



Retail Products Terms & Conditions

Current /Savings Account and Term Deposit Terms

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *current account*, *term deposit* and *savings account products*. **You must read it in conjunction with our Client Terms, the tariff sheet, the product brochure and any other documents forming our banking agreement included in your Welcome Pack.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail. These terms do not apply to any existing current/cheque account, term deposit account or savings account products you have with us to the extent that they are subject to separate terms and conditions.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To find out information (such as current fees and interest rates or if you need us to explain features or terms) in connection with our *products*, you should contact us at one of our branches, by using phone banking +254-(0)20-3293900 or by visiting our website www.sc.com/ke

1 Choosing the account that is right for you

We offer a variety of *current/cheque accounts*, *term deposits* and *savings accounts* designed to suit your personal banking needs. The particular types of *current/cheque accounts*, *term deposits* and *savings accounts* we offer are set out in the *product brochure*. If you need us to explain any of the features of, or the terms applying to, any *current/cheque account*, *term deposit* or *savings account*, please contact us (see "How to contact us" at the front of these terms).

2 Savings accounts

No cheque facility

- 2.1 *Savings accounts* do not include a cheque facility.

Interest

- 2.2 You understand that If you have a credit balance in a *savings account* you may be entitled to receive interest depending on the type of *account* (see the *product brochure* and the *tariff guide*). The rate of interest may be fixed or varied as we determine. We pay interest quarterly or at other regular intervals we determine. You can visit our website, any Standard Chartered Bank branch or call the Client Contact Centre to obtain the current savings interest rates.
- 2.3 The Interest payable on your savings account will vary from time to time and if the credit balance of your *savings account* is denominated in:
- Kenyan Shilling, British Pounds or South Africa Rand we calculate interest on the basis of a 365 days year, and 360 days for all other currencies

3 Term deposits

Minimum age for term deposits

- 3.1 You must be at least 18 years old to apply for a *term deposit*.

Interest on term deposits

- 3.2 Interest on a *term deposit* is paid at a rate we determine for the duration of the *term deposit* and is payable either monthly, quarterly or annually or at maturity. The applicable interest rate is available by contacting us at one of our branches or by using phone banking.

Withdrawals before maturity

- 3.3 The *deposit* will automatically roll over for a similar period on maturity at prevailing counter rate, unless written instructions are given to us to the contrary. Terminating or cancelling of the *term deposit* before maturity is not allowed. In the event of a partial or total early withdrawal, charges may apply and you will forfeit all the interest accrued. In the event that interest has been paid before maturity the Bank will recover the paid interest from you.

- 3.4 You may recover any tax that may have been deducted prior to the withdrawal of the deposit before maturity from the relevant tax authority.

- 3.5 Interest accrues daily and if the credit balance of the *term deposit account* is denominated in:

- Kenyan Shilling, British Pounds and South African Rand we calculate interest on the basis of a 365 days year and 360 days for all other currencies.

Maturity of term deposit

- 3.6 If a *term deposit* matures on a day which is not a banking day in Kenya, then the date is extended to the next banking day.
- 3.7 You will need to hold a current or savings account with us to open a *term deposit*. We only pay the principal and interest to your nominated *current or savings account* (unless we otherwise agree).
- 3.8 You must instruct us in writing (or any other way we agree to accept) before the maturity date (and in the case of foreign currency deposits, at least 2 banking days before the maturity date) whether you want:
- to renew the *term deposit*; or
 - us to pay you the principal and interest on the maturity date.
- If you do not instruct us, we may renew the *term deposit* for a similar term with interest at the prevailing counter interest rate for a similar tenor to the preceding deal. However, we have no obligation to do so.
- 3.9 Interest ceases to be payable after the maturity date unless the *term deposit* is renewed.

4 Current accounts

Current accounts are accounts which may have a cheque facility.

Minimum age

- 4.1 You must be at least 18 years old to apply for a *current account*.

Interest

- 4.2 Interest is not payable on a *current account* unless specified in the *product brochure* for the particular type of *current account*.

Cheque books

- 4.3 When you open a *current account* we may issue you with a cheque book. If we ask you to collect a cheque book from us and it is not collected within 90 days of request, we destroy it. You must keep cheque books secure (including keeping them in a safe place - please refer to the security procedures set out in the Client Terms).
- 4.4 If you need a new cheque book it can be ordered by either placing a request through online banking, filling out a cheque book request

form or by any other process we offer. We may refuse to issue a new cheque book.

- 4.5 When you receive your cheque book you should check that the account number and name are correct.
- 4.6 Fees and charges may apply to cheques including stop fees, dishonour fees and fees if a cheque is returned to us (see the *tariff* guide for more details of applicable fees and charges)

Writing cheques

- 4.7 You or an *authorised person* must be careful when writing cheques to ensure the cheque cannot be altered without authorisation and to prevent fraud by forgery. For example, when writing cheques, you or an *authorised person* must:
- only use cheques in the form we have issued;
 - write in non-erasable ink or ballpoint pen;
 - write the words and figure of the amount as close as possible to each other and to the left-hand margin in order to prevent space for insertions;
 - never pre-sign a blank cheque;
 - if sending cheques by post, delete the words 'or bearer' (to make the cheque an 'order' cheque) and cross the cheque with two parallel lines;
 - not alter the cheque (including deleting the words 'or bearer') unless confirmed by their full signature;
 - not use correction fluid.

We may dishonour and return any cheque that is not completed in accordance with these procedures, post-dated or out of date or otherwise not in a form acceptable to us.

If the words 'or bearer' are not deleted the cheque is a 'bearer cheque' and may be deposited by anyone holding the cheque.

You can protect yourself by crossing a cheque with two parallel lines as the cheque must then be paid into the payee's account rather than 'on demand'.

Debit Cards

- 4.8 When you open a *current account*, we may issue you with a debit card. If we ask you to collect a debit card from us and it is not collected within 30 days of request, we destroy it. You must keep debit cards secure (including keeping them in a safe place - please refer to the security procedures set out in the Client Terms).

- 4.9 If you need a new debit card it can be ordered by either placing a request through online banking platform, filling out debit card request form or by any other process we offer. We may refuse to issue a new debit card.

- 4.10 When you receive your debit card you should check that the account number and name are correct.

Fees and charges may apply to debit card issuance and replacements (see the *tariff* guide for more details of applicable fees and charges)

4.11 Use of a Card and Pin

- a) A card is not transferable and may not be used other than by the card holder.
- b) A card remains the property of the Bank and upon cancellation must be surrendered on demand to the Bank.
- c) The Bank shall be entitled to give immediate effect to the following Transaction Instructions on the *Automated Teller Machines*:
 - To effect a debit or credit to the Client 's Account
 - To Display the current balance on the Client 's Account up on the terminal.
 - To give an account statement to the Cardholder and
 - Such other Transaction Instructions given through the use of the Standard Debit Card facilities from the time made available by the Bank whether in Kenya or elsewhere to the cardholder.
- d) The card may also be used outside Kenya to withdraw cash from the *Automated Teller Machines* operated by members of VISA (which machines shall be identified by logo of 'VISA') and to purchase goods from merchants equipped with point of sale terminals, identified by the logo of 'VISA'.
- e) Certain point of sale transactions may be initiated by tapping or waving the card on the POS terminal or *Automated Teller Machine*. Transactions below KES 1,000 may or may not require the Cardholder(s) to input a PIN subject to the specific limits set in the country. This limit may change from time to time. Transactions initiated by tapping shall be debited to the Client's Account. For *Automated Teller Machine* withdrawals usage of the card shall be charged as per the prevailing charges set up on the tariff guide.
- f) All withdrawals at Standard Chartered Bank Kenya Limited *Automated Teller Machines* will be subject to the daily withdrawal limit. However, the daily withdrawal limit may NOT be applicable when the card is used on non-Standard

Chartered Bank Kenya Limited
Automated Teller Machines locally or abroad.

- g) In absence of manifest error, the Bank's records as to any Transaction Instructions or their consequences thereof shall be conclusive.
- h) A cardholder(s) must always exercise all due care and attention to ensure the safety of the card and the secrecy of the PIN and prevent the loss of and/or use of his/her card or PIN by any third party. A cardholder in a Joint Account will be fully responsible for ensuring that its Personal Identification Numbers are only known to persons of due authority within the joint account. Subject to this, a Cardholder must not disclose his/her PIN to anyone in any circumstances.
- i) If a card is lost or stolen or if a PIN is disclosed to any unauthorized person, the cardholder(s) must immediately notify the Bank of such loss, theft or disclosure either at a branch or the call centre. The cardholder can also log into the SC Mobile App and block their card under the card management function found in the service request menu. The cardholder(s) will be liable in respect of any Transaction Instruction given prior to receipt by the Bank of notification of such loss, theft or disclosure.
- j) The Card is neither a Credit Card nor a cheque guarantee card and the cardholder shall not represent the card as such.
- k) The Client shall not use the card for illegal activity. In the unlikely event the card is used to perform a contact or contactless transact in an unlawful manner or without the full knowledge or consent of the card holder(s), the card holder is obligated to inform the Bank of such transactions, upon which investigations will be undertaken to determine the origination and nature of these transactions. Any dispute raised shall be resolved as per the Bank's dispute resolution process.

4.12 Client's Account

- a) Except to the extent that these terms and conditions require otherwise, they shall not affect any other terms and conditions express or implied, governing the Client's bank account as set out in the General Terms and Conditions governing accounts.
- b) The Client's Account may not be overdrawn by the giving of Transaction Instruction.
- c) Cash or cheques deposited in an *Automated Teller Machine/C* for credit to a Client's Account shall be subject to verification by the Bank. In the event of any discrepancies, the Bank's own

determination of the amount(s) credited shall in the absence of manifest error, be conclusive

- d) Cash or Cheques deposited in an *Automated Teller Machine* for credit to a Client's Account will be collected by the Bank and the proceeds will not be available until the relevant funds have been received for value by the Bank

4.13 Additional Cards

A Client wishing to have an additional card on his/her account must ensure that he/she opens a joint account and sign mandates authorizing the use of the account by the additional Cardholder. The additional Cardholder must also sign the same mandates.

4.14 Cancellation of Cards

- a) The Cardholder/s may at any time cancel his/her card by returning it to the Bank.
- b) The Bank may at any time cancel a card without notice, assigning any reason and without incurring any to the Cardholder(s).
- c) The Cardholder(s) must not use or attempt to use the card after any notification of its cancellation or withdrawal has been given.

4.15 Replacement of Cards

If a Cardholder(s) loses or changes his/her card, the Bank may at its discretion issue a replacement Card as the Cardholder(s) may require.

4.16 Fees

In respect of each Cardholder the Bank shall be entitled to charge and debit from the Client's account such fees as it may from time to time notify the Cardholder(s) including but without limitation a service fee of an amount to be prescribed by the Bank from time to time for the use of the card.

4.17 Foreign Exchange margin on international POS payments

There will be a margin of 5.50% Outside CEMEA (Central Europe, Middle East and Africa) and 6.25% Within CEMEA on the exchange rate applied for any foreign currency transaction on your card.

4.18 Liability of a cardholder

- a) The cardholder(s) shall be fully liable in respect of each Transaction Instruction given by the use of his/her card. Transaction Instruction must be given in such a way that any confidential information displayed on a terminal is not disclosed to a third party. The Bank shall not be liable for any disclosure to any third party arising out of a Transaction Instruction.
- b) The cardholder should not hold the Bank liable, responsible or accountable in any way whatsoever for any loss, injury or

damage howsoever arising out of the wrongful use of the Card.

4.19 Circumstances beyond the control of the Bank

The bank shall have no liability for inability to perform its obligations under the Cardholder Agreement due to anything whatsoever outside the control of the Bank, its agents or subcontractors.

Fees & charges

- 4.20 Fees and charges apply depending on the product and the nature of transaction (see the *tariff* guide for more details of applicable fees and charges).

Overdraft facility

- 4.21 We may allow you to use an overdraft facility on a *current account*.
- 4.22 The overdraft facility may be used to draw cheques and for direct debit payment arrangements or for withdrawals.
- 4.23 We set a limit for the overdraft facility and if the *current account* balance exceeds the limit then you must immediately make payment to reduce the balance to or below the limit. We may increase or decrease the limit at any time.
- 4.24 We charge interest on the debit balance of the overdraft facility calculated in accordance with the *tariff guide*. We debit any accrued interest from the *current account* on a monthly basis.

We do not take into account any uncleared funds in calculating the unused portion of the overdraft facility.

5 Foreign currency

Deposits of foreign currency are generally made into a form of *savings account* or *term deposit*. However, foreign currency *current/cheque accounts* may also be available.

For more information, contact us at one of our branches or by using phone banking.

Minimum age

- 5.1 You must be at least 18 years old to apply to make a *foreign currency deposit*.

Terms of deposit

- 5.2 We accept *foreign currency deposits* in currencies acceptable to us and on the conditions (including term, interest rate and minimum deposit amount) available at our branches.

Deposit methods

- 5.3 We may accept and deposit (as agent for collection) foreign currency drafts or cheques for good value after clearance. We deduct from the proceeds our fees and charges (the details of which are available by contacting us at one of our branches or by using phone banking) and any

fees and charges that may be imposed by third parties.

However, we may:

- refuse to accept for collection drafts or cheques drawn in favour of third parties or if the payee's name is not identical to your name in our records;

We return dishonoured cheques or drafts to your last notified address at your risk and *cost*.

- 5.4 If you have an existing foreign currency *term deposit* and we receive additional foreign currency funds with no specific instructions, we may place them in any type of account we determine for a minimum of one month. However, if the additional funds are below our minimum deposit amounts, we may place them in an existing *account* in the same currency and with the interest rate and the earliest maturity date we determine.

Withdrawal methods

- 5.5 A *foreign currency deposit* which is a *term deposit* may not be withdrawn before the maturity date. However, we may allow withdrawal before the maturity date subject to any conditions we may impose (including a period of notice, reduced or nil interest, fees and other charges).
- 5.6 If you make a withdrawal of a *foreign currency deposit* and the withdrawal is denominated in:
- British Pounds or US Dollars, we may (but need not) make available to you the proceeds of your withdrawal on the same day as your withdrawal;
 - any other foreign currency, you must notify us of your intention to make the withdrawal at least two banking days before you make the withdrawal.
 - If you give us notice, proceeds of withdrawal may be available in foreign currency notes. You must pay any applicable fees. Details of fees are available by contacting us.

Interest on foreign currency deposits

- 5.7 Interest on a *foreign currency deposit* is paid at a rate we determine. The applicable interest rate is available by contacting us.

Commission

- 5.8 We may charge commission on a deposit or withdrawal made in cash, cheques, drafts, payment orders or other monetary instruments in the currency of the *account* for the *foreign currency deposit*. Please refer to the *tariff sheet* or elsewhere in our banking agreement for details or contact us if you require further information.

Foreign exchange controls

- 5.9 *Foreign currency deposits*, and all transactions in connection with them, are subject to any applicable exchange control laws.

Operation without verification of signature

5.10 For *foreign currency deposits* we may waive any requirement to verify your signature or the signature of an *authorised person*. If we do so, the *account* is called a “discretionary account”. For discretionary accounts, the following applies:

- a discretionary account can only be operated using your signature and a joint *account* may only be operated by the signatures of all account holders;
- cheques and other instruments to be deposited into a joint *account* which is a discretionary account must be made in the name of all account holders;
- withdrawals from a discretionary account can only be made by drafts crossed with “Account Payee only” or by telegraphic drafts in your name or the names of all joint account holders for a joint *account*.

Exchange risk

5.11 You acknowledge that:

- you are aware of the risk of interest rate and exchange rate fluctuations and the effect that such fluctuations may have on the credit balances in an *account*;
- adverse exchange rate movements could result in the credit balance (even after interest is credited) being less than the amount you deposit.

6 Minimum balances

6.1 Some *accounts* require you to maintain a minimum balance. For details on required minimum balances, see the *product brochure* and/or *tariff sheet* or contact us.

6.2 We may require you to maintain a minimum aggregate balance on your *savings accounts*, *current/cheque accounts*, *term deposits accounts*, *foreign currency deposits* and other *accounts* we specify where you are the primary accountholder (either solely or jointly). For details on required minimum aggregate balances, see the *tariff guide* or elsewhere in our banking agreement. Please contact us for further details.

6.3 If a minimum balance or a minimum aggregate balance applies to an *account* and the balance falls below the required minimum we:

- need not accept any instruction or allow any transaction on an *account* which would cause the balance to fall below the minimum balance;
- need not pay interest on the relevant *accounts*;
- may close the relevant *accounts*.

You must also pay any applicable fees (the details of which are available in our *tariff guide* by contacting us at one of our branches or by using phone banking).

7 Payments into accounts

We may accept or refuse payment

- 7.1 We may accept or refuse to accept any deposit whether in cash or by cheque or other instrument or set minimum or maximum amounts on deposits. We need not give any reason for doing so.
- 7.2 Any cheque or other instrument is received by us as agent for collection on your behalf.

Your responsibility

- 7.3 You accept that any deposit through the *Automated Teller Machine* or Cash Deposit Machine is at your own risk and is subject to us verifying and processing. You must check that your instructions have been processed accurately. If you do not notify us within 3 working days of the time the transaction is processed, our records of the transaction are taken to be correct.
- 7.4 We are not responsible for funds given to any of our employees or officers outside banking hours or outside our premises.

Foreign cheques or instruments

- 7.5 If we agree to accept cheques or other instruments drawn on financial institutions located outside Kenya, you acknowledge that:
- clearance depends on the law and practice of the location of the financial institution;
 - we are not responsible for the value given by the financial instrument or any other *loss* incurred in connection with the cheque or instrument.

Receipts

- 7.6 Receipt of a deposit is evidenced by our usual practice, depending on how you make the deposit. A person making a deposit should keep their copy of the receipt.
- 7.7 A deposit slip is only valid if endorsed by our machine print (if deposited at a self service machine) or by our stamp and signature of a bank officer (if deposited at a branch).
- 7.8 Any receipt we issue cannot be used as evidence of your title to a deposit.

Third party cheques

- 7.9 If a cheque or other instrument is presented which is payable to a third party or it appears to belong or to have belonged to someone else (called a “third party cheque”), we may refuse to accept it for deposit or refuse to cash it. If we agree to accept or cash a third party cheque we may require you or an *authorised person* to comply with additional conditions.

Cheque collection box deposits

- 7.10 You must not deposit cash or bearer cheques into the cheque collection boxes. If you make a deposit in this way, you do so at your own risk and we are not liable for any *loss* incurred as a result of your action.

Clearance of payments

- 7.11 We do our best to process all cheques and other instruments within a reasonable period of time. However, if they are deposited after any cut off time we specify, they may not be processed until the following banking day. If they are deposited through an *Automated Teller Machine*, cheques may take up to two clear banking days to process. Clearance times may vary.
- 7.12 The proceeds of cheques and other payment instruments deposited, or funds transferred electronically cannot normally be withdrawn until cleared. If we allow withdrawal of the proceeds before clearance occurs, you must repay or we may debit that amount if the cheque, payment instrument or transfer is dishonoured.

Regular payments to an account

- 7.13 If you ask, we may establish a regular payment arrangement to an *account*. We may cancel or stop the regular payment arrangement if:
- you instruct us to do so in writing; or
 - the *account* does not have sufficient funds to satisfy any regular payment; or
 - the payment arrangement no longer complies with the terms of the payment authority signed by you; or
 - required by law.

Dishonoured cheques

- 7.14 We give you details of any cheque deposited into an account which is dishonoured as soon as practicable by bearer or post to your last known address.

8 Payments out of accounts

Withdrawals

- 8.1 You may withdraw your deposits only at the country where the deposits are located. However, we may from time to time allow withdrawals of deposits from your account to be made in other countries subject to conditions we may impose, and you agree that we may withdraw any such permission at any time without notice. You agree that such withdrawals are subject to market conditions and the laws and regulations governing the location of the product, and the location of the withdrawal.

Authority to debit and payment

- 8.2 You authorise us to debit all cheques and other instruments drawn by you to a *current/cheque account*.
- 8.3 We may determine the order of priority for payment of cheques.

Third party withdrawals

- 8.4 We may, but need not, accept instructions allowing third parties to withdraw from an *account*.

Stopping payment of cheques

- 8.5 You or an *authorised person* may request us to stop payment of a cheque drawn on a *current/cheque account* before it has been paid. However, the stop instruction is only effective if it:
- gives full details of the cheque; and
 - is received at any of our branches;
 - is submitted via the Client Contact Centre;
 - is initiated via online banking before the cheque is deposited for clearing
- (See our Client Terms for how we deal with stopped payments.)

Direct debits or periodical payments from accounts

- 8.6 If you ask, we can organise a direct debit or periodical payment arrangement from an *account*. You need to sign additional documents to authorise it.
- 8.7 We may cancel or stop any direct debit or periodical payment arrangement if:
- you instruct us to do so in writing; or
 - the payment arrangement no longer complies with the terms of the direct debit authority signed by you.

We may ask that you also notify the person to whom you have given the direct debit authority.

Telegraphic transfers

- 8.8 You may ask us to effect telegraphic transfers for you. We need not agree to your request.
- 8.9 We may set a minimum amount or maximum amount for telegraphic transfers. For details of these amounts and the applicable fees and charges, please contact us or see our *tariff guide*.
- 8.10 If a telegraphic transfer is made in a currency other than the currency of the destination country, you may be required to pay multiple charges for the telegraphic transfer. For details of these charges, please contact us.
- 8.11 You consent to us disclosing any information in connection with the telegraphic transfer to the correspondent or intermediary bank.
- 8.12 If a telegraphic transfer cannot be completed, we are not required to refund the charges paid by you for the telegraphic transfer unless the failure to complete was solely and directly due to anything we do or do not do.

9 Dormant accounts

What is a dormant account?

- 9.1 If no withdrawal, deposit, fund transfer or use of *electronic banking services* other than direct debit or periodic payment arrangements is made for 24 months on a *savings account* or 12 months on a *current account* or such other period that we

notify to you, we classify the *account* as dormant. We need not pay interest on a dormant account.

Fees for dormant accounts

- 9.2 If the balance of a dormant *account*:
- falls below a minimum limit set out in the *tariff guide*, we may close the *account* and use any credit balance to pay the monthly service fee set out in the *tariff guide* or as notified by us; or
 - is above the minimum limit set out in the *tariff guide*, we may debit the monthly service fee set out in the *tariff guide* or as notified by us until the *account* is closed, unless prohibited by law.

10 Unclaimed Assets

Any account that is not operated for a period of five years or more will be classified as an unclaimed asset and any funds in that account will be submitted to the authority in charge of unclaimed assets. The Bank will not be held liable for the account or be required to follow up with the authority for the remittance of the said funds back to you.

11 Closing accounts

When we may close accounts

- 11.1 We may close a *savings account*, *term deposit* or a *current account* at any time upon giving you at least fourteen (14) days' notice. We need not give a reason for doing so. If we do so, we will pay you any credit balance in the *account* in the manner we determine.
- 11.2 We may at any time close an account that remains overdrawn without authorisation or with a nil account balance for 3 consecutive months (90 days) or any other valid reason without any notice. Any such overdrawn sums shall remain owing and recoverable from you.

Return of cheque books

- 11.3 If a *current account* is closed, you must ensure that any unused cheque books are returned to us.

12 Meaning of words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client Terms, the definition in these terms applies for the purposes of *current/cheque accounts*, *term deposits*, *foreign currency deposits* and *savings accounts*.

current account means any account of the type referred to in clause 4.

foreign currency deposit means any deposit of foreign currency described in clause 5.

savings account means any *account* described in clause 2.

term deposit means any time, term or fixed deposit described in clause 3.

MORTGAGE FACILITY TERMS

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *mortgage facilities*. **You must read it in conjunction with our letter of offer, Client Terms and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail and if there is any inconsistency between the *letter of offer* and any other part of our banking agreement, then the terms in the *letter of offer* prevail.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To discuss any aspect of our relationship please contact us at one of our branches, by using phone banking +254-(0)20-3293900 or by visiting our website www.sc.com/ke

PART A - Getting Started

1. Letter of offer

If we approve your *application*, we issue a *letter of offer*. If you want to accept our *letter of offer* you need to do so in accordance with the procedures set out in the *letter of offer*.

2. Pre-conditions to use

2.1 Before you can use a mortgage *facility* you must:

- Comply with the requirements we specify from time to time and any other pre-conditions we specify in our *banking agreement/letter of offer*;
- Unless otherwise stated in our *banking agreement/ letter of offer*, have paid all our costs in connection with *the mortgage facility*. (We may deduct any fees payable from funds drawn down);
- Have opened or maintain a nominated account or any other account we specify with us. These accounts must be maintained at all times for the purposes of the *mortgage facility*.
- Have satisfied our insurance requirements, the requirements of the insurer and, unless we agree to finance them, paid the premiums due, including if we require you to have *mortgage insurance*, the *premium amount*;
- Provide us with all securities in the form and substance we require including all documents we consider necessary to ensure the *security* is effective; and
- Provide us with all other documents or information we reasonably require.
- *Have paid all costs of our service provider (such as lawyers) in connection with the mortgage facility*. Each item must be in form and substance satisfactory to us, our lawyers and our consultants (including evidence of stamping (if applicable) and if a document is not an original document it must be certified in the manner we require as being a true and up to date copy of the original).

2.2 We need not provide any funds to you or otherwise allow you to use the *mortgage facility* if:

- Any of the circumstances in clause 2 (Preconditions to use of any product) of the Client Terms exists; or
- The results of any searches, requisitions or other enquires in connection with you, any security provider or the property are not in form and substance satisfactory to us, our lawyers or consultants.

3. Your Limit

You may only draw on a *mortgage facility* up to the *limit*. We may cancel or vary the *limit* at any time with prior written notice to you.

Part B – Mortgage Loans -General

4. Funding

Purpose

4.1 You must use the *mortgage facility* only for the purpose set out in the letter of offer or as otherwise approved by us.

Requesting funds

4.2 If you want us to provide you with funds, you may do so by a written request in the form we require. If the *mortgage facility* is provided to finance construction or renovation, each request made during the construction period may need to certify matters relating to the building and attach documents or other information we specify, including invoices from the builder and evidence that you have paid any shortfall between the funds to be advanced and the invoice amount. Your request must be made within a reasonable time (for example, at least [seven] banking days) before you require the funds.

How we provide the funds

4.3 We pay the funds to you as directed by you or your agent, except to the extent that we require otherwise. For example, if the *mortgage facility* is provided to finance construction or renovation, we provide the *loan* in a series of advances as the work progresses against invoices we approve. We may provide the funds by paying them directly to the builder. You must provide us with receipts from the builder within two weeks of the date we provide the funds as specified in the terms and conditions of the letter of offer.

Availability period

4.4 If the *letter of offer* states an availability period, each request for funds must be made during the availability period. Any unused portion of the *limit* at the end of the availability period is automatically cancelled.

4.5 If the *mortgage facility* is provided to finance construction or renovation, you must ensure that the work is completed within the construction period agreed with us.

5. Interest, fees and charges

Interest – general

- 5.1 You must pay interest on the *loan* monthly in arrears (or as otherwise set out in our *banking agreement*) at the rate set out in the *banking agreement* or at any other rate we determine from time to time. Despite the terms of our *banking agreement*, the interest rate we charge cannot be less than 0% per annum at any time.
- 5.2 Unless otherwise stated in our *letter of offer*, interest is calculated on a 30/360 day year basis.
- 5.3 Interest is payable on the dates set out in the *letter of offer* or otherwise in our banking agreement.
- 5.4 Unless otherwise stated in our *letter of offer* interest is charged to your account on the last banking day of each month and on the day when all amounts owing in connection with the *mortgage facility* are finally paid (unless you have made arrangements with us otherwise).
- 5.5 We may vary the interest rate and the margin from time to time. If we vary the interest rate, we will give you notice prior to the change and notify you of the effective date of the revised interest rate.

Fees and charges – general

- 5.6 The fees and costs for each *mortgage facility* are set out in *the letter of offer* or the *tariff guide*. They are also available by contacting us at any of our branches, by phone banking or by visiting our website. We will notify you of any variations.
- 5.7 By taking this *mortgage facility*, there will be both internal and third-party fees incurred while processing the mortgage. The internal fees include arrangement fees and third-party fees which include Insurance (Domestic Package and Credit Life Insurance), Valuation fees, Legal fees, Stamp Duty (where applicable). These are levied within the course of the mortgage application process.

6. Facility Term

- 6.1 The term of a *mortgage facility* commences on the date of first drawdown and continues for the period stated in the *letter of offer*.
- 6.2 The *letter of offer* may allow the original term of the *mortgage facility* to be extended up to a maximum period. This is to allow the instalment amount to be maintained despite any change in the interest rate (see clause 7.5 below) (This should be subject to variation of charged security documents).

7. Repayment

Repayment by instalments

- 7.1 If the *letter of offer* states that you must repay the *mortgage facility* in instalments, we notify you the amount of the instalment and each instalment payment date. Any balance owing for the *mortgage facility* (after payment of all instalments) must be repaid on the final payment date we notify you.
- 7.2 If you have not fully drawn down the *mortgage facility* (that is, you have not used up your entire *limit*) by the end of any availability period stated in the *letter of offer*, we may vary the instalment amount, the number of the instalments and the term of the *mortgage facility*. We will notify you when we do so.
- 7.3 If the *mortgage facility* is provided to finance construction or renovation, you may not be required to begin the repayment of your mortgage facility instalments until a date stated in the letter of offer or another date, we notify you.
- 7.4 You must pay the instalments even if you do not withdraw all or any of the loan we deposit in the nominated account.
- 7.5 If we vary the interest rate on the mortgage facility, we may vary the instalment amount and the number of instalments. However, if the *letter of offer* states that the *mortgage facility* has a term that may be extended if an interest rate increases, we extend the term of the *mortgage facility* (until it reaches the maximum term stated) rather than varying the instalment amount. If the maximum term is reached, we may vary the instalment amount.

The right to vary instalments is in addition to our other rights to vary, as set out in our banking agreement. See, for example, clause 36.18 (Variation of our banking agreement) in the Client Terms.

- 7.6 The instalment repayment structure for the *mortgage facility* is stated in the *banking agreement*.

Methods of instalment repayment

- 7.7 If the *letter of offer* states that the interest only repayment method applies, during the interest only period the amount of each monthly instalment is the sum of any unpaid interest charges which have accrued on the account for the mortgage facility for the month.

At the end of the interest only period instalments, the mortgage facility converts to principal and interest instalments. We will notify you of the new instalment amount at the end of the interest only period.

- 7.8 If you ask, we may agree to defer a particular monthly instalment. If this happens, you must pay the additional interest which accrues on the deferred instalment amount on the final payment date we notify you.
- 7.9 You agree that if you are offered a foreign currency loan facility and you no longer earn in foreign currency (USD/GBP/EUR), we will convert the loan facility to Kenya Shillings at the exchange rate on the day the loan is converted with prior notice to you.

Statements

- 7.10 We issue a statement to you annually or upon request by you for the mortgage facility.
- 7.11 When you must pay in full on the last day of the term, to the extent there is any balance owing for the mortgage facility, you must repay that balance owing.
- 7.12 Despite any other term of our *banking agreement*, we may, with prior notice, ask you to repay all or part of the *balance owing* for the *mortgage facility* and all other amounts owing to us in connection with the *mortgage facility* at any time. If we do so, you must immediately pay the amount we demand.
- 7.13 Before we discharge any *security*, you must pay all fees and costs payable in connection with the final settlement of your *mortgage facility* (such as discharge fees and costs).

8. Prepayment

Prepayment

- 8.1 You may prepay all or part of the *mortgage facility* if:
- The prepayment amount complies with any minimum or maximum amount we specify;
 - You prepay only part of the *loan*; you maintain a minimum loan balance we specify;
 - When you prepay, you also pay all accrued but unpaid interest, fees and costs in connection with the *mortgage facility* and
 - You comply with any other requirements stated in the *banking agreement*
- 8.2 An amount prepaid reduces the remaining instalments due in *reverse order* by the amount prepaid.

Right to Reborrow

- 8.3 You may only reborrow an amount prepaid if our *letter of offer* states that the mortgage facility permits reborrowing (known as a revolving loan) and if you satisfy any conditions, we require to permit reborrowing.

9. Review, cancellation, termination, suspension

In addition to the terms below, our Client terms and the *letter of offer* set out our right to review the terms of your *mortgage facility*, when you and we may end or suspend your use of any *product*. The Client Terms also set out what you need to do if that happens (including immediate payment of the *balance owing* for the *mortgage facility*) and our enforcement rights. See, for example, Parts A and H of the Client Terms.

- 9.1 You may cancel a mortgage facility by [giving us three months' notice in writing].
- 9.2 We may at any time cancel or reduce a *mortgage facility* by giving you written notice. If we do so, you must repay the balance owing within the time we specify. This may include combining it with an existing *mortgage facility* we provide to you.

PART C - General

10. Mortgage Insurance

This clause applies as we require you to take up mortgage insurance such as *Mortgage Protection* for the *mortgage facility*. In certain circumstances it provides protection for loss we may suffer in connection with your *mortgage facility*. This clause is in addition to the "insurance" clause in the Client Terms.

Insurance application

- 10.1 Insurance application: You may apply to an insurer approved by us, or an insurance company of your choice that is licensed by the Insurance Regulatory Authority (IRA).
- 10.2 You and the security provider acknowledge that if the insurer decides whether or not to issue the mortgage insurance, we need not do anything to ensure that the insurer issues the requested mortgage insurance.
- 10.3 The terms of the *mortgage insurance* will be set out in the certificate of insurance issued to you by the insurer and the letter of offer. You should read the *mortgage insurance* terms carefully to ensure that it provides you with the necessary cover. Please note that your insurance does not take effect until the insurer issues you the certificate of insurance.

Amount you must pay

- 10.4 If we ask, you must pay to us any amounts which we are required to pay to the insurer in connection with the *mortgage insurance*, when we ask you to do so and within the time we specify. This may be before the amount is due to the insurer.
- 10.5 If we allow you to finance the *premium amount* out of drawdown proceeds, we apply part of the

loan towards payment of the *premium amount* instead of collecting the *premium amount* from you as a lump sum. You must repay this amount to us in the same manner as the rest of the *loan* under the *mortgage facility* or in any other manner we determine.

10.6 The bank will arrange and pay for your insurance premium for domestic package policy for the current year and any subsequent year(s) and load the amount paid to the insurance service provider to your outstanding mortgage balance in case(s) where you are not able to make the insurance premium in time as advised from time to time by the bank, due to lack of funds to avoid your insurance policy from lapsing. The premium amount loaded to the mortgage will accrue interest at the same rate as the outstanding mortgage and may increase the monthly loan repayment for a period of 12 months.

10.7 You must reimburse us for all costs which we incur in connection with the mortgage insurance (including making claims against it).

Acknowledgements

10.8 You and the *security provider* acknowledge and agree that in connection with any *mortgage insurance*:

- The insurer decides whether or not to provide the *mortgage insurance*;
- We are not responsible for ensuring that your *application* for the *mortgage insurance* is accepted by the *insurer*; and
- We are the beneficiary under the *mortgage insurance*.

Surrender policy

10.9 If the *mortgage insurance* is surrendered because all amounts owing under the *mortgage facility* have been paid in full by either you or a *security provider*, the insurer may pay us a portion of the premium amount as the surrender value which we may pay to you. However, we do so only if the *premium amount* has not been financed out of drawdown proceeds.

10.10 If the *mortgage insurance* is terminated for any other reason, we may require that the *surrender value* is applied to reduce the balance owing of the *mortgage facility*.

11. Inspection of property

You must do everything necessary to allow us or our authorised representatives to inspect the *property*. Unless there is an emergency, we give you reasonable notice before we carry out an inspection. You must pay all costs incurred by us in connection with any inspection (including travel and accommodation expenses).

12. Representations and warranties

You represent and warrant that;

- 12.1 Your obligations under each of our banking agreements and any *security* (and the obligations of any *security provider*) are valid, binding and enforceable and neither you nor any *security provider* will be in breach of any law, authorisation, document or agreement by entering into or complying with obligations or exercising rights under any of our banking agreements or any *other arrangement* with us;
- 12.2 All the information given by you or any *security provider* (or on your or their behalf) is correct, complete and not misleading and each representation made by you to us is correct and not misleading.

13. Termination

We may end any (or all) of our banking agreements for a product, with or without notice to you, if:

- Any security or insurance we require in connection with a product is or becomes unenforceable or is withdrawn or terminated without our consent; or
- You or any *security provider* becomes insolvent or any of your or their assets are subject to insolvency proceedings; or
- You or any *security provider* dies or becomes incapacitated; or
- You or any *security provider* stops payment, ceases to carry on its business or a material part of it or threatens to do so; or
- You or any *security provider* acts fraudulently or dishonestly.

Part D – Meaning of words

14. Meaning of words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client Terms, the definition in these terms applies for the purposes of a *mortgage facility*.

Limit means, for a *mortgage facility*, the limit set out in the *letter of offer* for the *mortgage facility*.

Loan means the outstanding principal amount of all drawdowns under a mortgage facility.

Mortgage facility means each mortgage loan or we make available to you under these terms as stated in our *letter of offer*.

Property means the property the subject of the *security* for your *mortgage facility*.

CREDIT CARD TERMS

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *credit card products*. **You must read it in conjunction with our Client Terms**, product brochure and any other documents forming our banking agreement. To the extent of any inconsistency between these terms and our Client Terms, these terms prevail. These terms do not apply to any existing credit card products you have with us to the extent that they are subject to separate terms and conditions.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

1. Choosing the product that is right for you

We offer a variety of *credit card products* designed to suit your personal banking needs. The particular types of *credit cards* we offer are set out in the *product brochures*. If you need us to explain any of the features of, or the terms applying to, any *credit cards*, please contact us.

2. The credit cards

Issue of credit cards

2.1 We may issue a *credit card* to you, and if you ask, to each *supplementary cardholder*.

Collection

2.2 We send the *credit card* (and any replacement *credit card*) to your address last notified to us unless you notify us in writing that you want to collect the *credit card* from us.

Activation procedures

2.3 Each cardholder must comply with any activation procedures notified from time to time.

Using the credit card

The terms of our banking agreement apply to each use of a *credit card*. If a *cardholder* does not agree with those terms, they should not sign or activate the *credit card* or carry out any transaction

The *credit card* may be used outside Kenya to withdraw cash from the *Automated Teller Machines* operated by members of VISA (which machines shall be identified by logo of 'VISA') and to purchase goods from *merchants* equipped with *point of sale terminals*, identified by the logo of 'VISA'.

Certain *point of sale transactions* may be initiated by tapping or waving the card on the *POS terminal* or *Automated Teller Machine*. Transactions below KES 2,500 may or may not require the *Cardholder(s)* to input a *PIN* subject to the specific limits set in the country. This limit may change from time to time. *Transactions* initiated by tapping shall be debited to the Client's *credit card*.

2.4 You accept the terms of our banking agreement when you first use the *credit card*.

2.5 You must ensure that only the person issued with a *credit card* uses it.

Supplementary cards

- 2.6 We send any *supplementary cards*, their *PIN/password* and all communications relating to them to you.
- 2.7 Any communication we give to you or any *supplementary cardholder* is taken to be given to all of you.
- 2.8 You and each *supplementary cardholder* agree to be bound by the instructions that any of you give us.

Corporate cards

- 2.9 If you have a corporate card, you are jointly and severally liable with your employer for any *balance owing* on your *corporate card*.
- 2.10 Your employer may give instructions in connection with, ask us to terminate or ask us to change the *credit limit* of your corporate card.

Co-brand cards

- 2.11 We may convert a *co-brand card* to another type of credit card.
- 2.12 We are not liable for any representations, promotions or obligations made by a business alliance partner.

Card issued by special arrangement

- 2.13 If the *credit card* is issued as part of a special arrangement with an association, we may:
- Disclose information in connection with our banking agreement to the association and
 - If you end our banking agreement your relationship with the association also ends. See clause 10.3 for more information.

3. Credit limit

Credit limit

- 3.1 We notify you of the *credit limit* when your *application* has been approved. We may vary the *credit limit* at any time. We may consider the latest income information you have given us in connection with any product when varying the *credit limit*.
- 3.2 The *credit limit* is an overall limit that applies to all *credit cards* issued on an account or to you.

Exceeding your credit limit

- 3.3 It is your responsibility to ensure that the credit limit is not exceeded.
- 3.4 In calculating whether the credit limit has been exceeded, we may take into account:
- Any transaction made using the *credit card*, but which has not been debited from the *account* for a credit card; and

- Any authorisation we have given to a third party in connection with a proposed transaction using the *credit card*.

Credit limit exceeded

- 3.5 If you exceed the *credit limit* or any temporary *credit limit* extension has expired, you must immediately pay us that part of the *balance owing* for the account for the *credit card* which exceeds the *credit limit* in addition to any payment we require.

4. Cash advance

How to obtain a cash advance

- 4.1 You may obtain a cash advance using your credit card through the SC Mobile App, online banking, at one of our branches and other financial institutions displaying the logo of a card association and any VISA or MasterCard **Automated Teller Machine**.

Maximum limit on cash advance

- 4.2 A *cash advance* is only available up to the maximum amount the person providing the advance permits. For details of the maximum amount we permit contact us.

5. Balance transfer

- 5.1 If you ask, we may permit a *balance transfer* subject to any conditions we specify.
- 5.2 You should continue to make any required payments to the account from which you transfer a balance until we confirm that the account has been credited. We are not liable for any overdue payment or interest incurred relating to the account from which you transfer a balance.
- 5.3 Any payment made on your *account* for the *credit card* will first be applied to reduce the *balance transfer* before any other *balance owing*.

6. Interest, fees and charges

- 6.1 Interest, fees and charges (including finance charges, cash advance fees, over limit fees, annual fees and administrative fees) are set out in the *product brochure* and the *tariff sheet*.
- 6.2 Unless otherwise specified, interest is calculated on the basis of a 360 day year or such other basis we choose.
- 6.3 Interest is charged until the date the *balance owing* is paid in full.
- 6.4 You must pay all costs such as debt collection fees we incur in connection with the *credit card* on demand.

7. Liability

General

7.1 You are liable for:

- Any failure by you or any *supplementary cardholder* to comply with the terms of our *banking agreement*;
- All transactions made using a *credit card* (including any *supplementary card*) except for disputed transactions where you prove otherwise in accordance with clause 18 of the Client Terms;
- The *balance owing* for the account for a *credit card* (including all amounts debited and credited to the account for the *credit card* by any *supplementary cardholder*);
- Any transactions where we could otherwise have exercised chargeback rights if you do not notify us of the transactions and provide any further documents or information we require within the time periods required; and
- All transactions made using a *credit card* (except when your credit card is lost or stolen), subject to clause 7.2.

Lost credit cards

7.2 If the credit card is lost or stolen; and you have not acted fraudulently or with gross negligence; and you have complied with the procedures set out in the Security Procedures section in our Client Terms, then, even though you are liable for the use of the credit card before we receive notice that it is lost or stolen, you will not be liable for use of the credit card up to a maximum of KES 200,000 per event and a maximum of KES 400,000 per annum, provided that:

- You notify us in writing within 24 hours of the loss or theft
- You assist in the recovery;
- You furnish to us a statutory declaration in the format that we require or a police report together with any other information we may require; and
- We are satisfied that the loss, theft or disclosure of the *credit card* or the PIN is not due to your negligence or default.

You agree that these limits may vary from time to time.

7.3 You will not be liable for any transactions made using the *credit card* after we have received your notification in writing.

7.4 If the *credit card* is recovered, you must not use the *credit card* and immediately return it to us cut in half.

- 7.5 We may (but need not) issue you a replacement *credit card* or new PIN on terms and conditions we may deem fit.
- 7.6 Where one of you is a minor, any other *cardholder* must procure compliance of all the minor's obligations under our banking agreement.

Liability of supplementary cardholders

- 7.7 Each *supplementary cardholder* is liable for transactions made using their *supplementary card*.

Disputes between you and supplementary cardholders

- 7.8 Our rights and obligations relating to you and each *supplementary cardholder* are not affected by any dispute or claim you and the *supplementary cardholder* may have against each other.

Purchase of goods

- 7.9 We are not liable for:

- The refusal of any *merchant*, financial institution or other person to accept the credit card; and
- Any defect or deficiency in goods or services supplied to you by any merchant, financial institution or other person.

You must resolve any complaint against any merchant, financial institution or other person and no claim against any of them may be set off against us.

Third party services offered with credit cards

- 7.10 Some types of *credit cards* give you access to services provided by third parties. For example, if you hold a Visa Gold Card, Visa Platinum Card or Visa Infinite Card you may have access to the International Emergency Assistance Service. You are liable for the cost of any medical, legal or other services provided under these third party services. You acknowledge that the third party service providers do their best to provide the services to *cardholders* and that the services may not always be available (for example, because of time, distance or location). Neither we nor the third party service provider, or in the case of the above example, Visa International Service Association, is liable to you for any loss in connection with any service or its unavailability.
- 7.11 We are also not liable to holders of a *credit card* with access to Emergency Cash Withdrawal for any loss they suffer if we are unable to give immediate effect to an Emergency Cash Withdrawal, replacement card or any other facilities we offer in connection with the *credit card*.

The Client Terms include additional provisions relating to your liability to us and exclusions or limits on our liability. See, for example, "You indemnify us" and "Exclusion of liability".

8. Additional services for your account

- 8.1 We may offer additional services for your account. These may include reward programmes, rebate or mileage programmes, redemption schemes, *balance transfer* schemes, funds transfer programmes, payment arrangements, *card* protection and any other services we advise you or which are otherwise available from time to time. You can find out more about available services by contacting us.
- 8.2 If you sign up for additional services, you are bound by the terms of the additional services. To the extent of any inconsistency between the terms of the additional services and our banking agreement, our banking agreement prevails unless the terms of the additional services specify otherwise.
- 8.3 For details of any reward or other loyalty programme applying to the credit card please refer to our website or contact us.

9. Payments

Payment by due date

- 9.1 On or before the due date set out in the statement we issue for your *credit card*, you must pay at least the minimum payment due as set out in the statement.
- 9.2 Your liability to us remains even if, for any reason, you do not receive your periodic statement.

Calculation of minimum payment

- 9.3 We calculate the minimum payment in accordance with our usual practice. Please refer to your statement or contact us for further information.

Currency of transactions

- 9.4 If any transaction made using the credit card is not denominated in Kenya Shillings, we convert the amount of the transaction to Kenya Shillings in accordance with our usual practice and our banking agreement.

How we apply payments

- 9.5 We may (but need not) apply payments we receive to pay:
- Fees, charges and interest shown on any statement; then

- Any balance subject to a promotional interest rate with payment first being applied to the balance with the lowest promotional interest rate; then
- Any other balance shown on the statement; then
- Other transactions on the *account* not shown on the statement.

What happens if you do not pay

- 9.6 If we do not receive the *balance owing* for the *account* for a *credit card* on or before the due date we may charge and debit from the account for a credit card finance charge as set out in the *tariff sheet* or elsewhere in our banking agreement.
- 9.7 If we do not receive the minimum payment on or before the due date:
- You must pay a late payment charge as set out in the *tariff sheet* or elsewhere in our banking agreement;
 - You must not use the *credit card* until the minimum payment has been paid;
 - We may suspend your use of the *credit card*.

Payment in full if we ask

- 9.8 Despite any other term of our banking agreement, at any time we may demand immediate payment of any amounts owing to us, whether or not already reflected in a statement and whether or not due and payable as at the date of the demand.
- 9.9 Interest is payable on the amounts referred to in clause 9.8 and is calculated in the same way interest is calculated on *cash advances* on your account and on the basis that it accrues daily, starting from the date of our demand and ending on the date of payment in full.

Refunds to the credit card account

- 9.10 We only credit a refund to the account for a credit card in connection with:
- A transaction made with the *credit card*; or
 - A payment to the account for the *credit card*; or
 - Any other credit owing to you,
 - When we receive the amount to be credited in Kenya and in accordance with our usual practice.

Statement

- 9.11 If you think there is an error on your statement you must notify us in writing with details of the error within 30 days

after the date of the statement. If you do not do so, we treat the statement as correct.

- 9.12 We need not issue a statement for your *credit card* if no transaction has been recorded on the *account* for your *credit card* since the previous statement.

10. Cancellation and termination

How to terminate

10.1 At any time, we may choose to:

- Cancel or suspend your right to use the credit card or end the account for a credit card;
- Refuse to authorise any transaction for which you want to use the credit card; and
- Refuse to re-issue, renew or replace the credit card, without giving you any prior notice or reason.

10.2 At any time, you may end the account for a *credit card* by notifying us in writing.

What happens if the account is terminated

10.3 If you or we end the account for a *credit card*:

- You and any *supplementary cardholder* must not use and are not entitled to use the *credit card* (including any supplementary card) or any benefits in connection with the credit card (including any *supplementary card*);
- You and any *supplementary cardholder* must cut the *credit card* (including each *supplementary card*) in half so that the magnetic strip and hologram are no longer intact; and
- You must immediately pay all amounts owing to us in connection with the *credit card* (including any *supplementary card* and the balance owing for the account for the credit card). Interest is payable on such amounts and is calculated in same way interest is calculated on cash advances on your account and on the basis that it accrues daily, starting from the date you or we end the account for a *credit card* and ending on the date of payment in full.

Termination of use of supplementary card by cardholder

10.4 Either you or a *supplementary cardholder* may end the use of a *supplementary card* by:

- Notifying us in writing; and
- Cutting the supplementary card in half so that the magnetic strip and hologram are no longer intact and return the *supplementary card* to us.

10.5 If the *supplementary card* is not returned to us, we may take prompt action in accordance with our procedures applicable to lost cards to prevent further use of the *supplementary card*. You may be liable for any transactions made using the *supplementary card* until it has been returned or until we are able to implement the procedures which are applicable to lost cards. We may impose any charges incurred from implementing such procedures.

11. Variation

11.1 If you are not comfortable with any changes, we make to our banking agreement, you may terminate the *account* for a *credit card* in accordance with the procedure in clause 10.

11.2 If we notify you of any changes to our banking agreement in accordance with any applicable law and you keep or use the *credit card*, the *account* for the *credit card* or the *PIN/password*, you are taken to have agreed to the changes.

12. Suspicious transactions

12.1 We need not honour suspicious transactions (and need not notify you if this is the case).

12.2 We may publish any information in connection with the *credit card* in the warning bulletin notifying the *merchants* to seize the *credit card*. We need not give any reason for doing so.

12.3 We may block the *account* for a *credit card* if we consider there is any reason for doing so.

13. Meaning of words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client Terms, the definition in these terms applies for the purposes of *accounts* for the *credit cards*.

Balance transfer or **funds transfer** means a transaction where we debit an amount you specify from your *credit card* and pay the amount to another *credit card* or credit line or any bank account belonging to you or a *supplementary cardholder* with other card or credit line or bank account, whether with us or another financial institution, but excluding any *credit card* or credit line with us.

Cash advance means cash issued in any currency obtained by using the *credit card*.

Co-brand card means a card issued by us in conjunction with a business alliance partner.

Corporate card means a *card* issued on the request of a company and to the company's

individual employee in accordance with an agreement between the company and us.

Credit limit means, for an *account* for a *credit card*, the maximum amount you are entitled to have outstanding on the account for the *credit card*.

Minimum payment due or **MPD** means the minimum monthly repayment amount due and payable on the outstanding balance of your *credit card* accounts. The *minimum payment due* for any particular month is calculated based on the formula set out in the Credit Card Tariff Sheet, and reflected in your monthly statement of account.

Our banking agreement means the agreement between you and us formed when we accept an *application* from you, the terms of which include our Client Terms and these terms.

Overlimit amount means the balance amount in excess of the combined credit limit, and is payable immediately in addition to the *minimum payment due* for the month.

Past due amount means any part of the *minimum payment due* which was due and payable in the preceding month, but left unpaid by the next Statement Date.

Principal means the *balance owing* on your credit card accounts excluding interest, fees and charges. For the purposes of calculating the *minimum payment due*, *principal* includes any annual membership fee when it is due.

Supplementary card means, for an *account* for a *credit card*, a *credit card* issued to a person you authorise as a supplementary cardholder on your *account* for the *credit card*.

Supplementary cardholder means each person to whom we issue a *supplementary card*.

PERSONAL LOANS

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *term loans and line of credit overdraft products*. **You must read it in conjunction with our Client Terms, the *product brochure* and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail and if there is any inconsistency between the *approval* and any other part of our banking agreement, then the terms in the *approval* prevail. These terms do not apply to any existing personal instalment loan, personal revolving loan or line of credit/overdraft products you have with us to the extent that they are subject to separate conditions.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To find out information (such as current fees and interest rates or if you need us to explain features or terms) in connection with our *products*, you should contact us at one of our branches, by using phone banking +254-(0)20-3293900 or +254 703 093 900 or by visiting our website www.sc.com/ke

Part A - Loans

1. Choosing the Personal loan that is right for you

You should contact us (see contact details under "How to contact us" at the front of these terms) to discuss how we may be able to structure your *loan* to suit your personal banking needs. We can also explain any of the features of, or the terms applying to, any loan product.

2. The loan

We must provide the loan

- 2.1 If we issue an *approval*, we agree to provide a loan up to the *limit*. The *limit* may be different from the limit you asked for in your application.
- 2.2 You agree that we may approve or decline your application for credit at our discretion. We may grant you a lower loan amount than the amount applied for. In such an event, you agree that we may proceed and credit your account only if the lower loan amount is not less than seventy per cent (70%), or other percentage determined by us, of the full sum of loan amount you applied for. You agree that we will notify you of the approved amounts via telephone or email in such an event.

Purpose

- 2.3 If our *approval* sets out a purpose for which the *loan* must be used, you must use the *loan* only for the purpose or as otherwise approved by us. However, we are not responsible for monitoring the use of the *loan*.

Requesting funds

- 2.4 If you want us to provide you with funds, you may do so by a written request for a single drawdown. Your request must be made within a reasonable time before you need the funds.

Top up loan

- 2.5 If you ask, we may agree to provide a top up loan on terms we notify.

How we provide the loan

- 2.6 We provide the loan by depositing it into the nominated account.
- 2.7 Fees and charges that apply to the *loan* may be deducted from the *loan* before depositing it into the *nominated account*.

3. Interest, fees and charges

Interest

- 3.1 You must pay interest on the *loan* monthly in arrears at the rate set out in the *approval* or otherwise in our banking agreement or any other rate we determine.
- 3.2 Unless otherwise specified in our banking agreement, interest is calculated on a 30/360 day year basis.

- 3.3 Interest is payable on the dates set out in the approval or elsewhere in our banking agreement.
- 3.4 If we vary the interest rate, we will give you notice of the effective date of the revised interest rate. We may notify you by public announcement in daily newspapers, a notice in our branches including details in the statement for the *loan*, *email communication*, *SMS* or *through our website*. You accept such notification as adequate.

Fees and charges

- 3.5 The fees and charges for the *loan* are set out in the *approval* or *tariff guide* or are available by contacting us.

4. Repayment

Repayment by instalments

- 4.1 You must repay the *loan* in instalments. We will notify you the amount of the instalment and each instalment payment date.
- 4.2 Any *balance owing* on your *loan account* (after payment of all instalments) must be repaid on the final payment date we notify you.
- 4.3 The instalments are payable even if you do not withdraw any of the loan funds we deposit in the *nominated account*.
- 4.4 If we vary the interest rate on the *loan*, we may vary the instalment amount and/or the number of instalments.
- 4.5 You agree that if you are offered a foreign currency loan facility and you no longer earn in foreign currency [USD/GBP/EUR], we will convert the loan facility to Kenya Shillings at the exchange rate on the day the loan is converted with prior notice to you.
- 4.6 You are aware that Foreign Currency lending may be priced with reference to a benchmark rate. Please note that there is a risk that such benchmark rate may be discontinued, or the methodology, formula or other means of determining such benchmark rate may materially change to make it no longer appropriate for the purposes of calculating interest, prior to the termination of any such credit facility or the maturity of loans under such credit facility. If such benchmark rate is discontinued or no longer appropriate for the purposes of calculating interest, the Bank may substitute that benchmark rate with a standard market interest rate (please see clause 36.18 on the Client Terms). If a substitute interest rate is used, it is possible that such substitute interest rate may result in a change to the amounts that would otherwise have been payable under the credit facilities and the methodology of calculation with respect to the substitute interest rate may change relative to

the methodology of calculation for the original benchmark rate.

Timing for the discontinuation of different benchmark rates may differ. In addition, the discontinuation of a benchmark rate may result in a mismatch between the interest rate of a credit facility and other financial instruments, including potentially those that are intended as hedges.

- 4.7 We advise you of the manner in which you must repay the instalments. For example, we may ask you to nominate an account for repayment by direct debit with the bank or any other bank or from deduction at source by your employer and give us documents to facilitate direct debit from the nominated account.
- 4.8 You must comply with our requirements for the relevant payment method, including any set out in this clause.

Payment in full if we ask

- 4.9 Despite any other term of our banking agreement, at any time we may demand immediate payment of the *loan* in full, together with all accrued but unpaid interest, fees and costs in connection with the *loan*.

What happens if you do not pay?

- 4.10 If you do not make an instalment on or before the relevant due date;
- The *loan* plus all accrued but unpaid interest plus any other sum due to us is immediately due and payable.

How we apply payments

- 4.11 We may use amounts we receive from any of your instalments to pay interest and to reduce the principal amount you owe us or to pay amounts you owe us in any order we choose. For example, we may allocate a higher proportion of any one or more of your instalments to interest rather than to the principal amount you owe us.

5. Prepayment

- 5.1 You may prepay all or part of the loan if:
- When you prepay, you also pay all accrued but unpaid interest, fees and costs in connection with the loan. If you prepay the loan, no early settlement fee is payable. The amount of each instalment is not adjusted.
 - When you prepay, you must specify whether you want the amount prepaid to be credited to your account for the loan as payment for the next instalment or to make the remaining instalments due in reverse order by the amount prepaid.

Right to re-borrow

- 5.2 You may only re-borrow an amount prepaid if our *approval* indicates that the loan permits redraw (known as revolving loan) and if you satisfy our usual conditions for permitting re-borrowing. Any amount you re-borrow forms part of the *loan*.

6. Statements

We issue an e-statement to you with such frequency as required by law or upon demand by you.

7. Additional services for your Personal loan

- 7.1 We may offer additional services for your *loan account*. These may include balance transfer programmes, funds transfer programmes and any other services we advise you or which are otherwise available from time to time. You can find out more about available services by contacting us.
- 7.2 If you sign up for additional services, you are bound by the terms of the additional services. To the extent of any inconsistency between the terms of the additional services and our banking agreement, our banking agreement prevails unless the terms of the additional services specify otherwise.

8. Cancellation

Our Client Terms set out when you and we may end your use of any *product* and what you need to do if that happens. This includes immediate payment of the *balance owing* on your loan *account*. This clause sets out additional circumstances in which you may cancel the loan.

You may cancel the loan by giving us reasonable notice in writing.

If at the time of cancellation you will have utilised some of the loan amount, you pay that amount utilised plus any interest due on the amount utilised.

9. Instructions

Our Client Terms set out provisions on how we may receive any instructions from you including your indemnity to the Bank on relying on such instructions

Part B – Personal line of credit/ Salary overdraft

10. Choosing the overdraft that is right for you

You should contact us to discuss how we may be able to structure your *line of credit/overdraft* to suit your personal banking needs. We can also explain any of the features of, or the terms applying to any *line of credit/overdraft*.

11. Your limit

Limit

11.1 You may only draw on a *line of credit/overdraft* up to the *limit*. We may cancel or vary the *limit* at any time. We may consider the latest income information you have given us in connection with any *product* when varying the *limit*.

Exceeding the limit

- 11.2 Sometimes we may allow you to draw in excess of the limit. If we allow you to do so:
- This is not a waiver of our right to require your line of credit/overdraft to be maintained within the limit;
 - You must pay the excess immediately; and
 - A higher interest rate is payable on the excess until it is repaid (see clause 11).

12. Using your line of credit/overdraft

12.1 We make funds available to you through the *account* for the *line of credit/overdraft* in accordance with our usual practice. This must be an *account* of a type we specify which must be maintained at all times for the purposes of our *line of credit/overdraft*. We may change this *account* at any time for any reason.

12.2 Unless otherwise agreed, a *line of credit/overdraft* is approved for a term of up to 12 months (and may be renewed by us at the end of that period). However, this is subject to the terms of our banking agreement. For example, see clause 14.6 ("Payment in full if we ask" below and review clause of the Termination, Suspension and enforcement section of the Client Terms).

13. Interest, fees and charges

Interest

13.1 We charge interest on that part of the *balance owing* for the *account* for the *line of credit/overdraft* which is within the *limit* at the rate set out in the *approval* or any other rate we determine.

13.2 Interest may be charged at different rates for different parts of the *balance owing* on a *line of credit/overdraft*.

13.3 Unless otherwise specified in our banking agreement, interest is calculated on the basis of a 365-day year.

Minimum interest amount

13.4 If the interest payable is less than any minimum interest amount we specify, you must pay the minimum interest amount instead.

Default interest

13.5 If the *balance owing* exceeds the *limit* (with or without our *approval*), we charge interest on that excess at the *default rate* (which is higher than the usual interest rate). The default interest rate shall be the sum total of the Base Rate set out in our approval or any other rate we determine from time to time plus a margin.

13.6 We also charge interest at the *default rate* on any overdue amount (including if you do not pay the minimum monthly repayment when due).

When interest is payable

13.7 Interest is debited from the *account* for the *line of credit/overdraft* monthly in arrears or at any other times we determine.

Fees and charges

13.8 The fees and charges for your *line of credit/overdraft* such as processing fees, commitment fees and renewal fees are set out in the tariff guide or elsewhere in our banking agreement.

No credit interest

13.9 No interest is payable on any credit balance in an account for a line of credit/overdraft.

14. When you must repay

We may ask you to repay all or part of the *balance owing* for the *account* for the *line of credit/overdraft* at any time. If we do so, you must immediately pay the amount we demand.

15. Repayment

Minimum monthly repayment

15.1 On or before the due date set out in the statement we issue for a *line of credit/overdraft*, you must pay the *balance owing* for the *account* for the *line of credit/overdraft* as set out in the statement.

Calculation of minimum monthly repayment

15.2 We calculate the minimum monthly repayment in accordance with our usual practice.

Methods of repayment

15.3 We advise you of the manner in which you must repay any repayment on the *line of credit/overdraft*. For example, we may ask you to nominate an account for repayment by direct debit and give us documents to facilitate direct debit from the nominated account.

15.4 You must comply with our usual requirements for the relevant payment method, including any set out in this clause.

15.5 The proceeds of any payment instruction are taken into account in determining the funds available for drawdown on your line of credit/overdraft only after the payment instrument is cleared.

Payment in full if we ask

15.6 Despite any other term of our banking agreement, at any time we may demand immediate payment of the balance owing for the account for the line of credit/overdraft.

What happens if you do not pay

15.7 If we do not receive the minimum monthly repayment on or before the due date:

- You may not use the line of credit/overdraft until the minimum monthly repayment has been paid; and
- We may suspend your use of the line of credit/overdraft.

16. Right to re-borrow

You may only re-borrow an amount repaid if:

- The *balance owing* on the *account* for the *line of credit/overdraft* does not exceed the *limit*; and
- You otherwise satisfy our usual conditions for permitting re-borrowing.

Any amount you re-borrow forms part of the *line of credit/overdraft*.

Part C – Meaning of words

17. Meaning of words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client Terms, the definition in these terms applies for the purposes of loans and *lines of credit/overdrafts*.

Limit means, for a personal *loan* or a *line of credit/overdraft*, the limit set out in the *approval* for the *product* (as we may vary at any time).

Line of credit/overdraft means a personal line of credit we make available to you under Part B of these terms.

Loan means the outstanding principal amount of each drawdown of a loan made under Part A of these terms. It includes a top up loan.

Our banking agreement means the agreement between you and us formed when we accept an *application* from you, the terms of which include our Client Terms and these terms.

AUTO LOANS

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *Auto loan facilities*. **You must read it in conjunction with our Client Terms and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To find out information (such as current fees and interest rates or if you need us to explain features or terms) in connection with our *products*, you should contact us at one of our branches, by using phone banking +254-(0)20-3293900 or by visiting our website www.sc.com/ke

Part A - Getting Started

1. Application

When you decide on the vehicle that suits you, you need to fill in an application and give us any other documents or information we require to assess the application.

2. Pre-conditions to use

2.1 Before you can use an *Auto loan facility* you must:

- Provide us with all documents requested, (if any) in the form and substance that we require.
- Have opened or maintained a nominated account or any other account we specify with us. This account must be maintained at all times for the purposes of the *Auto loan facility*.
- Perform or undertake all the conditions of sanctions of advance under clause 10 in the form and substance required by us and to our satisfaction.
- Provide us with proof of payment of owner's equity into the designated account with us.
- Have paid all costs of our service providers (such as lawyer's cost) in connection with the *Auto loan facility*.

2.2 We need not provide any funds to you or otherwise allow you to use the *Auto loan facility* if:

- Any of the circumstances in clause 2 (Preconditions to use of any product) or the Client Terms exists;
- The results of any searches, requisitions or other enquires in connection with you or the motor vehicle are not in form and substance satisfactory to us or our lawyers;
- Circumstances have arisen resulting in our failure to perform our obligations hereunder caused by reasons beyond our control or resulting directly or indirectly from the action or inaction of the Government, any Government Authority or any strike, boycott, blockade, Act of God, revolution or civil disturbance.

3. Limit

If we issue an approval, we agree to provide a loan up to the *limit*. The *limit* may be different to the *limit* you asked for in your application. We may cancel or vary the *limit* at any time.

Part B – Auto Loans – General

4. Grant of Credit Facilities

Standard Chartered Bank Kenya Limited (hereinafter referred to as the "Bank" or "Us" or "We") may approve or decline an application for the *Auto loan facility* at its absolute discretion.

The Bank is not obliged to disclose any reasons for decline or approval of an application.

5. Funding

Purpose

5.1 The facility shall be used solely for the purpose of purchasing a motor vehicle the particulars of which shall be captured and set out in the *application*. However failure to comply shall not prejudice any rights of the Bank, which shall not be responsible for monitoring or ensuring the use or application of the credit facility.

How we provide the funds

- 5.2 We pay the funds directly to the car dealer or the dealer's agent, except to the extent that we may require otherwise. You must provide us with receipts from the car dealer within two weeks of release of the funds to the dealer.
- 5.3 We may provide the funds by depositing it into the car dealer's *nominated account*.
- 5.4 Fees and charges that apply to the *Auto loan* may be deducted from the loan before depositing it into the nominated account.

6. Interest, fees and charges

Interest – general

- 6.1 You must pay interest on the *loan* monthly in arrears (or as otherwise set out in our *approval* or offer) at the rate set out in our approval or at any other rate we determine from time to time plus a margin. The interest rate we charge cannot be less than 0% per annum at any time.
- 6.2 Unless otherwise stated elsewhere in our banking agreement, interest is calculated on a 30/360 day year basis.
- 6.3 Interest is payable on the dates set out in the *approval* or otherwise in our banking agreement.
- 6.4 Interest is charged to your account on the last banking day of each month and on the day when all amounts owing in connection with the *Auto loan facility* are finally paid (unless you have made arrangements with us otherwise).
- 6.5 We may vary the interest rate and the margin as we may determine from time to time. If we vary the interest rate, we will notify you of the effective date of the revised interest rate and give you 30 days' notice of the charge.

- 6.6 Should the rate of interest applicable to the facility change as herein above provided, we reserve the right to amend the remaining monthly instalments and/or the remaining loan period within which the repayment should be made.
- 6.7 In the event that any amount payable by you remains unpaid when it is due for payment in accordance with the provisions of these Terms, or if any sum due and payable by you under any judgement of any Court in connection herewith is not paid on the date of such judgement, you shall pay late payment interest at a rate to be advised by us over and above the rate of interest then payable by you, from the date on which such payment fell due to the date when payment is received. Interest shall be calculated and paid in the same manner as set out in clause 6.2 above.
- 6.8 You shall pay such commission and charges on the facility as may be agreed or as we may fix from time to time.

Fees and charges – general

- 6.9 General fees and costs for each *Auto loan facility* are set out in our *tariff guide*. They are also available by contacting us at any of our branches, by phone banking or by visiting our website.
- 6.10 Arrangement fees will be charged at 1% of the loan amount with the minimum amount being KES 10,000.00 to be recovered upfront on acceptance of the *Auto loan facility*.
- 6.11 By taking this auto loan, there will be both internal and third-party fees incurred while processing the auto loan. The internal fees include the arrangement fees which will be deducted from your account. The third-party fees include Comprehensive Insurance Cover, Valuation fees (where applicable) and car tracking device installation fees.
- 6.12 The Bank reserves the right to change such charges and fees as it will notify from time to time by publication in its tariff of charges. The tariff of charges will be displayed at its branches in Kenya, and a copy will be made available on our website www.sc.com/ke.
- 6.13 Where payments due from you are not received by the due date for the payment, the Bank reserves the right to charge overdue interest.

7. Facility term

- 7.1 The term of the *Auto loan facility* commences on the date of first drawdown and continues for the period that we notify you.

- 7.2 You understand that the number of instalments/ loan tenure may be more or less than the number stated in the application depending on the variation of the rate of interest chargeable.
- 7.3 The Bank reserves the right to change the loan tenure and/or the monthly instalment to adjust for interest changes affecting the Bank.

8. Repayment

- 8.1 You must repay the loan in monthly instalments. We will notify you the amount of the instalment and each instalment payment date.
- 8.2 If we vary the interest rate on the *Auto loan facility*, we may vary the instalment amount and the number of instalments. We may extend the term of the *Auto loan facility* rather than vary the instalment amount. If the maximum term is reached, we may vary the instalment amount. The right to vary instalments is in addition to our other rights to vary, as maybe set out in our banking agreements.

Methods of instalment repayment

- 8.3 The instalment repayment structure for the *Auto loan facility* is stated in the disbursement letter.
- 8.4 We advise you of the manner in which you must repay the instalments. For example, we may ask you to nominate an account for repayment by direct debit by us or any other bank or from deduction at source by your employer and give us documents to facilitate direct debit from the nominated account.
- You must comply with our requirements for the relevant payment method, including any set out in this clause.
- 8.5 All repayments by you under these Terms shall be paid in full without any set-off or counterclaim and (save in so far as required by the law to the contrary) free and clear of and without any deduction or withholding whatsoever.

- 8.6 If you ask, we may agree to defer a particular monthly instalment. If this happens, you must pay the additional interest which accrues on the deferred instalment amount on the final payment date we notify you.

Statements

- 8.7 We issue a statement to you annually or upon request by you for the *Auto loan facility*.

When you must repay in full

- 8.8 On the last day of the term, to the extent there is any balance owing for the *Auto loan facility*, you must repay that balance owing.
- 8.9 If you do not make an instalment on or before the relevant due date the loan plus all accrued but unpaid interest plus any other sum due to us is immediately due and payable.
- 8.10 On demand being made by us:
- You shall pay us all amounts outstanding on the date of payment together with interest thereon and all other costs charges and expenses due and payable to us hereunder or under the *security*.
 - Before we discharge the motor vehicle used as security, you must pay all fees and costs payable in connection with the final settlement of your *Auto loan facility* (such as discharge fees and costs).
- 8.11 You shall indemnify us against any loss that we may suffer as a result of granting the facility to you.

9. Events of Default

An event of default occurs where:

- 9.1 You fail to perform any of your obligations under these terms or under the Security;
- 9.2 Any representation or warranty made by you pursuant to the Security or any statement delivered or made pursuant to it is incorrect when made.
- 9.3 Any action is taken for or with a view to the bankruptcy of yourself or you become insolvent or are unable to pay your debts or enter into dealings with any of your creditors with a view to avoiding, or in expectation of, insolvency or stop or threaten to stop payments generally or an encumbrancer takes possession or a receiver is appointed of the whole or any material part of your assets.
- 9.4 If an event of default occurs at any time hereafter and if such event is continuing, the Bank may, without notice to you:
- Declare the obligations of the Bank to be terminated whereupon such obligations will terminate; and
 - Declare that the Security has become enforceable whereupon all amounts payable by yourself in respect of the facility hereunder and under the Security shall become immediately due and payable, all without diligence, presentment, demand for payment, protest or notice of any kind, all of which are hereby expressly waived by you.

The Bank in this case reserves the right to repossess the motor vehicle and sell the same

and apply the proceeds thereof towards the outstanding repayments. In the event of any shortfall arising from such sale, the Bank reserves the right to demand settlement of the said shortfall from you.

10. Prepayment

Prepayment

You may prepay all or part of the *Auto loan* if:

- 10.1 When you prepay, you also pay all accrued but unpaid interest, fees and costs in connection with the *Auto loan*. If you prepay the *loan*, no early settlement fee is payable, and the amount of each instalment is not adjusted.
- 10.2 When you prepay, you must specify whether you want the amount prepaid to be credited to your *account* for the *loan* as payment for the next instalment or to make the remaining instalments due in reverse order by the amount prepaid.

Disbursement

- 10.3 You understand and agree that the loan arrangement fee, insurance premium and other fees will be deducted from your loan and the balance paid out to the car dealer or to any third party that the bank has issued an undertaking to.
- The fees will be capitalized and financed, becoming part of your total loan.

11. Security

Security Registration

- 11.1 As security for the *Auto loan facility*, you shall ensure that the motor vehicle is registered in the joint names of you and us and shall deposit with us security documents or such other security as we may from time to time require securing the *Auto loan facility*.
- 11.2 While the motor vehicle is registered in the joint names of you and the bank, it is understood that this is purely to secure the motor vehicle to cover us and that any liability arising from accidents, illegal and/or criminal activities is your responsibility and you hereby indemnify us from such liability.

Salary Diversion

- 11.3 For non-scheme applicants the loan is provided on the basis that the applicant's salary will be deposited into SCB current account until the *Auto loan* is fully paid. Any transfer of the salary to any other account or the Bank will constitute an act of default which entitles the Bank to pursue legal action against the applicant.

Valuation

11.4 Determination of fair value of the vehicle value will be made by an independent valuer as appointed by the Bank.

You will be responsible for settling the valuer's fees directly prior to the disbursement of the loan.

11.5 Should the value of the motor vehicle upon the annual valuation required to be undertaken by you be diminished such that we deem it insufficient to cover the outstanding loan amount, we shall require you to provide additional security, such additional security to be given to us within twenty-one (21) days of us calling for the same.

12. Conditions of Sanction of Advance

Security Perfection

12.1 Securities must be perfected before drawdown of the facility;

Vehicle Registration

12.2 The motor vehicle must be registered in the joint names of you and the Bank;

Insurance cover

12.3 You must obtain a valid comprehensive vehicle insurance cover and assign the full market value with an insurance company approved by us, or an insurance company of your choice that is licensed by the Insurance Regulatory Authority (IRA). The Bank's interest must be duly noted on the insurance policy document

12.4 Where you do not obtain insurance cover, the Bank will arrange and pay for your insurance premium for the current year and load the premium paid to the insurance service provider to your outstanding auto loan balance. The premium amount loaded to the auto loan will accrue interest at the same rate as the outstanding loan and will increase the loan repayment for a period of 12 months.

12.5A comprehensive auto cover is calculated on gross replacement value which is adjusted annually to cover theft, fire, damages and third party liability through the Bank's approved insurance service provider or an insurance company of your choice licensed by the Insurance Regulatory Authority (IRA). You also understand and accept that where other causes of disability, fire and damage that are not covered by the insurer occur, you will continue to be liable for any shortfall in the full outstanding loan balance.

Security Tracking

12.6 You must ensure that a vehicle security tracking device is fitted to the motor vehicle and a certificate provided to us before disbursement of the facility;

Transfer Form

12.7 You must provide us with a signed transfer form for the joint motor vehicle registration of you and us.

Inspection of the Motor Vehicle

12.8 You must do everything necessary to allow us or our authorised representatives to inspect the motor vehicle for any reason. Unless there is an emergency, we give you reasonable notice before we carry out an inspection.

Representations and warranties

12.9 You represent and warrant that;- All the information given by you (or on your behalf) is correct, complete and not misleading and each representation made by you to us is correct and not misleading.

12.10 You shall not create any *Encumbrance* or permit any *Encumbrance* to subsist, arise or be created or extended over the motor vehicle.

12.11 You shall at all times comply with and observe all covenants duties and obligations contained in these Terms and in the *Security*.

13. Termination

13.1 We may end any (or all) of our banking agreements for *Auto loan*, with or without notice to you, if any *Security* or insurance we require in connection with a product is or becomes unenforceable or is withdrawn or terminated without our consent; or

13.2 You become insolvent or any of your assets are subject to insolvency proceedings; or

- You die or become incapacitated; or
- You stop making payments or cease to carry on business or a material part of it or threatens to do so.

Part C – General

14. Delivery

- 14.1 You will, at your own cost arrange for and take delivery of the vehicle from the supplier.
- 14.2 The Bank will not be liable for consequential damage or loss suffered by you or any person resulting from a failure to deliver the vehicle either timeously or at all.
- 14.3 The parties' record that you have selected the vehicle and that the Bank has no knowledge of the purpose for which the vehicle is required by yourself.

15. Use

- 15.1 You will at all times use the vehicle and ensure that the vehicle is used with due skill and care and in accordance with the manufacturer's recommendations (if any) and in compliance with any terms of any manufacturer's guarantee and will not use or permit it to be used for any purpose other than that for which it is designed.
- 15.2 You will be obliged to ensure at your own expense that all requirements of law relating to, possession or use of the vehicle are complied with, and in particular, without limitation, you will ensure that the vehicle is licensed, registered and insured in compliance with applicable law.
- 15.3 The vehicle shall not be removed from Kenya without the prior written consent of the Bank.

16. Maintenance and Repair

- 16.1 You will at your own expense :-
- Attend to any repair that may be necessary to keep the vehicle in good condition and proper and efficient working order.
 - Regularly maintain and service the vehicle in accordance with the manufacturer's specifications and/or recommendations.
 - All replacement parts used in the maintenance and repair of the vehicle shall be in strict accordance with the specifications of the manufacturer of the vehicle.

17. Motor Vehicle Insurance

- 17.1 You must ensure that the motor vehicle is comprehensively insured.
- 17.2 You may take the insurance through the Standard Chartered Insurance Agency Limited or use an insurer of your choice,

subject to our approval, in connection with your *Auto loan facility*.

- 17.3 The insurance should cover the full market value of the vehicle at all times and you must present to us certified copies of all insurance policies and any subsequent renewals. Our interest must be duly noted on the insurance policy document.
- 17.4 Upon expiry of any insurance cover, you shall within seven (7) days of such expiry deliver to us the relevant renewal advice failing which we shall be at liberty to effect such insurance cover and at your costs without further reference to you and recover the same as part of the outstanding principal with any amount paid by us.
- 17.5 You must reimburse us for all costs which we may incur in connection with the motor vehicle insurance (including making claims against it).

18. Indemnity

- 18.1 You hereby indemnify the Bank against any claims by any person whether for damages, consequential or otherwise, arising in any manner whatsoever out of these Terms concerning the vehicle, including but without derogating from the generality of the foregoing the failure to deliver the vehicle timeously or at all or arising out of the state, condition or quality of the vehicle, or arising out of fitness for its purpose, or the use, possession or enjoyment thereof by yourself.

19. Termination on Total Loss or Theft

- 19.1 The *Auto loan facility* shall terminate if the vehicle is lost or stolen and is not recovered within a period of 21 (twenty one) days of such loss or theft or if it is destroyed or damaged beyond repair. This termination does not exonerate you from the liability under the *Auto loan facility* until it is fully paid off.

20. Non-variation

- 20.1 The acceptance by you of any payment after cancellation of the *Auto loan facility* shall not be deemed to be a waiver of the Bank's rights or a novation or reinstatement hereof and the Bank's cancellation shall remain of full force and effect, such payment being conclusively deemed to be an amount paid by you on account of damages for wrongful holding-over or on account of liquidated damages.

21. Acknowledgements

- 21.1 You acknowledge and agree that in connection with any motor vehicle insurance the insurer decides whether or not to provide the motor vehicle insurance; we are not responsible for ensuring that your

application for the vehicle insurance is accepted by the insurer.

Set-off and consolidation

21.2 The Bank may at any time and without notice combine all or any of the applicant's accounts and liabilities with the Bank in Kenya (or elsewhere) whether singly or jointly with any person or set of all monies standing to the credit of such account(s) including the applicant's deposits with the Bank (whether matured or not) towards satisfaction of any of the applicant's liabilities to the Bank whether as principal or surety, actual or contingent, primary or collateral, singly or jointly with any other person and

21.3 The Bank may effect any necessary currency conversion at the Bank's own rate of exchange prevailing.

Standing Instructions

21.4 You consent that a standing instruction be set on your account to service the monthly repayment of your loan.

Waiver

21.5 No forbearance, neglect or waiver by the Bank in the enforcement of any of these Terms and Conditions shall prejudice the Bank's right thereafter to strictly enforce the same. No waiver by the Bank shall be effective unless in writing.

off, counterclaim, banker's lien or other encumbrance securing any obligation of any person;

Security means the security referred to in Paragraph 11 of these Terms and/or any security created or to be created by you in our favour in respect of the *Auto loan facility* and any other security that we may reasonably request from time to time.

Part D – Meaning of Words

Meaning of Words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client Terms, the definition in these terms applies for the purpose of each account for an Auto loan;

Limit means, for the *Auto loan facility*, the limit set out in the approval for the facility;

Auto loan facility means the motor vehicle loan (*Auto loan*) facility advanced to you;

Loan means the outstanding principal amount of all drawdowns under the *Auto loan facility*;

Client Terms means the terms and conditions applicable from time to time to the Bank's relationship with you, a copy of which has been previously made available to you and which are also available at any of the Bank's branches and on the Bank's website;

Encumbrance includes any mortgage, charge, pledge, lien, hypothecation, assignment by way of security, security interest title retention, preferential rights of set