

VEHICLE ASSET FINANCING LOAN AGREEMENT NO. _____

THIS LOAN AGREEMENT for vehicle asset financing is made as of the ____ day of _____ 2017.

BETWEEN:

WATU CREDIT LIMITED (CPR/2013/118599), a limited liability company incorporated in Kenya and having its registered office situated in Mombasa for the purposes hereof of Post Office Box Number 10556-80101, Mombasa (hereinafter called the **Lender** which expression shall include, where the context so requires, the Lender's successors in title and assigns (whether immediate or derivative)); and

The person named as borrower in the Schedule A hereto (hereinafter called the **Borrower** which expression shall include, where the context so requires, the Borrower's personal representatives and permitted assigns (as applicable)).

WHEREAS

- (A) The Borrower has requested the Lender to issue to the Borrower a loan in the amount set out in Schedule B (the **Loan Amount** or **Loan**) for the purchase of a motor vehicle(s) described in Schedule C (the **Vehicle**) and the Lender has agreed to issue the Loan Amount on the terms and subject to the conditions set out below.
- (B) The Lender and the Borrower have entered into this Agreement for the purposes of recording and regulating their relationship, rights and obligations in respect of repayment of the Loan Amount on the terms and conditions detailed below.

1. Purpose of the Loan

- 1.1. The Loan Amount is used as part of the Purchase price of the Vehicle and is paid directly from the Lender to the Seller of the Vehicle according to the Seller's invoice. Date of payment is considered **Initial Disbursement Date** of the Loan Amount for the purposes of the present Agreement.
- 1.2. The Loan Amount is issued for the Term set out in Schedule B and shall be repaid in weekly instalments together with the Interest and any other applicable payments, fees or Penalty according to the terms below.
- 1.3. The Vehicle is selected by the Buyer, and the Lender is not liable by any contract to deliver the Vehicle or to service or maintain it or to provide any other services related to the Vehicle.
- 1.4. The Lender and the Borrower are the equal joint owners of the Vehicle described in the Schedule C. The Vehicle is understood to include each and every component part thereof; all replacements, renewals or additions to and substitutions for the Vehicle from time to time made are an integral part of the Vehicle and shall become the property of the owners of the Vehicle subject to this Agreement.
- 1.5. Under this Agreement, the Lender agrees to transfer its ownership interest in the Vehicle and the Borrower agrees to acquire the Lender's ownership interest in the Vehicle upon full repayment of the Loan Amount, Interest and any other applicable payments or fees under the present Agreement. Any fees related to de-registration of the Lender as a joint owner of the Vehicle are paid by the Borrower.
- 1.6. In order to secure the repayment of the Loan Amount, Interest and any other applicable fees and payments, Security Agreement shall be registered in the name of the Borrower in favour of the Lender over the Vehicle described in Schedule C according to the terms of Security Agreement which forms an integral part of the present Agreement.

2. Commencement and Duration

- 2.1. This Agreement shall commence on the Initial Disbursement Date (being the date when the Seller has made the Vehicle available to the Borrower on the basis of received payment from the Lender) and terminate on the Expiry Date (being the date of receipt of the final payment under the present Agreement).

3. Ownership and restrictions on the Vehicle

- 3.1. The Vehicle shall at all times remain under the joint ownership of the Lender and the Borrower until the Buyer becomes the sole owner of the Vehicle.
- 3.2. The Buyer will become the sole owner of the Vehicle once the Buyer has fully repaid the Loan Amount, Interest and any other applicable payments or fees under the present Agreement in full and has performed all the duties according to the Agreement.
- 3.3. During duration of the Agreement except with the prior written consent of the Lender, the Borrower is not allowed to sell, offer for sale, let, hire out, assign, charge, encumber or in any way deal with or dispose of the Vehicle, remove or permit the removal of the Vehicle outside Kenya or attempt to do any of these things.
- 3.4. The Borrower shall make sure the Vehicle is safe, kept in good condition, and used correctly and in conformity with any

Initials (Lender): _____

Initials (Borrower): _____

applicable code of practice and shall arrange any maintenance that is needed; any replacement parts become the joint property of the Lender and the Borrower.

3.5. Any damage, loss or injury to anything or anyone, caused to or by the Vehicle or by its use is Borrower's risk. Any penalties, fines or liabilities arising in respect of the use or possession of the Vehicle or the carriage of any persons are Borrower's responsibility. The Borrower agrees to indemnify the Lender in case of any claims.

3.6. The full risk regarding loss or damage to the Vehicle, whether attributable to irresistible force, inevitable accident or any other cause is passed to the Borrower. The Lender shall not be liable for any loss or damage caused by any defect in or arising out of the Vehicle.

3.7. The Lender is allowed to inspect the Vehicle at any time, and the Lender may mark it with its name. Identification and registration marks may not be removed or changed.

3.8. The Borrower agrees that the Lender may recover from the Borrower any reasonable costs incurred by the Lender in connection with the repair and maintenance of the Vehicle, to reinstate it to its original condition, fair wear and tear excepted, in the event the Lender choose to incur the said costs these shall be payable on demand.

3.9. The Lender has the rights to fit the Vehicle with a GPS / GSM tracking device at Borrower's cost, and any such costs are included in the Loan Amount. The Borrower shall not remove, interfere, damage, make any alterations to the tracking device and the Borrower hereby authorises the Lender at the Lender's discretion to control or switch off the Vehicle remotely. Any breach of this clause by the Borrower will constitute an event of default and result in Borrower's immediate obligation to repay the entire Repayment Amount. The tracking device is property of Watu Credit.

4. Repayment of the Loan and Interest

4.1. The Borrower shall repay the Loan within a time period indicated in Schedule B, i.e., 6 (six) months, 9 (nine) months or 1 (one) year from the Initial Disbursement Date (unless specified otherwise in the Schedule B). The Loan shall be repaid by weekly instalments starting one week from the Initial Disbursement Date.

4.2. In consideration of the Lender granting to the Borrower the Loan, the Borrower shall pay the Lender the interest at the Interest Rate indicated in Schedule B (the "**Interest**"). Interest will be calculated on a flat rate basis payable weekly.

4.3. For the purposes of this Agreement, the total interest is calculated based on the applicable monthly interest rate. The weekly repayment instalment is calculated by dividing the sum of Loan principal and Interest amount by the actual number of weeks the Loan is issued for. The sum of weekly repayments shall be equal to the total Loan principal and Interest as set out in this Agreement.

4.4. Each weekly payment shall be made on the same day in each subsequent week.

4.5. **Total Repayment Amount** as stated in Schedule B includes the Loan Amount and Interest (but excludes any Penalty for late payments or other applicable fees). Lender shall in addition to the Repayment Amount be entitled to the payment of other applicable fees as set out in Schedule B to this Agreement.

4.6. Unless otherwise agreed between the Borrower and the Lender in writing, the Borrower shall make all payments due to the Lender in respect of the Loan, including but not limited to the Interest, Penalty and other fees, using the M-PESA Service into the Pay Bill Account **Number 650880**.

4.7. The Borrower may repay the Loan at any time before the due date. However, this does not affect the amount of Interest payable, which must be paid in full.

4.8. If the Borrower fails to repay the Loan and/or Interest or any other sum due or owing by the Borrower to the Lender the Borrower will be charged the Penalty of 1% daily form any outstanding amount.

4.9. In addition to the Penalty the Lender may apply a Collection charge of **10,000 Kshs** (ten thousand Kenyan shillings) to cover internal recovery expenses if client is in arrears for more than 10 (ten) days. The Borrower acknowledges, agrees and confirms that the aforesaid late payment Collection charge represents a reasonable pre-estimate of the loss to be suffered by the Lender. This collection charge does not cover any external recovery expenses which will be payable by the Borrower separately.

4.10. The Lender shall apply all payments received under this Agreement in following order: 1) fees and expenses payable under this Agreement, 2) accrued and unpaid Penalty, 3) Interest, 4) the principal (Loan Amount).

4.11. If any payment hereunder would otherwise be due to be made on a day which is not a Business Day, it shall be made on the next succeeding Business Day.

4.12. If at any time it is unlawful or contrary to any request from or requirement of any central bank or other fiscal monetary or other authority, for the Lender to make, fund or allow to remain outstanding all or any part of the Loan Amount, then if the Lender so requires, the Borrower shall on such date as the Lender specifies repay the Loan Amount together with accrued Interest on it and any other amounts then due to the Lender hereunder.

5. Payment Fees and Taxes

5.1. The Borrower is responsible for all applicable tax payments, including deduction of any withholding tax.

5.2. All M-PESA Transaction Fees payable in connection with the repayment of Loan, Interest, Penalty, Collection charge or other applicable fees shall be borne by the Borrower.

5.3. The Borrower shall indemnify the Lender on a full and unqualified indemnity basis against:

Initials (Lender): _____

Initials (Borrower): _____

- (a) any legal charges including, without limitation, advocate and client costs incurred by the Lender in obtaining legal advice in connection with the Loan, related to the Borrower's dealings with the Lender or incurred by the Lender in any legal, arbitration or other proceedings arising out of any dealings in respect of the Loan; and
- (b) all other fees, expenses and taxes, duties, impositions and expenses incurred in respect of the Loan, including as a consequence of the occurrence of any Event of Default.

5.4. The certificate of the Lender as to the amount of such indemnified loss or expense shall be conclusive.

5.5. The Borrower hereby agrees to pay all costs, charges and expenses incurred by the Lender in obtaining or attempting to recover the Loan, Interest, Penalty or any other sum due from the Borrower.

5.6. All payments due from the Borrower hereunder shall be made free and clear of and without deduction for or on account of any present or future taxes. If at any time, any regulatory requirement or any taxing authority requires the Borrower to make any deduction or withholding in respect of taxes from any payment due from them for the account of the Lender, the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives a net sum equal to the sum which the Lender would have received had no such deduction or withholding been required to be made and the Borrower shall indemnify the Lender against any losses or costs incurred by the Lender by reason of any failure of the Borrower to make any such deduction or withholding.

6. Vehicle insurance

6.1. Upon signing the present Agreement the Lender arranges a comprehensive insurance cover for the Vehicle from a Lender's selected insurer at Borrower's cost, and any such costs are included in the Loan Amount. The insurance cover shall remain in force throughout the duration of the present Agreement.

6.2. The Borrower shall use the Vehicle in strict compliance to the terms of the insurance policy.

6.3. If the Vehicle has a total loss or it is stolen, the Borrower shall promptly inform the Lender, and the Lender may either require the Vehicle to be replaced or request the Borrower to pay the full Repayment Amount required to discharge the Borrower's outstanding liabilities.

6.4. The Borrower authorises the Lender to contact the insurer and, if the Vehicle has a total loss or it is stolen, consent to disclosing the amount required to discharge Borrower's outstanding liabilities to the Lender. The Borrower appoints Lender as his agent to negotiate and agree with the insurer the terms of any insurance claim in respect of the Vehicle and to receive any insurance proceeds payable.

6.5. If any insurance cover fails to cover Borrower's liability to the Lender, the Borrower remains liable to the Lender for any shortfall.

7. Access to Mobile Loan Facility

7.1. Provided that the Borrower maintains regular weekly repayments of the Repayment Amount as provided in this Agreement, the Lender may from time to time in the Lender's sole and absolute discretion provide the Borrower with access to a mobile loan facility at the interest rate and on the terms and conditions set out in Schedule D (the **Mobile Loan Facility**).

7.2. The Lender shall on the Subsequent Disbursement Date disburse the Mobile Loan Facility.

7.3. The amount of the Mobile Loan Facility shall not at any time exceed (i) the total Loan Amount repaid to the Lender by the Borrower; and (ii) the amount secured by the Security Agreement.

7.4. The Security Agreement will be security for the Loan Amount under this Agreement and the loan under the Mobile Loan Facility and the security under the Security Agreement shall remain in force for so long as any amount remains outstanding under the Mobile Loan Facility.

7.5. The insurance obtained pursuant to section 6 shall remain in force.

7.6. Any payments under the Mobile Loan Facility (including but not limited to the Loan repayment, Interest, Extension Fee and Penalty) shall be made by the Borrower to the Lender using the M-PESA Service into Pay Bill Account associated with **Pay Bill Number 682684**. Pay Bill number may be changed at any time and shall be communicated to Borrower via SMS.

8. Events of Default

8.1. The Lender may, without prejudice to its other rights under the this Agreement and Security Agreement, terminate its obligation to make the Loan Amount available and declare the Loan Amount together with the full Interest amount and other applicable payments and fees under this Agreement immediately (or in accordance with such declaration) is repayable on demand if any of the following events occur:

- (a) any Repayment Amount or any other amount due under the Loan Agreement is not paid on the due date; or
- (b) the Borrower fails to perform any of the Borrower's obligations under this Agreement or the Security Agreement (including but is not limited to the operation of the Vehicle outside designated district of operation or operation of the Vehicle contrary to the terms of insurance policy); or
- (c) the Borrower defaults under any loan agreement, facility letter or other agreement or obligation relating to borrowing; or
- (d) any representation, undertaking, statement or warranty made by the Borrower pursuant to this Agreement and the Security Agreement is incorrect; or

Initials (Lender): _____

Initials (Borrower): _____

- (e) if an order is made for the bankruptcy or insolvency of the Borrower or the Borrower becomes insolvent or is unable to pay his debts or enters into dealings with any of his creditors with a view to avoiding, or in expectation of, insolvency or stops or threatens to stop payments generally or an encumbrance takes possession or a receiver is appointed of the whole or any material part of the assets of the Borrower; or
- (f) if the Borrower stops payment or agrees to declare a moratorium or becomes or is deemed to be insolvent or unable to pay his debts as and when they fall due; or
- (g) any material part of the Collateral or revenues of the Borrower is sold or disposed of (otherwise than in the normal course of trading) or threatened to be sold or disposed of or is nationalized, compulsorily acquired, seized or appropriated; or
- (h) the Security Agreement securing the Loan Amount (or any part thereof) now existing or hereafter created becomes enforceable or becomes invalid; or
- (i) any license, authorization, consent or registration at any time necessary or desirable to enable the Borrower to comply with the Borrowers obligations to the Lender hereunder shall cease to remain in full force and effect; or
- (j) any breach occurs of the terms and conditions (if any) endorsed on or referred to in the document of title in respect of the Security Agreement;
- (k) it becomes unlawful or impossible or it becomes uneconomical or difficult (as determined solely by the Lender) for the Lender to maintain the Loan in effect;
- (l) there shall be any other event, thing or circumstance which in the opinion of the Lender (as determined by the Lender in its absolute discretion) materially and adversely affects the ability of any of the Borrower to fully discharge the Borrower's obligations to the Lender;
- (m) Any judgment or order is made against the Borrower and is not complied with within seven (7) days or if any execution, distress, sequestration or other process is levied or enforced upon or sued against any part of the Borrower's property, assets or revenues.

8.2. If an Event of Default occurs, the entire Repayment Amount then outstanding together with the full Interest amount thereon and any other payments or fees shall immediately become due and payable to the Lender and the Lender shall cease to be under any further commitment to the Borrower, and the Lender shall be entitled at its option to sue for the repayment of the Repayment Amount (or so much thereof as shall be outstanding) and enforce the payment thereof and/or enforce the powers rights and privileges conferred on the Lender by the Security Agreement.

9. Representations and Warranties

9.1. The Borrower hereby represents and warrants to the Lender as at the date hereof:

- (a) the Borrower has full right of title and power to assign and transfer the Collateral to the Lender and that the Collateral are not subject to any Encumbrance;
- (b) the Borrower's obligations under this Agreement will constitute valid and binding obligations of the Borrower enforceable in accordance with their respective terms;
- (c) the Borrower is not in default in respect of any other indebtedness (including obligations under guarantees and indemnities) and the borrowing and repayment of the Loan Amount will not contravene any existing applicable law or regulation or any contractual or other restriction or limitation binding on the Borrower;
- (d) any information the Borrower has provided to the Lender was, when given, true and no change has occurred since the date the information was supplied which renders it inaccurate; and
- (e) no insolvency or bankruptcy proceedings have been commenced against the Borrower or to the best of the Borrower's knowledge threatened against the Borrower.

9.2. These warranties shall be deemed repeated by the Borrower on and as of each day that there are monies due to the Lender hereunder are outstanding.

9.3. By accepting this Agreement the Borrower undertakes to the Lender that until all monies owing hereunder have been repaid in full and confirmed by the Lender in writing to have been so paid the Borrower:

- (a) without the prior written consent of the Lender will not initiate or consent to the commencement of any bankruptcy, insolvency or analogous proceedings in respect of the Borrower;
- (b) will not approve any agreement to license, lease, sell or create any Encumbrance over the Collateral;
- (c) will supply the Lender with all the information, confirmations and documents referred to in this Agreement and such other information, confirmations and documents that the Lender may require;
- (d) indemnify and keep the Lender fully and effectually indemnified (on a full and unqualified indemnity basis) from and against all actions, proceedings, costs, claims, liabilities, taxes, charges, expenses and demands whatsoever occasioned by any Event of Default or any breach or non-observance of any of the covenants, stipulations or warranties on the part of the Borrower contained in this Agreement.

10. Variation and Termination of Relationship

10.1. The Lender may at any time, upon notice to the Borrower, terminate or vary its business relationship with the Borrower, and in particular the Lender may cancel or call in the Loan which it has granted and require the repayment of

Initials (Lender): _____

Initials (Borrower): _____

outstanding debts resulting therefrom within such time as the Lender may determine.

11. Disclosure of Information

11.1. By signing this Agreement the Borrower hereby consents and authorises the Lender to disclose, receive, record or utilise the Borrower's personal information, and data relating to the Loan application, the Loan, the Repayment details and any other data or details within the limits permitted by law:

- (a) to and from any local or international law enforcement or competent regulatory or governmental agencies so as to assist in the prevention, detection, investigation or prosecution of criminal activities or fraud;
- (b) to and from the Lender's service providers, dealers, agents, assignees or any other company that may be or become the Lender's subsidiary or holding company for reasonable commercial purposes relating to the Services;
- (c) to a Credit Reference Bureau;
- (d) to the Lender's lawyers, auditors or other professional advisors or to any court or arbitration tribunal in connection with any legal or audit proceedings;
- (e) for reasonable commercial purposes related to financing, such as marketing and research related activities; and
- (f) in business practices including but not limited to quality control, training and ensuring effective systems operation.

11.2. The Borrower hereby agrees and authorises the Lender to obtain and procure Personal Information contained in the IPRS from the Government of Kenya and the Borrower further agrees and consents to the disclosure and provision of such Personal Information by the Government of Kenya to the Lender.

11.3. The Borrower hereby expressly consents and authorises the Lender to request and receive any credit history data about the Borrower from a Credit Reference Bureau.

12. Assignment and Appointment of Attorney

12.1. The Borrower agrees that the Lender may at any time assign and transfer all or any part of its rights or obligations under the Loan Agreement and the Security Agreement to any person and after any such assignment and transfer the expression the "Lender" shall be deemed to include such assignee(s) to the extent of their respective participations.

12.2. The Borrower shall not, without the prior written consent of the Lender first having been obtained, assign or transfer any of his rights or obligations or benefits under the Loan Agreement and the Security Agreement to any person.

12.3. The Lender may disclose to any person to which the Lender is assigning or transferring its rights or obligations such information about the Borrower as the Lender shall consider necessary in the circumstances.

12.4. The Borrower hereby irrevocably appoints the Lender to be the attorney of the Borrower and in the name and on behalf of the Borrower to execute and do any assurances, acts and things which the Borrower ought to execute and do under the covenants and agreements herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers hereby or by law conferred on the Lender.

13. Notices

13.1. Any notice, demand or other communication served on the Borrower by the Lender under or in connection with this Agreement shall be made in writing and, unless otherwise stated and to the extent permitted by law, may be given or made by letter, mobile text message (SMS), e-mail or through an advertisement in a newspaper with national circulation.

13.2. Save as otherwise expressly provided herein and to the extent permitted by law, any such notice, demand or other communication shall be deemed to have been properly served on the Borrower by the Lender when served in any one or more of the following ways:

- (a) if by way of letter and sent by personal delivery, upon delivery at the physical address of the Borrower; or
- (b) if by way of mobile text message (SMS) on the next working day after transmission; or
- (c) if by way of letter and sent by registered post, seven (7) days after the date of posting provided that proof is given that the notice was properly addressed and duly dispatched by registered post; or
- (d) if by way of e-mail, on receipt of a confirmation of receipt by the receiver of the e-mail to the sender of the e-mail and in any event, on the next working day after transmission provided that notice sent by e-mail alone shall not constitute a valid notice and the notice giver shall use either of the other forms of notice provided in this clause in addition to sending a notice by e-mail; or
- (e) if by way of advertisement in a newspaper with national circulation, on the date of publication of the newspaper.

13.3. The relevant address, mobile telephone number and email address of the Borrower for any notice, demand or other communication to be served on the Borrower under or in connection with this Agreement is as indicated in Schedule A.

14. Miscellaneous

14.1. No failure or delay by the Lender in exercising any right, power or privilege shall impair the same or operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

14.2. A certificate by an officer of the Lender as to the amounts outstanding under this Agreement for the time being shall,

Initials (Lender): _____

Initials (Borrower): _____

save in the case of manifest error, be binding and conclusive upon the Borrower.

14.3. Any waiver of any right under this Agreement is only effective if it is in writing and it applies only to a party to whom the waiver is addressed and the circumstances for which it is given and shall not prevent a party which has given the waiver from subsequently relying on the provision it has waived.

14.4. Until all amounts owing to the Lender shall have been paid or satisfied in full the Lender shall have a lien on all the property and assets of the Borrower from time to time in the Lender's possession and a charge over the Collateral from time to time registered in the name of the Lender or its nominees whether the same be held for safe custody or otherwise.

14.5. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law, the legality, validity and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

14.6. The parties agree that this Agreement constitutes the whole and entire agreement between the parties relating to the Loan Amount and supersedes and extinguishes any prior agreements, undertakings, representations, warranties and arrangements of any nature whatsoever whether or not in writing relating to the Loan Amount.

14.7. No amendment to this Agreement shall be effectual or binding on the parties unless it is in writing and duly executed by or on behalf of each of the parties.

14.8. In the event that any provision of this Agreement shall be inconsistent with any provision contained in the Security Agreement, the relevant provision of the Security Agreement will prevail and such inconsistent provision of this Agreement shall be construed and read as subject to the relevant provision in the Security Agreement.

14.9. Any change in the constitution of the Lender or its absorption in or merger with any other person or the acquisition of all or part of its undertaking by any person shall not in any way prejudice or affect its rights hereunder.

14.10. Words denoting the singular number shall include the plural and vice versa.

14.11. This Agreement shall be governed by the laws of the Republic of Kenya, and parties consent and submit to the jurisdiction of the courts of law of Kenya in respect of all or any claims arising under this Agreement.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

THE BORROWER

SIGNED by]
in the presence of:]
]
]
WITNESS (name and address)]

THE GUARANTOR

SIGNED by]
in the presence of:]
]
]
WITNESS (name and address)]

THE GUARANTOR

SIGNED by]
in the presence of:]
]
]
WITNESS (name and address)]

THE LENDER

SIGNED by]
for and on behalf of]
WATU CREDIT LIMITED]
in the presence of:]
]
WITNESS (name and address)]

SCHEDULE A
INFORMATION ABOUT THE BORROWER

1.	Borrower's Name	
2.	Kenya National Identity Card / Passport Number of Borrower	
3.	Kenya Revenue Authority Personal Identification Number (PIN) for the Borrower	
4.	Postal Address of the Borrower	
5.	Physical address of the Borrower	
6.	Borrower's Email Address	
7.	Borrower's Mobile Telephone Number	
8.	District of operation of the Vehicle	

SCHEDULE B
PAYMENT AMOUNTS AND TERMS

1.	Loan Amount (excluding fees)	<u>Kshs.</u>
2.	Loan Processing Fee	<u>Kshs.</u>
3.	Total Loan Amount (including fees)	<u>Kshs.</u>
4.	Term in Months	
5.	Interest Rate per Month	<u>%</u>
6.	Interest Amount	<u>Kshs.</u>
7.	Repayment Amount (Total Loan Amount + Interest Amount)	<u>Kshs.</u>
8.	Weekly Instalment	<u>Kshs.</u>
9.	Number of Instalments	
10.	Payment Date for first Weekly Instalment	

Initials (Lender): _____

Initials (Borrower): _____

SCHEDULE C
SECURITY FOR LOAN AMOUNT
(attach as many forms as necessary to cover all purchased Vehicles)

Total number of Vehicles purchased: _____

No. 1	Motor Vehicle details	
	Registration number	
	Chassis number	
	Engine number	
	Make	
	Body type	
Colour		

No. 2	Motor Vehicle details	
	Registration number	
	Chassis number	
	Engine number	
	Make	
	Body type	
Colour		

Initials (Lender): _____

Initials (Borrower): _____

SCHEDULE D
TERMS AND CONDITIONS OF THE MOBILE LOAN FACILITY

1. TERMS AND CONDITIONS

- 1.1 This document sets out the complete Terms and Conditions (hereinafter called "these Terms and Conditions") which shall be applicable to Mobile Loan Facility.
- 1.2 These Terms and Conditions and any amendments or variations thereto shall remain in full force and effect and apply to the Mobile Loan Facility (the **Loan**) made to the Borrower from time to time until such time as these Terms and Conditions may be terminated in accordance with clause 11 below.

2. DEFINITIONS

- 2.1 Unless otherwise defined in these Terms and Conditions, the terms and expressions used in these Terms and Conditions shall have the same meanings ascribed to them in the Loan Agreement and in addition:
- 2.1.1 **"Credit Reference Bureau"** means a credit reference bureau duly licensed under the Banking Act pursuant to the Banking (Credit Reference Bureau) Regulations, 2008 to inter alia, collect and facilitate the sharing of customer credit information;
- 2.1.2 **"E-Money"** means the electronic monetary value depicted in the Borrower's M-PESA Account representing an equal amount of cash;
- 2.1.3 **"Equipment"** means the Borrower's mobile phone handset, SIM Card and/or other equipment which when used together enables the Borrower to access the Network;
- 2.1.4 **"Interest Rate"** means a flat rate of seven per cent (7%) per month;
- 2.1.5 **"IPRS"** means the Integrated Population Registration System set up and maintained by the Government of Kenya under the Ministry of State for Immigration and Registration of Persons;
- 2.1.6 **Loan Agreement** means the Vehicle Asset Financing Loan Agreement entered into between the Lender and the Borrower;
- 2.1.7 **"M-PESA Account"** means the Borrower's mobile money store of value, being the record maintained by Safaricom of the amount of E-Money from time to time held by the Borrower in the M-PESA System;
- 2.1.8 **"M-PESA Service"** means the money transfer and payments service provided by Safaricom through the M-PESA System;
- 2.1.9 **"M-PESA System"** means the system operated by Safaricom in Kenya for the provision of the M-PESA Service using the Network;
- 2.1.10 **"M-PESA Pay Bill Account"** means the account belonging to the Lender created in the M-PESA System;
- 2.1.11 **"M-PESA PIN"** means the Borrower's personal identification number being the secret code used to access and operate the M-PESA System and the Borrower's M-Shwari Account;
- 2.1.12 **"Network"** means the mobile cellular network operated by Safaricom in Kenya;
- 2.1.13 **"Pay Bill Number"** means a destination code created by Safaricom for the identification of M-PESA Pay Bill Account.
- 2.1.14 **"Phone Number"** means telephone number within the Network which the Borrower has indicated in Borrower Registration Form and which is associated with the Borrower's M-PESA Account;
- 2.1.15 **"Safaricom"** means Safaricom Limited incorporated in Kenya as a limited liability company under the Companies Act (Chapter 486 of the Laws of Kenya);
- 2.1.16 **"Services"** shall include any form of credit services or products that the Lender may offer the Borrower pursuant to these Terms and Conditions;
- 2.1.17 **"SIM Card"** means the subscriber identity module which when used with the appropriate mobile phone handset enables the Borrower to access the Network and to use the M-PESA System;
- 2.1.18 **"SMS"** means a short message service consisting of a text message transmitted from one mobile phone to another;
- 2.1.19 **"System"** means the Lender's electronic communications software enabling the Borrower to communicate with the Lender for purposes of the Services;

3. ACCEPTANCE OF THE TERMS AND CONDITIONS

- 3.1 By the Lender agreeing to provide the Loan to the Borrower, the Borrower agrees to comply with and be bound by these Terms and Conditions. These Terms and Conditions will *ipso facto* apply to any Loans issued in the future under the Mobile Loan Facility.
- 3.2 These Terms and Conditions form part of the Loan Agreement and may be amended or varied by the Lender from time to time. Terms of Security Agreement apply to the Mobile Loan Facility.

4. ACCESS TO THE LOAN

- 4.1 Provided that the Borrower maintains regular monthly repayment of the Repayment Amount as provided in the Loan Agreement, the Lender may from time to time in the Lender's sole and absolute discretion provide the Borrower access to the Loan which shall not at any time exceed (1) the total Loan Amount repaid to the Lender by the Borrower, and (2) the amount secured by the Security Agreement.
- 4.2 The Loan application shall be initiated and submitted via short code *876# on the Borrower's phone. The Borrower will be guided through the instructions on Unstructured Supplementary Service Data (USSD) menu.
- 4.3 The Borrower's application shall be evaluated according to the applicable loan eligibility assessment criteria of the Lender. The Lender reserves the right at its sole and absolute discretion and without giving any reason to approve, in full, in part, or decline the Loan.
- 4.4 Subject to the approval of the Borrower's loan application and subject to clause 4.1, the Lender shall disburse, the Loan which amount shall be credited to the Borrower's M-PESA Account or other means deemed necessary by the Lender.

5. REPAYMENT OF THE LOAN

Initials (Lender): _____

Initials (Borrower): _____

- 5.1 The Borrower shall repay the Loan within a time period indicated in loan application, i.e., 1 (one), 2 (two) or 3 (three) months from the Subsequent Disbursement Date. The Loan shall be repaid by equal monthly installments starting one month from the Subsequent Disbursement Date. The monthly repayment installment is calculated as sum of Loan principal and Interest amount for the duration of the Loan divided by number of months the loan is issued for.
 - 5.2 In consideration of the Lender granting the Borrower the Loan, the Borrower shall pay the Lender the interest at the Interest Rate (the "Interest").
 - 5.3 Unless otherwise agreed between the Borrower and the Lender in writing, the Borrower shall make all payments due to the Lender in respect of the Loan, including but not limited to the Interest and Penalty, using the M-PESA Service into the Pay Bill Account **Number 682684**.
 - 5.4 The Borrower may repay the Loan at any time before the due date. However, this does not affect the amount of Interest payable, which must be paid in full.
 - 5.5 If the Borrower fails to repay the Loan and/or Interest or any other sum due or owing by the Borrower to the Lender the Borrower will be charged the Penalty at a daily rate of 1% of any outstanding amount. In addition the Lender may request full repayment of the Loan and the Interest if the Borrower fails to pay the monthly installment on or before the due date.
 - 5.6 In addition to the Penalty the Lender may apply a Collection charge of **7,000 Kshs** (seven thousand Kenyan shillings) to cover internal and external recovery expenses if client is in arrears for more than 10 (ten) days. The Borrower acknowledges, agrees and confirms that the aforesaid late payment Collection charge represents a reasonable pre-estimate of the loss to be suffered by the Lender.
 - 5.7 The Lender shall apply all payments received according to these Terms and Conditions in following order: 1) costs and expense payable under these Terms and Conditions, 2) accrued and unpaid Penalty, 3) Interest, 4) the principal (Loan).
- 6. REPRESENTATIONS AND WARRANTIES BY THE BORROWER**
- 6.1 The warranties set out in clause 9.1 of the Loan Agreement shall be deemed repeated by the Borrower on and as of each day that the monies due to the Lender are outstanding.
- 7. FEES AND TAXES**
- 7.1 The Borrower is responsible for all applicable tax payments, including deduction of any withholding tax.
 - 7.2 All M-PESA Transaction Fees payable in connection with the Borrowers use of the Services, including but not limited to repayment of Loan, Interest, Penalty and Collection charge shall be borne by the Borrower.
 - 7.3 The Borrower shall indemnify the Lender on a full and unqualified indemnity basis against:
 - 7.3.1 any legal charges including, without limitation, advocate and client costs incurred by the Lender in obtaining legal advice in connection with the Loan, related to the Borrower's dealings with the Lender or incurred by the Lender in any legal, arbitration or other proceedings arising out of any dealings in respect of the Loan; and
 - 7.3.2 all other fees, expenses and taxes, duties, impositions and expenses incurred in respect of the Loan.
 - 7.4 The Borrower hereby agrees to pay all costs, charges and expenses incurred by the Lender in obtaining or attempting to recover the Loan, Interest, Penalty or any other sum due from the Borrower.
 - 7.5 All payments due from the Borrower hereunder shall be made free and clear of and without deduction for or on account of any present or future taxes. If at any time, any regulatory requirement or any taxing authority requires the Borrower to make any deduction or withholding in respect of taxes from any payment due from them for the account of the Lender, the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives a net sum equal to the sum which the Lender would have received had no such deduction or withholding been required to be made and the Borrower shall indemnify the Lender against any losses or costs incurred by the Lender by reason of any failure of the Borrower to make any such deduction or withholding.
- 8. STATEMENTS**
- 8.1 The Borrower may request from the Lender a statement in respect of the Loan by sending an SMS to number 40994 with text "STATEMENT". The Mini Statement shall not be provided in printed form but shall be delivered to the Borrower through SMS to the Phone Number or such other electronic means as the Lender may determine at its discretion. The Borrower shall be responsible for the payment of any charges levied by Safaricom in delivering the Mini Statement to the Borrower.
 - 8.2 A Mini Statement shall provide details of the last 5 (five) transactions (or such other number of transactions as determined by the Lender) in respect of the Loan.
- 9. EXCLUSION OF LIABILITY**
- 9.1 The Lender shall not be responsible for any loss suffered by the Borrower:
 - 9.1.1 if the Services are interfered with or be unavailable for any reason; or
 - 9.1.2 as a result of any fraudulent or illegal use of the Services, the System, the Borrower's Phone Number and/or the Borrower's Equipment; or
 - 9.1.3 resulting from any other circumstances whatsoever not within the Lender's control including, without limitation, force majeure, error, interruption, delay, terrorism, enemy action, equipment failure, loss of power, adverse weather or atmospheric conditions and failure, malfunction, interruption or unavailability of the Network or any telecommunication system.
 - 9.2 Under no circumstances shall the Lender be liable to the Borrower for any loss of profit or anticipated savings or for any indirect or consequential loss or damage of whatever kind, howsoever caused arising including, without limitation those caused or arising out of or in connection with:
 - 9.2.1 the Services;
 - 9.2.2 any delay in confirming its approval or rejection of the application for a Loan or in disbursing the Loan following approval of the Loan application;
 - 9.2.3 the termination of these Terms and Conditions;
 - 9.2.4 the cancellation or calling in of the Loan pursuant to Clause 11; and/or

Initials (Lender): _____

Initials (Borrower): _____

9.2.5 the matters set out in Clause 9.1 above even where the possibility of such loss or damage is notified to the Lender.

9.3 All warranties and obligations implied by law are hereby excluded to the fullest extent permitted by law.

9.4 The Borrower acknowledges and agrees that they have no claim against the Lender for any and all damages resulting from losses, delays, misunderstandings, mutilations, duplications or any other irregularities due to transmission of any communication pertaining to the Loan.

10. INDEMNITY

10.1 In consideration of the Services, the Borrower undertakes to indemnify the Lender and hold the Lender harmless on a full and unqualified indemnity basis against any loss, charge, damage, expense, fee or claim which the Lender suffers or incurs or sustains thereby and the Borrower absolves the Lender from all liability for loss or damage which the Borrower may sustain from the Lender acting on the Borrower's instructions or requests or in accordance with these Terms and Conditions.

10.2 For the purposes of Clause 10.1, the expression "the Borrower's instructions or requests" means any instructions or requests received by the Lender from the Borrower's Phone Number, whether or not such instructions or requests are made by the Borrower or someone else acting with or without instructions, it being acknowledged and agreed that the Lender shall treat all such instructions or requests as made without the necessity of independent investigation or verification. In this regard, the Borrower irrevocably authorizes the Lender to act on all instructions or authorization received by the Lender from the Borrower's Phone Number and to hold the Borrower liable in respect thereof, notwithstanding that any such requests are not by the Borrower or authorized by the Borrower.

11. VARIATION AND TERMINATION OF RELATIONSHIP

11.1 The Lender may at any time, upon notice to the Borrower, terminate or vary its business relationship with the Borrower, and in particular the Lender may cancel or call in the Loan which it has granted and require the repayment of outstanding debts resulting therefrom within such time as the Lender may determine.

12. DISCLOSURE OF INFORMATION

12.1 By signing these Terms and Conditions the Borrower hereby consents and authorizes the Lender to disclose, receive, record or utilize the Borrower's personal information, and data relating to the Loan application, the Loan, the Repayment details and any other data or details within the limits permitted by law:

12.2 to and from any local or international law enforcement or competent regulatory or governmental agencies so as to assist in the prevention, detection, investigation or prosecution of criminal activities or fraud;

12.3 to and from the Lender's service providers, dealers, agents, assignees or any other company that may be or become the Lender's subsidiary or holding company for reasonable commercial purposes relating to the Services;

12.4 to a Credit Reference Bureau;

12.5 to the Lender's lawyers, auditors or other professional advisors or to any court or arbitration tribunal in connection with any legal or audit proceedings;

12.6 for reasonable commercial purposes connected to the use of the Services, such as marketing and research related activities; and

12.7 in business practices including but not limited to quality control, training and ensuring effective systems operation.

12.8 The Borrower hereby agrees and authorizes the Lender to obtain and procure Personal Information contained in the IPRS from the Government of Kenya and the Borrower further agrees and consents to the disclosure and provision of such Personal Information by the Government of Kenya to the Lender.

12.9 The Borrower hereby expressly consents and authorizes the Lender to request and receive any credit history data about the Borrower from a Credit Reference Bureau.

13. MISCELLANEOUS

13.1 Subject to any variation herein contained all the agreements, covenants, powers, rights, provisions, trusts, stipulations, restrictions and conditions contained in or implied or conferred by the Loan Agreement shall be deemed incorporated herein in extenso and shall accordingly extend to and be applicable hereto to the intent that these Terms and Conditions shall be read in conjunction with the Loan Agreement.

13.2 These Terms and Conditions and any rights or liabilities accruing thereunder may not be assigned by the Borrower. The Lender can at its sole discretion assign, novate and cede any rights, obligations and liabilities arising out of these Terms and Conditions to any third party.

13.3 The Lender may vary or amend at any time and without notice to the Borrower these Terms and Conditions, the Interest, the Penalty or the Collection charge. Any such variations or amendments may be published on the Lender's Credit website and/or by any other means as determined by the Lender and any such variations and amendments shall take effect immediately upon publication. The Borrower's continued use of the Services will constitute the Borrower's agreement to be bound by the terms of these Terms and Conditions as amended or varied from time to time.

13.4 The rights and remedies of the Lender herein provided are cumulative and not exclusive of any rights or remedies provided by law. No failure or delay by the Lender to exercise any right or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or exercise of any other right or remedy.

14. NOTICES

14.1 Any notice, request or other communication to be given or made under these Terms and Conditions shall be made in accordance with clause 13 (**Notices**) of the Loan Agreement.

Initials (Lender): _____

Initials (Borrower): _____

SCHEDULE E

**GUARANTEE AGREEMENT IN RELATION TO
VEHICLE ASSET FINANCING LOAN AGREEMENT NO. _____
BETWEEN WATU CREDIT LIMITED AND _____**

1. The person with personal details below and signing this Schedule to the Loan Agreement (Guarantee Agreement) as a Guarantor, irrevocably and unconditionally agree, undertake and guarantee as primary obligor and not merely as surety to:

- (a) pay for any and all sums outstanding, due or owing by the Borrower to the Lender if the Borrower defaults on any obligation under the Loan Agreement;
- (b) indemnify the Lender against any and all losses which the Lender may incur in the event of the whole or any part of the Borrower's obligations under the Loan Agreement being or becoming invalid, irrecoverable, unenforceable or void or being avoided for any reason whatsoever; and
- (c) indemnify (on a full and unqualified indemnity basis) the Lender, forthwith on demand being made in writing by Lender, against the amount of all costs, charges, liabilities, taxes and expenses now or hereafter incurred by Lender in enforcing or attempting to enforce the payment or discharge of all or any of the Borrower's obligations.

2. The Guarantors agree to procure the punctual performance by the Borrower of its obligations to Lender in accordance with the Loan Agreement.

3. The Guarantor acknowledges and understands that Lender is not obliged to inform the Guarantor of any granted extension of the Loan. The Guarantor further acknowledges, confirms and agrees that the guarantee shall apply to any and all Loan Amounts granted on the basis of the present Loan Agreement (including any Loan Amounts issued under the Mobile Loan Facility).

4. If there are several Guarantors under this Guarantee Agreement, the obligations of the Guarantors shall be joint and several and Lender may demand either full or partial repayment of the Borrower's debt from one or several Guarantors at any proportion at Lender's sole and absolute discretion.

5. In order for the Guarantor to pay for the Borrower's debt the Guarantor should transfer the monies into the respective M-PESA Pay Bill Account Number indicated in the Agreement.

6. Guarantor agrees and provides Lender with the same rights, remedies, indemnity and exclusion of liability as provided by Borrower under the Loan Agreement *mutatis mutandis*.

INFORMATION ABOUT THE GUARANTOR

1.	<u>Guarantor's Name</u>	
2.	Kenya National Identity Card / Passport Number of Guarantor	
3.	Kenya Revenue Authority Personal Identification Number (PIN) for the Guarantor	
4.	Postal Address for the Guarantor	
5.	Guarantor's Mobile Telephone Number	

Initials (Lender): _____

Initials (Borrower): _____

THE GUARANTOR

SIGNED by]
in the presence of:]
]
]
]
]
WITNESS (name and address)]
]

THE LENDER

SIGNED by]
for and on behalf of]
WATU CREDIT LIMITED]
in the presence of:]
]
]
]
WITNESS (name and address)]
]

SCHEDULE E

**GUARANTEE AGREEMENT IN RELATION TO
VEHICLE ASSET FINANCING LOAN AGREEMENT NO. _____
BETWEEN WATU CREDIT LIMITED AND _____**

1. The person with personal details below and signing this Schedule to the Loan Agreement (Guarantee Agreement) as a Guarantor, irrevocably and unconditionally agree, undertake and guarantee as primary obligor and not merely as surety to:
 - (a) pay for any and all sums outstanding, due or owing by the Borrower to the Lender if the Borrower defaults on any obligation under the Loan Agreement;
 - (b) indemnify the Lender against any and all losses which the Lender may incur in the event of the whole or any part of the Borrower's obligations under the Loan Agreement being or becoming invalid, irrecoverable, unenforceable or void or being avoided for any reason whatsoever; and
 - (c) indemnify (on a full and unqualified indemnity basis) the Lender, forthwith on demand being made in writing by Lender, against the amount of all costs, charges, liabilities, taxes and expenses now or hereafter incurred by Lender in enforcing or attempting to enforce the payment or discharge of all or any of the Borrower's obligations.

2. The Guarantors agree to procure the punctual performance by the Borrower of its obligations to Lender in accordance with the Loan Agreement.

3. The Guarantor acknowledges and understands that Lender is not obliged to inform the Guarantor of any granted extension of the Loan. The Guarantor further acknowledges, confirms and agrees that the guarantee shall apply to any and all Loan Amounts granted on the basis of the present Loan Agreement (including any Loan Amounts issued under the Mobile Loan Facility).

4. If there are several Guarantors under this Guarantee Agreement, the obligations of the Guarantors shall be joint and several and Lender may demand either full or partial repayment of the Borrower's debt from one or several Guarantors at any proportion at Lender's sole and absolute discretion.

5. In order for the Guarantor to pay for the Borrower's debt the Guarantor should transfer the monies into the respective M-PESA Pay Bill Account Number indicated in the Agreement.

6. Guarantor agrees and provides Lender with the same rights, remedies, indemnity and exclusion of liability as provided by Borrower under the Loan Agreement *mutatis mutandis*.

INFORMATION ABOUT THE GUARANTOR

1.	<u>Guarantor's Name</u>	
2.	Kenya National Identity Card / Passport Number of Guarantor	
3.	Kenya Revenue Authority Personal Identification Number (PIN) for the Guarantor	
4.	Postal Address for the Guarantor	
5.	Guarantor's Mobile Telephone Number	

Initials (Lender): _____

Initials (Borrower): _____

THE GUARANTOR

SIGNED by]
in the presence of:]
]
]
]
]
WITNESS (name and address)]
]

THE LENDER

SIGNED by]
for and on behalf of]
WATU CREDIT LIMITED]
in the presence of:]
]
]
]
WITNESS (name and address)]
]

SECURITY AGREEMENT

FOR ESTABLISHING SECURITY RIGHTS OVER SERIAL-NUMBERED COLLATERAL

This Security agreement is made as of the _____ 2017.

BETWEEN:

WATU CREDIT LIMITED (CPR/2013/118599), a limited liability company incorporated in Kenya and having its registered office situated in Mombasa for the purposes hereof of Post Office Box Number 10556-80101, Mombasa (hereinafter called the **Lender** or **Secured creditor** which expression shall include, where the context so requires, the Lender's successors in title and assigns (whether immediate or derivative)); and

The person named as Grantor in the Schedule A hereto (hereinafter called the **Grantor of the Borrower** which expression shall include, where the context so requires, the Grantor's personal representatives and permitted assigns (as applicable)).

WHEREAS

- (C) The Lender has issued to the Borrower a loan according to the Vehicle Asset Financing Loan Agreement (hereinafter called **the Loan Agreement**) No. _____ for the purchase of a motor vehicle(s) (hereinafter called the **Collateral**) described in Schedule B.
- (D) Parties wish to establish security rights over the Collateral in order to secure performance of obligations imposed under the Loan agreement.

1. This Agreement establishes security rights over serial-numbered collateral in the meaning of Movable Property Security Rights Act, 2017.
2. This Agreement secures obligations contained in the Loan Agreement between the Lender (in the capacity of Secured creditor) and the Borrower (in the capacity of the Grantor), together with any schedules (including Mobile loan facility) and any amendments thereof, namely, repayment of the Loan amount, Interest, and any other applicable payments or fees up to maximum total amount of _____ Kshs.
3. Details of the Grantor and Collateral are contained in Schedule A and Schedule B.
4. Grantor confirms that he has the rights in the Collateral and the power to encumber it and the Lender agrees to create a security over it for the benefit of the Lender.
5. Collateral is understood to include each and every component part thereof; all replacements, renewals or additions to and substitutions.
6. The Lender prepares the Initial notice to the Registrar of security rights according to the form prescribed by Movable Security Rights (General) Regulations, 2017 to register the security created under this Agreement. The Lender may request the reimbursement of registration fees from the Grantor. The Grantor hereby agrees to registration of the Initial notice with the Registrar and any subsequent amendment notices and agrees to execute any other necessary documents to register or amend the Lender's security rights over the Collateral.
7. Security rights in the Initial notice shall be registered for 3 years initial period with the Lender's rights to file amendment notice and extend the security period for additional time until all obligations arising from the Loan agreement are settled.
10. The Grantor undertakes not to encumber the Collateral for other creditors during duration of the present Agreement.
11. The Grantor must notify in writing any change in identifier information contained in Schedule A within 5 days of change to the Lender.
12. The Grantor while in possession of the Collateral shall exercise reasonable care to preserve the asset. The Lender has the right to inspect the Collateral in the possession of the Grantor or another person at any time.

Initials (Lender): _____

Initials (Borrower): _____

13. The Lender has the rights to transfer the security rights to another person or entity by registering an amendment notice to reflect the transfer.
14. The Lender shall cancel the security rights over the Collateral within 30 days from the moment all obligations arising from the Loan Agreement are fulfilled. Cancellation notice to terminate the security rights over the Collateral may only be submitted by the Lender. The Lender may ask the Grantor to reimburse any registrar fees.
15. In case of a default with respect to any of Grantor's obligations, the Lender shall serve a notice to the Grantor to pay the money owed or perform and observe the agreement. The notice shall contain the following information:
- 1) nature and extent of default;
 - 2) in case of default on the payment, the amount owed and term of payment;
 - 3) in case of default on other obligations, the act Grantor must do or desist to rectify the default and time limit;
 - 4) the rights of the Lender to repossess the Collateral without court or use any other remedies afforded by law if default is not rectified within specified time limit.
16. The Grantor hereby expressly consents that in case of default the Lender may obtain possession to the Collateral without any court application.
17. After default, the Lender is entitled to sell or otherwise dispose of, lease, or license the Collateral in its present condition or following any commercially reasonable preparation or processing.
18. The Lender may select the method, manner, time, place and other aspects of the sale or other disposition, lease or license, including whether to sell or otherwise dispose of, lease or license Collateral.
19. The Grantor agrees that any notices in respect of this Agreement may be served in the form of a text message to the mobile number of the Grantor indicated in the Schedule A, or by e-mail or letter at Lender's discretion.
20. No alteration, amendment, variation or addition to this Agreement shall be effective unless made in writing and executed by the Lender.
21. The Grantor acknowledges that no representations or promises contrary to the provisions of this Agreement have been made to the Lender or its agents.
22. This Agreement shall be governed by and interpreted in accordance with Kenyan law. The Grantor hereby irrevocably submits to the nonexclusive jurisdiction of the High Court of Kenya but this Agreement may be enforced in any court of competent jurisdiction.

IN WITNESS this Instrument has been duly executed on the day and year first above written.

THE GRANTOR

SIGNED by]
in the presence of:]
]
]
]
WITNESS (name and address)]

THE LENDER

SIGNED by]
for and on behalf of]
WATU CREDIT LIMITED]
in the presence of:]
]
WITNESS (name and address)]

Initials (Lender): _____

Initials (Borrower): _____

SCHEDULE A
INFORMATION ABOUT THE GRANTOR

9.	Grantor's Name (as appears in their identity card)	
10	Kenya National Identity Card number	
11	Kenya Revenue Authority Personal Identification Number (PIN) for the Grantor	
12	Date of birth	
13	Postal Address of the Grantor	
14	Physical address of the Grantor	
15	Grantor's Email Address	
16	Grantor's Mobile Telephone Number	

THE SCHEDULE B
DESCRIPTION OF THE COLLATERAL
(attach as many forms as necessary to cover all Collaterals)

Total number of Collaterals: _____

Collateral details No. 1	Registration number	
	Chassis/serial number	
	Make / Manufacturer	
	Body type	
	Colour	

Initials (Lender): _____

Initials (Borrower): _____