



TERMS AND CONDITIONS FOR ONLINE CREDIT FACILITIES

Centenary Rural Development Bank Ltd (“the Bank”) is pleased to confirm **(subject to the conditions precedent and upon your representation and warranties as set out herein)** its willingness to make available to you (“the Borrower”) the banking facility outlined below on terms and conditions set out in this Agreement, as modified by the Bank from time to time and subject to the satisfactory completion of any security documentation that shall be required by the Bank.

Please note that this agreement takes precedence over the terms of any security whether entered into before or after the execution of this Agreement, whether such security restricts the Bank’s right under this Agreement or not.

FACILITY TYPE

A. CENTEMOBILE LOANS

- 1. Bank** – Centenary Rural Development Bank Ltd situated at Plot 44-46, Kampala Road, Kampala
- 2. Loan Amount** – Maximum amount of Ushs.5million Only
- 3. Interest**
 - i.** Interest will be charged at the Bank’s flat lending rate currently at 7% per month of the loan amount.
 - ii.** Interest will accrue on daily outstanding balances and will be applied on the last working day of each month in arrears; however, the Bank reserves the right to apply interest at periods shorter than one month. The Bank further reserves the right to change interest applicable at its sole discretion depending on the changes in the market conditions and the risk rating of the Facility.
 - iii.** Interest on the facility will be calculated on a daily basis on the daily outstanding balances.
 - iv.** The Interest rate(s) [including for additional interest] may be varied by the Bank from time to time at its absolute discretion subject to applicable Laws at the time. Interest shall be payable both before and after judgment. Interest is to be calculated and compounded in accordance with Bank practice from time to time. The Borrower agrees that the Bank’s right to compound interest shall continue notwithstanding that the relationship of bank and customer may have ceased to exist by reason of a demand or otherwise until the date of full payment (both before and after judgment). The Bank shall not be required to notify

the Borrower prior to any variation of the rate of interest or additional interest and failure to notify the Borrower of any such change shall not prejudice in any way whatsoever the recovery by the Bank of any interest charged subsequent to any such change or at all.

- 4. Period/Term** – Maximum period of 3 calendar months effective from the date of disbursement of the facility.
- 5. Repayment terms** – monthly installments to be debited from the borrower's account in accordance with the repayment plan.
- 6. Default Interest** – A default interest currently at 0.5% per day on outstanding balance up to a maximum of 15% or such other rate as the Bank may stipulate from time to time (in addition to interest charge mentioned above) will be charged on all overdue installments of principal and interest on loan and all other charges not paid when due.

B. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank from and after the date hereof, so that such representation and warranties shall be deemed to be repeated at all times so long as any sums shall remain actually or contingently owing to the Bank hereunder that: -

1. Acceptance of the Terms and Conditions shall constitute valid and binding obligations of the Borrower.
2. Save as previously disclosed to the Bank in writing there is no litigation, arbitration proceedings or dispute pending or threatened against the Borrower, the adverse determination of which might substantially affect the Borrower's ability to repay the facility or have a material adverse effect on the financial condition of the Borrower.

1. APPLICATION OF MONEYS

If any sum paid or recovered in respect of the Borrower's obligation to the Bank is less than the amount then owing, the Bank may apply that sum to interest, fees, principal or any amount due in such proportions and order and generally in such manner as the Bank thinks fit or may credit the same or part thereof to a suspense account if the Bank thinks fit.

2. SUPPLY OF INFORMATION

The Borrower shall supply to the Bank immediately upon request all statements, information, material and explanation as may be reasonably required by the Bank from time to time and submit its audited balance sheet and Profit and Loss Accounts together with the Directors' Report to the Bank every year immediately after their issue but in any case not later than three (3) months after the close of the Borrower's financial year.

3. COST EXPENSES AND FEES

The Borrower agrees that: -

- i. All costs and expenses whatsoever including legal and auctioneers costs connected with the recovery or attempted recovery of moneys owing under the Facility as well

as the contesting of any involvement in any legal proceedings of whatsoever nature by the Bank for the protection of or in connection with any account(s) or assets of the Borrower shall be payable by the Borrower on demand, on a full indemnity basis, together with interest from the date the costs and expenses are incurred to the date of full payment at such rate as the Bank may prescribe (both before and after judgment).

- ii. The Bank shall have right at any time to debit the Borrower's account with interest, commission, charges, fees and all monies arising from the Facility as well as all amounts and sums of money mentioned in the preceding sub paragraph (i) payable by the Borrower. No such debiting shall be deemed to be a payment of the amount due except to the extent of any amount in credit in the Borrower's account(s) or a waiver of any event of default under any agreement relating to the facility. If such debiting causes the Borrower account(s) to be overdrawn beyond the permitted limit, interest and any other applicable charges shall be payable accordingly.

4. RECONSTRUCTION AND ORGANISATION

- i. The Borrower shall not without the prior written consent of the Bank, such consent not to be unreasonably withheld, effect any material change in ownership nor undertake or permit any arrangement or change in the nature of business. The Borrower shall obtain the written consent of the Bank before effecting any material alteration or doing any act or thing that directly or indirectly affect the capacity of the borrower to perform his/her/their obligations herein created.
- ii. Any proposed changes in the effective control of the business or source of funds for servicing the loan repayments will be notified to the Bank in writing not less than 30 days before it is effected. Such change shall not be effected without the written consent of the Bank; which consent will not be unreasonably withheld.

5. SET OFF, COMBINATION OR CONSOLIDATION OF ACCOUNTS

The Bank shall be entitled (but shall not be obliged) at any time and without notice to the Borrower to combine, consolidate or merge all or any of the Borrower's accounts and liabilities with and to the Bank anywhere whether in or outside the Republic of Uganda and may transfer or set off any sums in credit in such accounts in or towards satisfaction of any of the Borrower's liabilities whether actual or contingent, primary or collateral notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Bank is hereby authorized to effect any necessary conversions at the Bank's own rate of exchange then prevailing.

6. CONTINGENT LIABILITIES

In the event of the Bank issuing a demand for repayment, all contingent liabilities together with other indebtedness or liabilities shall become immediately due and payable whereupon the Bank may in addition to other rights herein call for cash cover and/or debit the Borrower's account(s) for all such contingent liabilities and for all notes or bills accepted endorsed or discounted and all bonds guarantees indemnities documentary or other credits or any instruments whatsoever issued by the Bank on behalf of or at the request of the Borrower.

7. PAYMENTS

- i. All payments by the Borrower in respect of the facility shall be made in full without set-off, deductions or counterclaims and free of and without deduction for or on account of tax unless the Borrower is required by law to make any such payments subject to such withholdings or deduction, in which case the Borrower shall pay

such additional amount to the Bank as may be necessary in order that the actual amount received after such withholding or deduction shall equal the amount that would have been received if such withholding deduction were not required. The Borrower shall fully indemnify the Bank from any liability with respect to the delay or failure by the Borrower to pay any taxes or charges. Without prejudice to the foregoing, the Borrower shall complete such forms and documentation as may be required from time to time by the Bank for the purpose of conferring upon the Bank the benefit or any applicable tax treaties or provision under applicable law for any other purposes in connection therewith.

8. DISCLOSURE

To enable the Bank to comply with regulatory requirements, the Borrower, by its acceptance of the facility, irrevocably consents to the disclosure by the Bank its officers and agents in any manner however of any information relating to the Borrower and its account relationship with the Bank including without limitation, details of the Borrower's facility, the securities taken, the Borrower's credit balances and deposits with the Bank to (i) the Bank's Head Office, any of its representative and branch offices in any jurisdiction, related corporations (**as defined by the Companies Act Chap 110**) (ii) any regulatory or supervisory authority including fiscal authority in any jurisdiction, (iii) any potential assignee of the Bank or other participant in any of its rights and/or obligations in relation to the Borrower's facility and (iv) any guarantors, third party pledge or security providers and the Bank's agents and (iv) in compliance with the Evidence [Bankers' Books] Act, Court Orders, Statutory IGG leadership Code and any other relevant laws.

9. GOVERNING LAW

11.1 The terms and conditions shall be construed and have effect in all respects in accordance with the law of the Republic of Uganda and the Borrower hereby submits to the non-exclusive jurisdiction of the courts of the Republic of Uganda, but such submission shall not be construed so as to limit the right of the Bank to commence proceedings in the courts of any other country.

11.2 The service of any writ or summons or any legal process in respect of any action or proceeding hereunder may be effected on the Borrower in accordance with the procedure regulating service of summons and other court process for the time being in force.

10. EVENTS OF DEFAULT

(a) Meaning

The occurrence of any of the following events shall constitute an Event of Default

i) Non-Payment

If the borrower fails to pay any sum whether for principal or interest or otherwise due from it under this agreement at the time stipulated herein and, in the manner, specified herein or in accordance with the terms of any document executed in pursuance hereof;

ii) General Default

The breach of or omission to observe or default by the borrower in observing any of its obligations or undertakings under this agreement or any term, condition, provision, representation or warranty contained in this agreement if such breach or default shall continue for a period of seven (7) business days after notice thereof is given by the bank in writing to the borrower and such action as the bank may require shall not have been taken within seven (7) days of the bank notifying the borrower of such default and of such required action.

iii) Breach of Covenants

Breach of any covenant, including financial covenants.

iv) Misrepresentation

Any representation or warranty made or deemed to be made or repeated in or pursuant to this agreement or in any notice, certificate or statement referred to herein or delivered hereunder is or proves to be incorrect or misleading in any material respect.

v) Cross Default

Any default by the borrower under any other agreement between the borrower and the bank or any other agreement of indebtedness of the borrower or of the performance of any covenant, term or undertaking thereunder, or any indebtedness of the borrower is not paid when due or any creditor of the borrower becomes entitled to declare any such indebtedness due and payable prior to the date on which it would otherwise have become due or any guarantee or indemnity given by the borrowers not honored when due and called upon.

vi) Inability to Pay Debts

The borrower is unable to generally to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling, in the light of financial difficulties or in contemplation of any default under any agreement relating to the same (howsoever described), of any indebtedness or makes a general assignment for the benefit of or a composition with its creditors or admits or is ordered to pay any liability and such liability is not paid when due, PROVIDED THAT for the avoidance of doubt, any reference in this clause to any indebtedness which is being disputed and in respect of which no court order has been made against the borrower to pay such indebtedness;

vii) Non-payment of Decretal amount

The borrower fails to pay any amount under any court order or decree or judgement against the borrower;

viii) Levy of Execution or Distress

Any execution or distress is levied against, or a third party (other than the bank) takes possession of the whole or any part of the property, undertaking or assets of the borrower or any encumbrance over the whole or any part of the property, undertaking or assets of the borrower becomes enforceable;

ix) Repudiation

The borrower repudiates this agreement or does or causes to be done any act or thing evidencing an intention to repudiate this agreement.

xi) Bank Discretion

Whenever in the absolute discretion of the bank there is a likelihood of the due money not being paid.

(b) Notice of the Bank

At any time after the happening of an Event of Default, the bank may by notice in writing to the borrower declare that:

- (i) the obligation of the bank to make or continue to make the loan available stands terminated; and

- (ii) the loan and all interest accrued and all costs, charges, expenses and other sums outstanding under this agreement are immediately due and payable to the bank, whereupon the same shall become due and payable by the borrower forthwith in accordance with the terms of the notice without any further notice of default, presentment or demand for payment, protest or notice of non-payment or dishonor or other notice or demand of any kind or nature whatsoever.

(c) Acceleration

On or at any time after the occurrence of an event of default which is continuing, the bank may:

- (i) demand that all or part of the amount due together with accrued interest and all other amounts accrued under or otherwise in connection with this agreement be immediately due and payable, whereupon they shall become immediately due and payable without further notice or other legal formalities of any kind; and
- (ii) if an Event of Default occurs and is continuing, the bank may exercise any right, power or remedy permitted by law, either by suit in equity or by action at law or both, whether for specific performance of any covenant contained in this agreement or for an injunction against a violation of any term of this agreement, or in aid of the exercise of any power granted in this agreement.

11. AVAILABILITY

The availability of this Facility is at all times subject to the Bank's compliance in such manner as it thinks fit with any and all restrictions rules and regulations of Bank of Uganda or any other applicable regulatory authority from time to time in force and all terms and conditions hereof remain subject to any directions of the Bank of Uganda as advised to the Bank from time to time.

12. PAYMENT ON DEMAND

In terms of normal banking practice, the Facility or part of it may be recalled by the Bank by written notice to that effect, payable either upon demand or within a period stated in the notice in which event the recalled facility and any liability to the Bank becomes payable either forthwith or on the date stated in the demand, as the case may be.

13. FEES/COMMISSION

The Bank reserves the right to review/amend/alter fees and commission at its sole discretion as appropriate and advise the Borrower accordingly.

14. ENVIRONMENTAL AND SOCIAL STEWARDSHIP COMPLIANCE

All loan facilities from Centenary Rural Development Bank are required to be acceptable in environmental and social terms. The Bank's environmental objectives are;

- i) To preserve, protect and improve the quality of the environment,
- ii) To protect human health in relation to the environment,
- iii) To ensure the prudent and rational utilization of natural resources and to conserve nature,
- iv) To promote measures to deal with regional or worldwide environmental problems, notably climate change, waste management, energy usage and access to palatable water and sanitation.
- v) Within the context of the values espoused by the bank, its Management, Board and Shareholders, to support and respect the protection of the internationally proclaimed human rights as guided by the Universal Declaration of Human Rights,

The Borrower hereby certifies that he/she is totally compliant with Centenary Bank business exclusion list also available online that is hereby considered to be an integral part of this agreement for that specific purpose only.

I accept the Banking arrangements stated herein above and upon the terms and conditions and subject to the covenants set out in this Banking facility agreement. I make the representations and give the warranties set out herein above.

Drawn By:
LEGAL DEPARTMENT
CENTENARY RURAL DEVELOPMENT BANK LIMITED