.3.2 include personal data in our systems which may be accessed by



other companies in our group for credit assessment, statistical analysis, including behaviour and scoring, and to identify products and services (including those supplied by third parties) which may be relevant to you; and

- 15.3.3 permit other companies within our group to use personal data and any other information we hold about you to bring to your attention to products and services which may be of interest to you.
- 15.4 You further agree that we may disclose your personal data and/or information, including data and information relating to this loan and any documents referred to herein, or your assets, business or affairs outside our group whether such personal data and/or information is obtained after you cease being a customer or during the continuance of the bank-customer relationship or before such relationship was in contemplation:
- 15.4.1 for fraud prevention purposes;
- 15.4.2 to licensed credit reference agencies or any other creditor, if you are in breach of this agreement or any documents referred to herein;
- 15.4.3 to our external lawyers, auditors and other sub-contractors or persons acting as our agents;
- 15.4.4 to any person who may assume our rights under this loan;
- 15.4.5 if we have a right or duty to disclose or are permitted or compelled to do so by law; and
- 15.4.6 for the purpose of exercising any power, remedy, right, authority or discretion relevant to this agreement or any other document.
- 15.5 You acknowledge and agree that, notwithstanding the terms of any other agreement between you and us, a disclosure of information by us in the circumstances contemplated by this clause does not violate any duty to you, either in common law or pursuant to any agreement between you and us, or in the ordinary course of banking business and the customs, usage and practice related thereto. Disclosure as aforesaid may be made without reference to or further authority from you and without inquiry by us as to the justification for or validity of such disclosure.

16 Securities

- 16.1 The provision of and the aggregate of all amounts deemed by us to be outstanding under the loan will be on an unsecured basis. However, we reserve the right to review it from time to time and thereafter call for security should it be considered necessary.
- 16.2 In addition and without prejudice to any security already held by us, we require the security to cover the loan and all the other banking facilities granted to you, whether direct or contingent and howsoever arising.
- 16.3 We may, from time to time, require any asset over which we hold a security to be valued, at your expense, by a valuer approved by us. We reserve the right to instruct a valuer of our choice and to debit your account or accounts held with us with any expenses incurred.

17 Address and Notices

- 17.1 The postal address you supply on your application form for an account will be regarded as your chosen address where notices may be given and documents in legal proceedings may be served. You must notify the Bank in writing or e-mail immediately if your chosen address changes/has changed.
- 17.2 You choose, for all purposes in connection with the banking products, the address provided in the application form. The Bank shall change address within reasonable time after it receives written notification from you.
- 17.3 Any notice or communication requiring to be served on you may be served on you or any of your officers personally by hand delivery, by electronic mail, post or by advertisement in a daily newspaper with national circulation published in the Republic of Kenya.
- 17.4 Service by hand delivery shall be effective on actual time of delivery. Service by electronic mail shall be to your last known email address and shall be deemed to have been served on the first known business day following transmission. Service by post shall be to the postal address provided in this application form or at some address as notified from time to time by you as provided above, and shall be deemed to have been effected three (3) business days after posting. Service by advertisement in a local daily newspaper shall be effective on the first business day following the date of advertisement.
- 17.5 Notwithstanding anything to the contrary in this paragraph, a written notice or other communication actually received by any party shall be adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address.

18 Statements

- 18.1 We will provide you with a statement of account periodically and in the frequency and medium selected by you during your application for the loan.
- 18.2 The statement will show your outstanding balance and, where applicable, the minimum repayment owing to us and the date by which it is to be made.
- 18.3 We may adjust debits and credit your account and account balances to reflect both your and our legal obligations correctly.

19 General

- 19.1 No indulgence granted by us will be considered to be a waiver of our rights.
- 19.2 In these terms and conditions, unless inconsistent with the content, words signifying the singular include the plural and vice versa.
- 19.3 Each provision of these terms and conditions is severable, the one from the other. If at any time any provision is or becomes or is found to be illegal, invalid, defective or unenforceable for any reason by any competent court, the remaining provisions will be of and will continue to be of full force and effect.



- 19.4 The agreement created on acceptance of the loan by you will constitute the whole agreement between you and us relating to the subject matter of the loan. No addition to, variation, amendment or consensual cancellation of any of the terms contained in the loan will be of any force or effect unless it is recorded in writing and is signed on our behalf by one of our authorised officials and accepted by you. Unless specifically stated and agreed, any amendment to the terms and conditions of this loan will not create a new loan.
- 19.5 No indulgence shown or extension of time given by us will operate as an estoppel against us or waiver of any of our rights unless recorded in writing and signed by us. We will not be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the conclusion of any agreement and/or whether it was negligent or not.
- 19.6 This agreement will be governed and construed in accordance with the laws of Kenya and the courts of Kenya will have jurisdiction to settle any disputes which may arise in connection with it without prejudice to our exclusive right to institute proceedings against you in respect thereof in any other jurisdiction.
- 19.7 If the due date for any repayment or the charging of interest, cost, fees or charges does not fall on a business day, the item will be processed on the first business day thereafter.
- 20 Credit Reference Bureau Consent Clause**
- 20.1 By submitting an application for credit facilities, you agree to be bound by the following requirements relating to the submission of information to the Credit Reference Bureau and the issue of whether or not the application for credit facilities is approved.
- 20.2 Definitions
- 20.2.1 "Credit Reference Bureau" means all registered credit reference bureaus being utilized by the Bank from time-to-time
- 20.2.2 "Customer Credit Information" means information concerning
- i your credit history, including applications for credit, credit agreements to which you are or have been a party, pattern of payment or default under any such credit agreements, incidence of enforcement actions with respect to any such credit agreement, the circumstances of termination of any such credit agreement
 - ii your financial history, including your past and current income, assets and liabilities and other matters with respect to your income and financial means
 - iii your education, employment, career, professional or business history, including the circumstances of termination of any employment, career, professional or business relationship or
 - iv Your identity, including your name, date of birth, identity number, marital status and family relationships, past and current addresses and other contact details and related matters.
- 20.2.3 "Data" means the raw factual information furnished by us to the Credit Reference Bureau including, but not limited to, credit applications, credit agreements, payment history or patterns or Customer Credit Information collected and arranged by the Credit Reference Bureau and its employees and processed by the Credit Reference Bureau's computer systems which are stored in the database.
- 20.3 Consent to Disclosure of Confidential Information
- 20.3.1 You hereby irrevocably consent to us collecting, receiving, compiling and retaining any Customer Credit Information about you for purpose of:
- i assisting us to perform our statutory assessment of your creditworthiness
 - ii deciding whether or not to grant you credit; and
 - iii monitoring your credit profile should we grant you credit
 - iv filing our Customer Credit Information with the Credit Reference Bureau
- 20.3.2 You hereby consent to the receipt, sharing, provision and exchange of data with Credit Reference Bureau and with other licensed financial institutions and micro finance deposit taking institutions through the Credit Reference Bureau provided that you have the right to lodge a complaint with the Credit Reference Bureau or to challenge any Customer Credit Information held by the Credit Reference Bureau in your respect.
- 20.3.3 You hereby acknowledge that the Customer Credit Information obtained may include positive or negative information regarding your payment record
- 20.3.4 You hereby acknowledge that the Credit Reference Bureau is required by law to collect negative information on the background and credit history relating to your non performing obligations
- 20.3.5 You hereby consent to the collection, recording, retention and submission of all data relating to your economic, financial and commercial obligations in order to determine your overall debt exposure and ability to pay.



Terms and Conditions

Your application for and use of a card is subject to the following terms and conditions (rules). You must understand each clause of the rules set out here. Remember you must always keep to these rules, as they are a binding agreement between you and us, CfC Stanbic Bank Limited (registration number C. 9520). Please contact us if you need further explanations on anything related to the use of your card. You may contact us at cardqueriesEA@stanbic.com or speak to a consultant at a CfC Stanbic Bank branch.

What we mean

“account holder” means the person who has applied for and will be granted a card account and who will use the account for its intended purpose.

“account limit” means the total credit limit approved by us to be used by you for a revolving credit facility on the card account.

“additional card holder” means the person/s to whom an additional card,

which is linked to your card account, is issued at your request.

“agreement” means your application and these rules together with all payment instructions, letters and notices given.

“ATM” means an automated teller machine.

“card” means the relevant credit card, including any additional cards that we issue to you after we have approved your application.

“card account” means the credit card account opened in the name of the account holder.

“merchant” means a supplier of goods and services and includes an ATM owner.

“PIN” means your personal identification number. This will either be the number we give you or the number you choose.

“transaction” includes, but is not limited to, any transaction done on your card account with or without your card, card number and/or PIN to pay for any goods or services or to withdraw cash or to transact using an electronic device.

“revolving credit facility” means a credit facility with a minimum repayment option as determined by us from time to time.

“we”, “us” or “Stanbic Bank “ means CfC Stanbic Bank Limited.

“you” or “your” means the account holder and any additional cardholder. “SMS” means short message service which is an electronic communication done using a cell phone or cellular network.

1 Applying for a card

- 1.1 Any application for a card is subject to our normal credit approval process and criteria.

- 1.2 Only a natural person may apply for a card.
- 1.3 We will ask you for certain information before we consider your application. You must provide complete and accurate information.
- 1.4 We may decline your application at our discretion.
- 1.5 We must verify your identity and may decline your application if you cannot give us satisfactory proof of your identity.
- 1.6 We may issue you with an additional card, depending on whether you qualify under our normal credit criteria.

2 Your card

- 2.1 Sign your card in ink as soon as you receive it. Use the space provided on the back of the card. You are not allowed to use your card if you have not signed it.
- 2.2 You may have additional cards linked to your card account. You will be liable for all amounts owing on your card account through the use of these cards, whether the transactions were authorized by you or not.
- 2.3 You and the additional cardholder/s will be jointly and severally liable as co-principal debtors for all amounts owing on your card account through the use of the additional cards. We may recover the full amount owed to us on the additional cards from you or the additional cardholders or both.
- 2.4 You and the additional cardholder/s will be bound by this agreement.
- 2.5 The issue of additional cards will not affect the credit limit we allow on your card account.
- 2.6 We will always remain the owner of the card/s.

3 Using your card

- 3.1 Only you may use your card. Only the additional cardholder may use the card issued in their name, which has been authorised by you.
- 3.2 Your card has an expiry date and is valid until the last day of the month shown unless the card account is closed or the card is revoked as per clause 8.
- 3.3 Having a PIN allocated to your card will allow you to use electronic banking facilities to do transactions such as draw cash from an automated teller machine (ATM).
- 3.4 You may use the card to pay for goods and services at merchants who accept the card. When paying you must sign a transaction slip. You will not have to sign a slip when doing remote transactions, such as ordering by mail, telephone or through the internet.
- 3.5 You must sign a cash withdrawal slip if you withdraw cash through any means other than an ATM.



- 3.6 Your card account has an account limit and you may not exceed it. You will remain liable for all amounts even if you exceed the limit. A fee will be charged if the outstanding balance on the card account exceeds the account limit on the date of the statement.
- 3.7 When you use the card to access and transact over our other delivery channels, for example, internet banking, the rules of that channel apply in addition to these rules.
- 3.8 By using your card you accept and agree to be bound by these rules.
- 3.9 You may not use the card for illegal transactions. It is your responsibility to ensure that your card is used for lawful transactions only.

4 Unauthorised use of your card and PIN

- 4.1 You are responsible for the safekeeping and proper use of your card. You must either memorise your PIN or keep any record of it separate from your card and in a safe place.
- 4.2 Notify us immediately if you realise you have lost your card or it has been stolen, or your PIN has become known to any other person. We will stop your card as soon as reasonably possible after being advised to do so.
- 4.3 You will be responsible for all cash drawn and purchases made with your card before we stop it in terms of 4.2.
- 4.4 Lost card protection (LCP) insurance is automatically provided to you free of charge. It protects you against proven fraudulent non PIN based transactions.
- 4.5 You may dispute that any purchase or withdrawal charged to your card account was not authorised by you. We will investigate it after we receive a statutory declaration from you confirming that you did not authorise the transaction.
- 4.6 We may call you from time to time to confirm certain transactions. To avoid the inconvenience of a security block being put on your card, please ensure that the contact details we have for you are up to date at all times.

5 Authority to charge your account

- 5.1 You will remain liable for any amount owing until your card account is paid in full.
- 5.2 Any purchases or cash withdrawals you make using your card, will be charged to your card account, whether or not the slips or vouchers are signed.
- 5.3 The transaction is your authority to us to pay merchants and to charge the amount concerned to your card account. You cannot withdraw this authority.

6 Monthly statement and payment

- 6.1 We will send a statement every month to either your chosen postal address or your chosen email address. The statement will show all transactions on your card account up to the date of the statement. We advise that the additional terms and

conditions attached to this form will apply should you opt to receive statements via email.

- 6.2 The statement will show both the full and minimum amounts payable to us, on or before the due date shown on the statement.
- 6.3 You must advise us in writing within 30 days of the date of the statement should you believe the statement is incorrect. You will have no claim if you do not advise us within that period.
- 6.4 You should contact our Customer Contact Centre if you do not receive a monthly statement. Failure to receive a monthly statement will not entitle you to refuse or fail to pay any amount that is due to us.
- 6.5 We may verify and confirm any record of a deposit into your card account. Our records will be taken as correct unless the contrary is proved.
- 6.6 Your card account will be credited within forty-eight (48) hours with any deposit made into it, but the proceeds will only be made available once they are cleared. We will not accept any postdated cheques or any other cheques made out to anyone other than the account holder followed by the 16-digit card number.
- 6.7 If your debit order is returned unpaid for any reason, we reserve the right to re-submit your debit order until all amounts outstanding have been paid in full.
- 6.8 All deposits to your card account will first go towards interest then to fees and finally to the principal debt.
- 6.9 Where applicable, we will send you regular updates on the status of your card via short message service (SMS) to the cell phone number provided on your application form or notified to us in writing.
- 6.10 If your account is in arrears, we may send you an SMS to remind you of the outstanding amount.
- 6.11 We do not guarantee the security of any SMS or other communication we may send you with regard to your card account and we will not be liable for any disclosure of information relating to your account that is not attributable to our negligence or willful default.

7 Interest and other charges

- 7.1 You must pay interest to us on all overdue accounts.
- 7.2 Interest will be payable;
- 7.2.1 If you do not pay the full outstanding amount owing on your account on or before the payment date shown on your monthly statement, all transactions shown on the latest statement and future statements will attract interest from the date of each transaction on the account until you have settled the full outstanding amount owing to us;
- 7.2.2 On the amount of each cash advance (for example, cash withdrawals, travelers cheques and casino chip purchases) if the cash advance results in a debit balance on your account. Interest is calculated from the date of each cash advance until the amount is paid to us in full.



- 7.3 Interest is calculated on a daily basis on the outstanding balance, charged monthly in arrears and is due and payable immediately and debited to your account.
- 7.4 We may change the interest rates, product features and other charges from time to time on notice to you.
- 7.5 We determine the annual or monthly fee payable on your card. The fees are published each year in our pricing brochure.
- 7.6 You will be charged service and other account fees as set out in the pricing brochure, as amended from time to time.
- 7.7 Any payments made in any other currency other than Kenya Shillings are subject to a currency conversion fee

8 Closing of your account and revoking of your card

- 8.1 You must advise us in writing if you want to close your card account or cancel your card. You must destroy and return the card(s) to us with your letter. To destroy a card so it cannot be used again:
- Cut through the magnetic stripe and account number.
Scratch out the numbers on the signature panel of the card. A card that is not destroyed correctly may still be used. Should this happen you will be responsible for the transactions.
- 8.2 We may choose, at any time, to revoke your card or to close your card account to protect our interests.
- 8.3 All amounts you owe us, including accrued interest, will immediately become due and payable to us if:
- you request us to close your card account; or you request us to cancel a card; or
- we revoke your card or terminate this agreement; or we close your card account; or
- you breach any aspect of this agreement; or
- you are declared bankrupt or your estate is provisionally or finally placed under a receiver or other administrator; or
- you die.

9 Consents and conduct of the account

- 9.1 Credit reference agencies
- You consent to us:
- Making enquiries about your credit record with any credit reference agency and any other party to confirm the details on this application. Providing regular updates regarding the conduct on your card account to the credit reference agencies and allowing them to in turn make the record and details available to other credit grantors.
- Listing your details with any credit reference agency should you default on your repayment obligations to us.
- Releasing information to third parties for recovery and/or debt collection purposes.
- 9.2 Disclosure within Standard Bank Group
- You consent to us sharing information relating to your card application, card or card account, any of our affiliates or

associates within the Standard Bank Group for all purposes, including marketing.

- 9.2.1 You agree that we may request or authorise any of our affiliates or associates within the Standard Bank Group to perform any or all of our obligations under these rules and that any of our affiliates or associates within the Standard Bank Group may exercise our rights under these rules.
- 9.2.2 We may disclose information relating to your application, card or card account to our affiliates or associates within the Standard Bank Group for purposes of the above including card issuing, administration, dispute handling and debt collection.

10 Malfunction of electronic facilities

We are not responsible for any loss arising from any failure, malfunction or delay in any point-of-sale terminal or ATM, or our supporting or shared networks, where applicable, resulting from circumstances beyond our reasonable control.

11 Addresses for notices

- 11.1 The address (es) you supply on your application form will be regarded as your chosen address where notices may be given and documents in legal proceedings may be served. You must notify us in writing, one of our branches or via email immediately if your chosen address (es) changes.
- 11.2 You should send any legal notice to us at our chosen address: CfC Stanbic Centre, Chiromo Road, Nairobi Kenya, for the attention of the Company Secretary.
- 11.3 You acknowledge and agree that our agreement will be regarded as having been entered into in Kenya and any breach of this agreement will be considered as having taken place in Kenya.
- 11.4 We may send you any notice in terms of this agreement to an email address you specified on your application form. Such email communication will be regarded as having been received by you unless the contrary is proved.
- 11.5 Any correspondence that we send to you by post will be considered to have arrived within seven days of posting and any correspondence that we send to you by fax or email will be considered to have arrived on the day that it was sent.
- 11.6 We are obliged by law to regularly update your personal particulars, such as your residential address and contact information. We may contact you from time to time in this regard.

12 General

- 12.1 We may at any time amend these rules by giving you written notice.
- 12.2 On renewal or replacement of your card, updated rules will be sent to your last chosen address. You are bound by the rules in force at the time of such renewal or replacement.



- 12.3 You may not vary these rules.
- 12.4 This agreement will be governed by and interpreted in accordance with the laws of Kenya. The card(s) will be administered on our behalf by The Standard Bank of South Africa Limited.
- 12.5 You agree that we may sue you in a Magistrate's court or any other competent court to recover any levies due as at the date of instituting the proceedings.
- 12.6 Any favour or concession we may give you will not affect any of our rights against you.
- 12.7 Should you default on your card account, the law allows us to use any credit balance in another of your CfC Stanbic Bank accounts or accounts with other financial institutions to set off any amount owing on your credit card.
- 12.8 You must tell us immediately if you are under a bankruptcy order, become insolvent or have any other form of legal disability.
- 12.9 You will pay all our expenses and other costs in recovering any outstanding amounts you owe us, including legal fees on an attorney and own client scale, collection, tracing and penalty fees.
- 12.10 A certificate signed by any of our managers (whose appointment need not be proved) as to the amount of your debt to us, the fact that the amount is payable, the rate of interest payable and the date from which such interest is calculated and any other matter relating to the debt, will on its mere production, be sufficient proof of the facts stated in the certificate, unless the contrary is proved.
- 12.11 We can close your account, restrict activity, reduce your limit or suspend access to your card account if we in any way know or suspect that your card account is being used fraudulently, negligently or for illegal activities or if we must do so to comply with the law, without notice to you.
- 12.12 If we close or suspend access to your account for any reason, we will not be liable to you for any direct, indirect, consequential or special damages arising from any act or omission by us or any third party for whom we are responsible, whether arising in contract, or statute.
- 12.13 We will provide credit protection cover to settle the outstanding debt on your credit card up to a maximum of KES 1 million in the event of your death or permanent disability. In case of temporary disability, minimum monthly installments will be paid for the duration of the outstanding card account balance or for a maximum of 12 months, whichever comes first. In case of involuntary retrenchment a maximum of three monthly installments will be payable, as long as you have not found alternative employment. The maximum monthly installment payable for retrenchment is KES 30 000 a month. The insurance cover is subject to separate terms and conditions, which are available on request.



Terms and Conditions

The relationship between the Bank and the Principal (Merchant) is governed by the Laws of Kenya, except where the following terms and conditions apply and subject to any further agreement in writing.

1. Definitions

1.1 In this Agreement, unless clearly inconsistent with or otherwise indicated, the defined terms shall have the respective meanings as set forth hereunder:

- 1.1.1 "Administrator" means the Principal's duly authorised agent as advised to the Bank in writing and from whom the Aggregator shall receive instructions to undertake transactions using the Service as set out under this agreement;
- 1.1.2 "Agreement" means this document, the Operational Documents and Regulations and any other appendices hereto;
- 1.1.3 "Bank" means CfC Stanbic Bank Limited, a company duly incorporated and licensed as a bank under the Laws of Kenya and affiliated to Standard Bank Group, with its principal office at CfC Stanbic Centre, Chiromo Road, Westlands, P.O. Box 72833-00200 Nairobi, Kenya;
- 1.1.4 "Custodial Trustee" means the M-PESA Holding Company Limited which holds in trust for all M-PESA customers cash paid into the Trust Account;
- 1.1.5 "E-Money" means the electronic value issued by Safaricom which represents an entitlement to an equivalent amount of the cash held by the Custodial Trustee in respect of the purchase of such electronic value;
- 1.1.6 "LIPA NA MPESA" Till means the till number(s) allocated to the Merchant for the purpose of receiving payments from Payers;
- 1.1.7 "LIPA NA MPESA" Bank Account means the bank account specified in this application form for the purpose of crediting any funds following a request for settlement by a Merchant;
- 1.1.8 "Merchant" or "Principal" means a business in Kenya that allows its customers to pay for goods or services through SAFARICOM M-PESA;
- 1.1.9 "M-PESA Service" means the mobile money transfer services provided by Safaricom through which Safaricom issues E-Money representing an equivalent amount of cash held with the Custodial Trustee;
- 1.1.10 "M-PESA System" or "M-PESA" means the system operated by Safaricom providing the M-PESA Services;
- 1.1.11 "M-PESA User" means either the Principal or the Payer using the M-PESA System;
- 1.1.12 "MSISDN" means the Mobile Subscriber Integrated Services Digital Network Number issued to the Recipient which uniquely identifies the recipient on the Network and is used to connect M-PESA Users with other Safaricom

subscribers and includes a Pin Unlocking Key ("PUK") for accessing the Network;

- 1.1.13 "Operational Documents and Regulations" means the procedures and regulations, set out by Safaricom for purposes of operating the MPESA 'Lipa na MPESA' Service as amended by Safaricom from time to time;
- 1.1.14 "Payer" means an M-PESA user who makes payments to the Principal;
- 1.1.15 "Settlement Services" means facilitating Merchants to withdraw/transfer funds from their SAFARICOM M-PESA Account to their CfC Stanbic Bank account;
- 1.1.16 "Telecommunications Infrastructure" means collectively the Safaricom Network and M-PESA Service;
- 1.1.17 "Transaction" means Payments made by the Payer to the Principal;
- 1.1.18 "Participant" means any subsidiary or affiliates of the Principal which have signed up to participate in the Service;
- 1.1.19 "Safaricom" means Safaricom Limited, a mobile phone services company incorporated in the Republic of Kenya and duly licensed to operation as such by the Communications Authority of Kenya;
- 1.1.20 "Service" shall mean the money transfer service using M-PESA, processes and platform offered by the Bank for/to the Principal and Participants from time-to-time;
- 1.1.21 References to any party in this agreement shall where the context so admits, include its successors in title and assigns;
- 1.1.22 Words importing the singular shall include the plural, and vice versa, words importing the masculine gender shall include the feminine.

2. Introduction

2.1 The Bank will provide to the Principal and/or Participants the Service as more particularly set out in clause 4 below.

3. Duration

3.1 This Agreement will commence on date of last signature and will continue until terminated by either party in accordance with the provisions of this Agreement.

4. The Service

4.1 The Service shall consist of different stages as fully described below:

4.1.1 The Principal shall by registration authorize the Bank to collect on its behalf payments through its "Lipa na MPESA" Till into its designated "Lipa na MPESA" Bank Account less 1% commission;



- 4.1.2 The Bank shall allow the Principal to make regular withdrawals from the "Lipa na MPESA" Bank Account;
- 4.1.3 The Principal's collections shall be credited to the Bank's eValue account at M-PESA;
- 4.1.4 The Bank shall route the Principal's collections to its "Lipa na MPESA" Bank Account less 1% commission;
- 4.1.5 Provide reports to the Principal through any of its interfaces to ensure that they can reconcile payments received and settlements done;
- 4.1.6 Investigate any discrepancies and advise the Principal on the appropriate action to ensure the query is closed;
- 4.1.7 The Bank shall assist with investigations on Payers' queries in cases of settlement where settlement instructions were received by the Bank.
- 4.2 The Parties shall:
- 4.2.1 In addition to this Agreement, comply with such other agreement(s) between them relating to products which are delivered via or utilise the Service;
- 4.2.2 Comply with the laws and legislation of the country in which the Services are provided.
- 4.3 The Principal and Participants shall:
- 4.3.1 Inform the Payer that he will receive a text message emanating from M-PESA to confirm that eValue has been debited from his account;
- 4.3.2 The Principal will be informed by text message emanating from Safaricom M-PESA of the credit into his M-PESA till account(s);
- 4.3.3 The Principal undertakes to inform the Aggregator in case of any discrepancies between his M-PESA till balance and funds credited to his account less 1% commission;
- 4.3.4 Use its best endeavours to operate the Service in the manner determined by the Bank from time to time, in terms of this Agreement and in accordance with the Operational Documents and Regulations;
- 4.3.5 Maintain overall responsibility for the operation of the Service within its organisation, and manage the Service and associated risks through appropriate internal controls as stipulated in the Operational Document from time to time;
- 4.3.6 Immediately inform the Bank in writing, of all assigned and changed role allocations within its organization;
- 4.3.7 Indemnify the Bank against all claims arising out of the Principal or Participant's acts or omissions;
- 4.3.8 Supply all data and information when requested by the Bank and ensure that all such data, information and instructions are in the specified format and medium and are correct in every sense;
- 4.3.9 The Principal acknowledges that they will not be able to countermand any instruction or transaction given or done through the module once that instruction or transaction has been processed;
- 4.3.10 The Principal shall not be entitled to cede or assign this Agreement without the prior written consent of the Bank.
- 4.3.11 The Principal undertakes to procure the Administrator's compliance of the terms and conditions of this Agreement and will be liable for the Administrator's acts of negligence and/or breach of this Agreement.
- 4.4 The Bank shall:
- 4.4.1 Not be liable for any losses suffered by the Principal or Participants unless caused directly by the negligent or unlawful act or omission of the Bank or any of its employees and agents;
- 4.4.2 Use all reasonable endeavours to ensure that the Service is functioning in accordance with the Operational Documents and Regulations. However, the Bank accepts no liability for downtime and unavailability of the Service for whatever reason;
- 4.4.3 Process the instructions, including payments, collections and transfers, by the action date in accordance with the Operational Documents and Regulations;
- 4.4.4 Reject instructions including payments, collections and transfers that are incorrect, incomplete, or not in accordance with the Operational Documents and Regulations, or inconsistent with any arrangement with the Bank;
- 4.4.5 Use its best endeavours to ensure that all information available through use of the Service is correct;
- 4.4.6 In its absolute discretion and without incurring any liability, refuse to implement any instruction for any reason and will attempt to notify the Principal of its decision to do so; and
- 4.4.7 Reserve the right to revise the Service Fees in line with the corresponding market conditions subject to the Parties negotiating and agreeing on the same. The Bank shall issue the Principal with a thirty (30) days notice of its intention to revise the Service Fees ("Price Change Notice Period"). The parties agree to conclude the negotiations on the proposed revised fees during the Price Change Notice Period.
- 5. Participants Mandate**
- 5.1 Where the Principal operates on Participants accounts, the Principal agrees to procure an undertaking from such Participants to be bound by the provisions of this Agreement and shall ensure that Participant signs a participant mandate form. If the Service is made available to such a Participant, the term "Principal" where used in this Agreement shall, where the context permits, be deemed to include such a Participant.
- 5.2 The Participants shall not be entitled to place any limitation on their participation with the Principal in the Service.
- 5.3 The Bank shall not accept any instruction from a Participant which changes, replaces, withdraws, restricts or conflicts with any instruction from the Principal in the Service.
- 6. Disputed Transactions**
- 6.1 The Principal undertakes not to backdate transactions. The Bank shall be entitled to dispute any such transactions.



7. Fees

- 7.1 The Principal and Participants shall pay the Bank a fee of 1% of the value of each money transfer/payment transaction from the Payer as fees for the mobile transfer service offered by the Bank to the Principal and Participants from time-to-time.
- 7.2 The Bank reserves the right to adjust the charges from time to time in line with inflation. In the event of exceptional circumstances necessitating revision of charges, such revision shall be agreed upon by both parties in writing. In any event, the Bank shall give the Principal at least thirty (30) days prior written notice before implementing any proposed variation in the Charges.
- 7.3 The Principal and Participants shall pay the Bank the fees for the Service as specified by the Bank from time-to-time.
- 7.4 The Principal and Participants authorise the Bank to debit the fees to a designated account, or any of its other accounts if the designated account is not in funds or is closed.

8. Nature of Relationship

The relationship between the Bank and the Principal and/or Participants shall be that of independent contractor and the Bank shall not be a representative or agent of the Principal/Participants and shall not be liable for any acts or omissions of the Principal and/or Participants.

9. Warranties and Indemnities

- 9.1 The Bank warrants that:
- 9.1.1 It will perform the Services in accordance with the standards set forth in this Agreement;
- 9.1.2 It has the requisite skills, expertise and resources to perform the Services.
- 9.2 The Principal agrees to indemnify the Bank and hold it harmless against all actions, proceedings, claims and demands which may be brought against the Bank and all losses, costs, damages and expenses which it may incur or sustain in connection with or arising out of its use of the Service.

10. Confidentiality

- 10.1 Except as otherwise provided in this clause, the terms and conditions of this Agreement, all data, reports, records and information relating to the Service and any other information of any kind whatsoever developed or acquired by any party in connection with this Agreement ("the confidential information") shall be treated by the parties as confidential. No party shall disclose such confidential information to any third party without the prior written consent of the other party hereto.
- 10.2 The Parties obligations in clause 9 shall not apply in respect of information within the public domain or a party's

knowledge at the commencement of this Agreement or to disclosure required by law or court order.

- 10.3 The Bank will take reasonable care to ensure that the Principal and/or Participant information remains protected from unauthorised access and remains confidential. Any disclosure by the Bank of such information to a third party if necessary for the proper operation of the Service shall not constitute a breach by the Bank of its obligations under this clause.

11. Force Majeure

The failure by any party to perform due to circumstances not reasonably within its control, including, without limitations, acts of God, civil commotion, riots, fire, governmental embargoes ("force majeure"), shall not be regarded as breach and the non-performing party shall not be liable for any delay or loss or damage arising there from, provided that performance is resumed as soon as is reasonably possible, and provided that written notice of such event shall be given within 48 (forty eight) hours by the affected party.

12. Breach

Should any party ("the defaulting party") commit a breach of any provision of this Agreement and fail to remedy such breach within 14 (fourteen) days of receiving a written notice from the other party ("the aggrieved party") requiring the defaulting party to do so, the aggrieved party shall be entitled in addition to its other remedies in law or in terms of this Agreement to cancel this Agreement forthwith and without prejudice to its rights to claim damages.

13. Termination

- 13.1 Either party may terminate this Agreement or any part of the Service on one calendar month's written notice.
- 13.2 The Bank may, acting reasonably, suspend all or any part of the Service offered to the Principal or Participants.
- 13.3 Notwithstanding anything to the contrary contained herein, either party shall be entitled to terminate this Agreement immediately if the other party:
- 13.3.1 takes steps to place itself, or is placed in liquidation, whether voluntary or compulsory or under judicial management in either case whether provisionally or finally; or
- 13.3.2 takes steps to deregister itself or is deregistered; or
- 13.3.3 commits an act which would, in the opinion of the Bank, constitute an act of insolvency.
- 13.4 Termination of this Agreement will not relieve a party of obligations imposed upon such party by statute or regulation or by this Agreement prior to its termination.

14. Limitation of Liability

- 14.1 Notwithstanding anything to the contrary contained in this Agreement, the Bank shall not be liable to the Principal for



any indirect or consequential loss or damage, including without limitation, loss of profit, revenue, anticipated savings, business transactions or goodwill. Except to the extent attributable to the negligence or misconduct of the Bank or employees the Bank shall not be liable to the Principal for any loss or damage that the Principal may suffer in connection with the Service and in particular but not by way of limitation as a result of:

- 14.1.1 any errors or omissions in or delay, breakdown or interruption in or improper operations of or inaccuracies in the operation of the Service nor for any loss of use howsoever caused;
- 14.1.2 any loss, damage or destruction caused to the Principal's hardware, software or any other data processing system as a result of using the Service;
- 14.1.3 any breach of confidentiality resulting directly or indirectly from the Principal's use of the Service;
- 14.1.4 any matter arising from causes beyond the Bank's control.
- 14.2 The liability of the Bank in any and all categories and for any and all causes arising out of this Agreement shall, in the aggregate, not exceed 2 (two) months average billing to the Principal taken over the 12 (twelve) months preceding the month in which the damage or injury is alleged to have occurred (or, where the Service has been provided for a period of less than 12 (twelve) months then over such fewer number of preceding months).

15. Governing Law and Dispute Resolution

The Laws of Kenya shall govern this Agreement and the courts of Kenya shall have sole jurisdiction.

- 15.1 In the event of a dispute arising between the Parties in respect of any matter contained in this Agreement, the aggrieved party shall notify the other in writing about the existence and nature of the dispute within fourteen (14) days of the dispute arising.
- 15.2 in good faith to settle the dispute in question as expeditiously as possible through the parties'

representatives but in any event within a period of fourteen (14) days of the matter being referred to them. Should the parties' representatives fail to resolve the dispute within the aforesaid period or such longer period as the parties may mutually agree in writing, the dispute shall be referred to arbitration by either party by a single arbitrator to be appointed by agreement between the parties or in default of such agreement upon application of either party to the Chairman for the time being of the Kenyan Chapter of Chartered Institute of Arbitrators. The determination of the Arbitrator shall be final and binding upon the parties to the extent permissible by the applicable law.

- 15.3 The arbitration shall be conducted in Nairobi and in accordance with the provisions of the Kenyan Arbitration Act and as may be amended from time to time.

16. Notices And Domicilium

- 16.1 The parties choose their respective physical addresses above as their domicilium addresses for service of all notices and processes for legal purposes in respect of this Agreement.
- 16.2 Either party may change its address for legal notification purposes to another physical address by means of written notice to the other.

17. General

- 17.1 This document embodies the entire Agreement between the parties hereto.
- 17.2 No amendment or variation of any of the provisions of this Agreement shall be of any force or effect unless reduced to writing and signed by both parties.
- 17.3 No waiver by any party of its rights will be of any force and effect unless in writing and signed by both parties.
- 17.4 The invalidity, illegality or unenforceability of any of the provisions of this Agreement shall not affect the validity, legality and enforceability of the remaining provisions of this Agreement.