

The following provisions shall apply to all borrowers of the Bank insofar as the same are applicable to them either as individuals, partners or corporate borrowers (the "borrower" and as more particularly described in the attached Letter of Offer). By executing the Bank's attached Letter of Offer, the borrower and guarantor, if any, is deemed to have read, sought independent legal advice and fully understood the terms herein and those contained in the said Letter of Offer.

SECTION I: CONDITIONS PRIOR TO DISBURSEMENT

1. Search Reports

(a) The borrower must cause the Bank to be provided with a satisfactory search report from the land's registry and any other authorities as may be required by the Bank from time to time in relation to any property to be secured to the Bank.

(b) The borrower and any guarantors, if companies, must cause the Bank to be provided with satisfactory search reports on them from the Registry of Companies.

2. Title Documents

The Titles to any property(ies) to be charged to the Bank must be free from any consent, impediment, encumbrance or caveat detrimental to the Bank's interest (as determined by the Bank in its sole discretion). Where any consent or other encumbrance does exist, it shall not (as determined by the Bank in its sole discretion), affect the value of the property(ies) and or any developments thereon. In the case where the property(ies) is to be or is being developed, the development shall, be in conformity with the user stipulated on the title document and change of user under the Titles and the Physical Planning Act or any statutory re- enactment or replacement thereof (hereinafter the "PPA") shall not be required.

3. Valuation Reports

The Bank will require up-to-date valuation reports, addressed to the Bank, in respect of the property(ies) being pledged to the Bank as security from one of the Bank's approved valuers whose prior appointment will be mutually agreed upon. The cost of the said valuations will be borne by the borrower. The Bank reserves the right to revalue the securities at any given time. However, the said property(ies) will be re-valued after every three years.

4. PIN Certificate, Identification, Incorporation and other Related Documents

(a) Certified (by persons approved by the Bank) copies of the ID Card/Passport and PIN Certificates of the borrower and of the guarantor(s), if individuals, shall be provided to the Bank.

Certified (by persons approved by the Bank) copies of the Certificate of Incorporation, Certificate of Change of Name (if any), Certificate of Registration of Business Name and Memorandum & Articles of Association (or the equivalent of the legal constitutional documents) of the borrower and of the guarantor(s) and their directors, if body corporates, shall be provided to the Bank.

(b) Any information and/or documentation required by the Bank, in its sole discretion, for the purpose of any "know your customer" requirements.

5. Annual Returns

The borrower and guarantor, if a company, shall respectively provide the Bank with copies of its annual returns, as filed with the Registrar of Companies for the last three (3) years or date of incorporation if shorter, together with copies of the respective filing receipts certified by the borrower's and or guarantor's company secretary. The borrower shall ensure that Annual Returns are duly filed on time with the Registrar of Companies throughout the period of the Loan and shall continue providing the Bank with the said documentary evidence every year immediately after the said returns are filed with the Registrar of Companies and in any event not later than 30 days from the date of filing, until the borrower's indebtedness to the Bank is liquidated in full.

6. Payment of Rates and Land Rents

The borrower and any guarantors shall be required to produce documentary evidence showing that the annual municipal and counties rates and the land rent (where applicable) in respect of any immovable properties charged to the Bank, have been paid. The borrower and any guarantor shall continue providing the Bank with the said documentary evidence every year during which the security over such property is in subsistence until the borrower's indebtedness to the Bank is liquidated in full. The borrower acknowledges that the Bank reserves the right to debit the borrower's account and pay any outstanding (including any penalties and/or interest) municipal and counties land rates and/or rent payable in respect of any property charged to the Bank during the currency of the facility(ies).

7. Insurance

Pursuant to an amendment to the Insurance Act Cap 487, the Borrower is hereby informed of their rights under S. 71A (I) of the said Act, inter alia:

a) The right to choose an Underwriter or Broker from the list of Underwriters of Brokers licensed by the Insurance Regulatory Authority (IRA); and

b) The right to forfeit the right to select an underwriter or broker.

(i) In respect of any construction financed by the Bank over any immovable property, contractor's all risk insurance policy during the period of construction to be replaced by insurance covering damage resulting from fire, burglary and all the related special perils e.g. flood, earthquake, civil commotion, riots, strikes etc upon completion of the construction. Minimum sum insured should not be less than the open market value of the property or the insurance value, whichever is higher.

(ii) In respect of any immovable property to be charged to the Bank, insurance covering but not limited to damage resulting from fire, and all the related special perils, e.g. flood, earthquake, civil commotion, riots, strikes etc or such other insurance cover as the Bank may at its sole discretion require including but not limited to a contractor all risks insurance policy to be maintained during the construction period where the said property is subject to construction at present or in future. Minimum sum insured must not be less than the open market value of the immovable property or the full insurable value, whichever is higher. In addition the borrower will also obtain appropriate mortgage protection cover over the property.

(i) In respect of any movable property to be charged to the Bank, insurance covering damage resulting from fire, theft and all the related special perils, e.g., flood, earthquake, civil commotion, riots, strikes etc. Minimum sum insured should not be less than the current replacement value of the movable property or the full insurable value, whichever is higher.

(ii) In respect of any vehicle(s) to be charged to the Bank, comprehensive insurance covering damage resulting from fire, burglary and all the related special perils, e.g., flood, earthquake, civil commotion, riots, strikes etc. Minimum sum insured shall not be less than the current replacement value of the vehicle or the full insurable value, whichever is higher.

(iii) In respect of any goods to be imported through Letters of Credit, comprehensive insurance cover covering 110% of the invoiced value.

(b) the borrower if an individual, will be required to take out an Independent Credit Life Insurance cover.

(c) All costs of effecting the insurance cover(s) will be borne by the borrower. The said insurance cover(s) shall be kept in force (without change in the cover as detailed herein unless approval is sought from the bank prior to the change, which approval will not be unreasonably withheld) until the facility(ies), together with interest due thereon, are fully repaid failing which the Bank reserves the right to debit the borrower's account to settle any outstanding premiums.

(d) The insurance policies shall bear endorsements to the effect that the borrower and the Bank are jointly insured for their respective interests and that in the event of a claim, payment in settlement will be made directly to the Bank. Furthermore, the policies shall, so far as possible, contain endorsements to the effect that:

(i) The Bank's interest will not be prejudiced by any neglect or default of the borrower or any occupier of the building (subject to the borrower paying any additional premium in respect thereof);

(ii) The Bank will be notified of the policies' renewal dates and confirmation of premiums paid thereof.

(iii) The Bank will be informed before any changes are proposed to be made to the policies; and

(iv) The Bank will be notified if there is any breach of warranty or other matter affecting the policies and be given an opportunity to remedy the same before the insurers can exercise any right to invalidate cover.

8. Approved Building Plans

In the event the facility(ies) is a construction loan, the borrower will provide the Bank with a copy of the building plans approved by the Commissioner of Lands and relevant local and other regulatory authorities related to the construction, together with the license by the National Environmental Management Authority (hereinafter "NEMA"), pursuant to the Environment Management & Co-ordination Act, 1999 or any statutory re-enactments or replacements thereof (hereinafter "EMCA") and any other applicable legislation.

9. Compliance with Environmental Laws

(a) The borrower hereby confirms compliance with all environmental laws (including without limitation the provisions of EMCA), regulations, directions and codes of practice and all covenants and stipulations from time to time affecting any property (or the mode of the user or enjoyment of the same) or project to be financed by the Bank and will not subsequent to disbursement, without the prior consent in writing of the Bank, enter into any onerous or restrictive obligations affecting any part of such property or project or suffer or omit to be done any act matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting the said property and/or project is infringed and shall comply with any corrective action plan agreed with the Bank prior to any set deadline for the same.

(b) In the event the facility is a construction loan, the borrower shall prior to disbursement, provide the Bank with an Environmental Impact Assessment Report pursuant to EMCA prior to commencement of construction. All necessary approvals pertaining to PPA and EMCA will be required to be submitted together with the consent by the NEMA prior to disbursement of funds by the Bank. Thereafter, a copy of the NEMA Licence, once obtained, shall be submitted to the Bank.

10. Legal Status

The borrower and any guarantor, if companies, shall be duly incorporated as a private/ public limited company and/or such other legal form as the Bank shall in its sole discretion determine and shall be validly existing under the Laws of Kenya and have the power and authority to perform its obligations herein and in the Bank's Letter of Offer contained and that all the relevant information provided to the Bank thereof is true and accurate.

11. Security Documents:

The Bank's Advocates will be provided with all required details including original Board Resolutions, as applicable, of the borrower, if a company (and/or the equivalent document pertaining to any other non- corporate borrower), sanctioning the borrowing/facilities and pledging of the stated securities as well as the Board Resolutions of other companies acting as guarantor (and/or the equivalent document pertaining to any other non- corporate guarantor) and/or sanctioning the pledging of any collateral securities and authorising, as may be necessary, a named person or persons to execute all the security documents pertaining to the Bank's Letter of Offer and such other information and confirmations as the Banks Advocates may require.

12. Commitment / Commission / Appraisal Fees

The commitment / commission / appraisal fees referred to and to be paid under the Bank's Letter of Offer to the borrower shall not be refunded by the Bank, in case the borrower decides not to take any of the facility(ies) from the Bank which it/he/she may have accepted pursuant to any Letter of Offer from the Bank. Further, the Bank shall not refund any such fees proportionately, should the borrower decide to repay the facility(ies) prematurely. Payment of any such fees to the Bank shall also not be taken into account, should the Bank decide to raise the interest rate during the currency of the loan(s)].

13. Repayment

(a) If repayments of the Bank's facility(ies) are to be made by standing order, the same will be payable seven days prior to the due date for any repayment in order to ensure that the repayment funds are credited to the borrower's loan account on or before the due dates, thus avoiding interest on delayed payments.

(b) If repayments of the Bank's facility(ies) are to be made by way of post-dated cheques, the borrower will provide the Bank with post-dated cheques for the repayment of the entire facility(ies). Each cheque shall be pre-dated by at least seven working days before the due date for payment in order to ensure that repayment funds are credited to the borrower's loan account on or before the due dates, thus avoiding interest on delayed payments.

14. Legal fees, Costs, Charges etc.

All sums of money payable by the borrower to the Bank including Advocates', valuers' and insurance costs and charges shall be paid and discharged by the borrower in full prior to the disbursement of the Bank's loan or establishing the facility(ies) failing which the Bank reserves the right to deduct the same from the loan or facility(ies) amount and release to the borrower only the net proceeds of the loan after such deductions.

15. Credit Reference Bureaus

(a) The borrower by executing the Letter of Offer thereby expressly authorises the Bank, at its discretion, to carry out credit checks on the borrower with any credit reference bureaus and/or credit scoring agencies in the Republic of Kenya or beyond as may be applicable.

(b) In the event the borrower's account with the Bank shall be in default then the Bank shall be expressly authorised and entitled to record the relevant details of such default with the said credit reference bureaus and/or credit scoring agencies. The borrower hereby acknowledges that any such information may be used by other financial institutions in assessing applications for credit by the borrower's supplementary account holders and members of the borrower's households and for debt raising and fraud prevention purposes.

Without prejudice to the foregoing, the Bank reserves the right to disclose any information in connection with an actual or proposed contract relating to the facility(ies) offered to the borrower by the Bank to any credit reference bureaus and/or credit scoring agencies and/or competent authority and/or to any other body as may be necessary from time to time.

16. Right of Disclosure

(a) The borrower agrees that the Bank may disclose personal data and / or informa-

tion relating to the borrower including data and information relating to the security documents or the assets, business or affairs of the borrower to parties outside of the Bank's group mentioned below whether such personal data and / or information is obtained after the borrower ceases to be the Bank's customer or during the continuance of the banker - customer relationship or before such relationship was in contemplation:

- To any lawful authority in pursuance of any lawful purposes.
- To licensed credit reference agencies whether or not the borrower is in breach of an agreement.
- To the Bank's professional advisors' sub-contractors or persons acting as the Bank's agents.
- To any person who may assume the Bank's rights under the Bank's Letter of Offer and the facility(ies) and the securities thereof.
- If the Bank has the right or the duty to disclose or are permitted or compelled to do so by the Law.
- To anyone the Bank considers necessary to enable the Bank to provide the borrower with services in connection to the facility(ies) whether such person is located inside or outside Kenya; This will be done in full compliance with the Data Protection Laws of Kenya and
- For the purpose of exercising any power, remedy, right, authority, or discretion under the Bank's relevant Letter of Offer or any security(ies) documents following the occurrence of an event of default, to any other person or third party as well.

(b) The borrower acknowledges and agrees that, notwithstanding the terms of any other agreement between the borrower and the Bank, disclosure of information by the Bank in the circumstances contemplated hereby does not violate any duty owed to the borrower either in common law or pursuant to any agreement between the Bank and the borrower or in the ordinary course of banking business and the customs, usage and practice related thereto.

17. Taxes

The borrower and guarantor, if any, hereby confirms that it/he/she has complied in all material respects with the tax laws in all jurisdictions in which it is subject to tax and no claims are being or have been asserted against it/he/she with respect to tax which is/are likely to have, in the Bank's opinion, a material adverse effect on the borrower's business, operations, assets, financial condition or prospects or its ability to perform its obligations under the Bank's Letter of Offer to the borrower and attendant security documents or the business, operations, assets, financial condition or prospects of the borrower and the guarantor, if any.

18. Disbursement of funds

(a) Disbursement of the Bank's facility(ies) or setting up of any facility(ies):

(i) will be allowed only upon receipt by the Bank of all applicable consents/approvals together with all related security documents duly completed, registered and full compliance by the borrower and any guarantors with all the other terms and conditions herein and in the Bank's Letter of Offer to the borrower contained.

(ii) will be conditional upon all information disclosed by the borrower to the Bank being factually correct in each and every respect.

(b) In the event the facility(ies) is a construction loan, disbursements will be by way of stage payments and will be made against Architects Certificates indicating the amount and cost of work done and/or against invoices(s) from professionals involved in the project. All over-runs on costs necessary for the completion of any financed project in excess of the Bank's facility(ies) will be met directly by the borrower.

(c) In the event the facility(ies) is for issuance of bank guarantees, such issuance will be allowed only upon the borrower's acceptance and full compliance by the borrower with all the terms and conditions herein and those of the Letter of Offer.

SECTION II: CONDITIONS SUBSEQUENT TO DISBURSEMENT

19. Cross border limits

Any foreign currency and foreign currency related facility(ies) will be made available subject to availability under the Bank's cross border limits and subject to confirming lines with the Bank's correspondent banks.

20. Default

(a) The borrower and any guarantors shall and hereby undertakes, during the currency of the facility(ies) to promptly notify the Bank, together with full details thereof, of a happening of any Event of Default (as set out below) or breach of any of the terms/conditions of these Terms and Conditions or any accepted Letter of Offer.

(b) The following are Events of Default: -

(i) occurrence of any adverse change in the borrower/guarantor's business or any event of whatever nature, which, in the Bank's opinion, could materially affect the borrower/guarantor's ability to perform any of the borrower/guarantor's obligations.

failure by the borrower and/or guarantor, if any, to pay on the due date any amount payable under the pursuant to the Letter of Offer to the borrower and any other security documents at the place and in the currency in which it is expressed to be payable.

(ii) failure by the borrower and/or guarantor, if any, to comply with any of its obligations set out in the Letter of Offer to the borrower and any other security documents.

(iii) any representation, warranty or statement made or deemed to be made by the borrower and/or guarantor, if any, in the Letter of Offer to the borrower and any other security documents, is or proves to have been correct or misleading in any material respect in the Bank's opinion when made or deemed to be made.

(iv) the borrower and/or guarantor, if any, is presumed or deemed unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or commences negotiations with one or more of its creditors in respect of any composition, compromise or arrangement or, by reason of actual or anticipated financial difficulties, with a view to rescheduling any of its indebtedness.

(v) any corporate action, legal proceedings or other procedure or step is taken in relation to the winding up, dissolution, administration, judicial management, provisional supervision, receivership or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the borrower and/or the guarantor, if any, other than a solvent liquidation or reorganization (with the Bank's prior consent) including the appointment of an insolvency officer.

(vi) any expropriation, attachment, sequestration, distress or execution affects any asset (s) of the borrower and/or the guarantor, if any.

(vii) the borrower and/or guarantor, if any, fails to comply with or pay any sum due under any final judgement or any final order made or given by a court of competent jurisdiction.

(viii) any material litigation, arbitration or administrative proceeding pending or threatened against the borrower and/or guarantor, if any.

(ix) it becomes unlawful for the borrower and/or guarantor, if any, to perform any of its/his/her obligations under the Letter of Offer to the borrower and any other security documents.

(b) In the case of a happening of any one or more of the Events of Default, the total outstandings, plus accrued interest/charges, shall become due and payable immediately and the arrears amount will attract interest at the then applicable ruling rate. The aforesaid interest rate shall automatically be applied.

21. Additional interest

Any arrears on any facility(ies) or excess over the approved limit will attract additional interest at the rate of 10% p.a. over and above the interest rate charged to the account on reducing balance basis or the ruling rate, whichever is higher, or at such other rate as may be determined by the Bank from time to time. The borrower hereby acknowledges and agrees that the aforesaid rate of interest represents a reasonable pre-estimate of the loss to be suffered by the Bank in funding any such default.

22. Restriction on use of secured assets

During the currency of the facility(ies), the borrower and the guarantor, if any, shall restrict the activities on the property charged to the Bank as may be specified in the titles thereof. The borrower and the guarantor, if any, shall ensure that the property(ies) and/or asset(s) or any part thereof pledged as security is not used or permitted to be used contrary to any statute, ordinance, rule or regulation made thereunder or for any unlawful purposes.

23. Fixed Deposits

(a) In the event the borrower and/or the guarantor provides any security to the Bank in the form of a fixed deposit(s), on maturity, such deposit(s) will continue to be rolled over for the entire period of the borrower's facility(ies) at the prevailing rates offered on such deposits by the Bank at the time.

(b) The borrower and/or the guarantor will be required to provide the Bank with confirmation that the funds are not held in trust or any fiduciary capacity and that the Bank has a complete right of disposal of the said funds in the event of default. Should the deposit be in foreign currency, in the event of adverse foreign exchange fluctuations which reduce the same, the borrower and/or the guarantor will be required to top up the amounts under fixed deposit to cover for such shortfall, failing which, the Bank will reserve the right to call up the facility(ies) and apply such existing fixed deposit receipts towards liquidation of the outstandings.

24. Sub-ordination

The principal and interest of any inter- company, directors', shareholders' and guarantors' loans shall be subordinated to the Bank's facility(ies) and shall not be repaid/ transferred until the borrower's indebtedness to the Bank is fully liquidated, and all agreements and documents necessary to affect such subordination shall be executed by the relevant parties.

25. Exclusion

The properties and/or assets being charged to the Bank shall be excluded from any existing floating debenture(s) in favour of any other lender(s) and a suitable letter of exclusion to that effect will be obtained from the debenture holder(s), if any, before disbursement of the loan, in the Bank's acceptable format. Formal consent of such debenture holder(s) will be endorsed on the Charge over the property comprising the Bank's security.

26. Company Details

(a) The borrower and guarantor, if a company, shall be required to provide the Bank with the current details of the directorships and shareholding of the borrower and the guarantor, certified by its company secretary, in such format as may be required by the Bank.

(b) The borrower, if a company, shall not vary its shareholding structure, directorship or amend its Memorandum and Articles of Association in each case without the Bank's prior written consent.

(c) The borrower and/or guarantor, if a company, shall be required to provide the Bank with stock statements on a quarterly basis, for all the borrower's and/or guarantor's assets comprising the Bank's security, for the Bank's records. The Bank's Debenture Monitoring form shall be completed and returned to the Bank on a quarterly basis.

27. Submission of Audited accounts

During the currency of the facility(ies), copies of the borrower's and guarantor's annual audited accounts shall be provided by the borrower and guarantor to the Bank every year within ninety (90) days of the closing of the financial year of the borrower and guarantor.

28. Additional Information

During the currency of the facility(ies), the borrower shall furnish the Bank, from time to time and promptly upon request by the Bank, with all such information as the Bank may reasonably require concerning the business, assets, liabilities, operations and financial condition of the business of the borrower and any guarantors of the borrower.

29. Right of Set -off

The Bank may at any time with prior notice to the borrower and the guarantor combine or consolidate all or any of the borrower's accounts with and liabilities to the Bank and set off or transfer any sum or sums standing to the credit of any one or more such accounts in or towards satisfaction of the borrower's liabilities to the Bank or any of the Bank's affiliates on any other account or in any other respect whether such liabilities be actual or contingent, primary or collateral, joint or several, existing or future. If the amount of any such obligation is unascertained, the Bank may estimate the amount for the purposes of set-off. Where such combination or set off or transfer requires the conversion of one currency into another, such conversion will be calculated at the Bank's then prevailing buying rate for purchasing the currency for which the borrower is liable. The borrower and the guarantor will indemnify the Bank against all cost, charges and expenses incurred by the Bank for such purposes.

30. Right of Redemption

Without prejudice to any equitable right of consolidation it is hereby expressly declared that no property of the borrower which now is or may hereafter be subject to a mortgage or charge or lien in favour of or vested in the Bank shall be redeemed except on payment not only of all moneys thereby secured but also of all moneys hereby secured.

31. Lien

The borrower and guarantor hereby expressly agrees that in respect of the borrower's liability hereunder, the Bank shall have a banker's lien on all securities belonging to the borrower now or hereafter held by the Bank whether in safe custody or otherwise howsoever and also on all moneys now or hereafter standing to the borrower's credit with the Bank.

32. Currency conversion

In the event of any change in national/international fiscal conditions or exchange controls that may prejudice the Bank's ability to perform its obligation to fund the facility(ies) in a currency other than in Kenya shillings, the Bank reserves the right to convert any part of the facility(ies) granted in any other currency into Kenya shillings at the exchange rate determined by the Bank and also to vary the interest rate applicable thereon.

33. Certificate

Any certification or determination by the Bank of any amount under the Letter of Offer and/or security documents, the rates of interest and any other fact stated



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therein, shall, on its mere production, in the absence of manifest error, be prima facie proof of the matters to which it relates.

34. Waivers and remedies cumulative

The Bank's failure to exercise or delay in exercising any right or remedy under the Letter of Offer or any of the securities created by the borrower and/or the guarantor in favour of the Bank pursuant thereto will not operate as a waiver nor will any single or partial exercise of any right or remedy prevent any further or other exercise of any right other right or remedy. The rights and remedies provided in the Letter of Offer and attendant securities are cumulative and not exclusive of any rights or remedies provided by law.

35. Email or fax indemnity

Communication between the borrower, the guarantor and the Bank may be by fax, email, letter or in code at the borrower's and the guarantor's risk and cost and the borrower and guarantor hereby indemnifies and shall keep the Bank indemnified against any liability for any loss or damage arising out of any delays, loss in transit, errors in translation, the coding or decoding of the communication or omissions, variations, mutilations or other errors in the transmission of the form of communication.

36. Compliance with Statute

The borrower and guarantor shall generally not do or suffer or omit to be done any act matter or thing which would infringe any provision of any statute order or regulation from time to time in force and generally under the Laws of Kenya existing and in force for the time being including all statutes relating to the ownership of land and generally to land in Kenya and, if a company, the Companies Act, 2015 (Laws of Kenya) or any statutory re-enactments or replacements thereof.

37. Change of Circumstances.

The Bank reserves the right to review the terms of the borrower's facility(ies) including but not limited to the right to demand immediate payment of any amounts outstanding in respect of this facility(ies) in the event of any change in applicable law or regulation or existing requirements of, or any new requirements being imposed by the Central Bank of Kenya or any governmental, fiscal, monetary, regulatory or other authority the result of which in the sole opinion of the Bank is to increase the cost to the Bank of funding, maintaining or making available the facility(ies) (or any undrawn amount thereof) or to reduce the effective return to the Bank

38. Severability

If any part, term or provision of this Standard Lending Terms and Conditions shall be held to be illegal, void, invalid or unenforceable under the laws of Kenya the legality, validity or enforceability of the other provisions hereof shall not be affected.