



LOAN AGREEMENT AND ACKNOWLEDGEMENT

I, _____ holder of ID Card/Passport Number _____ and of Post Office Box Number _____ in the Republic of Kenya (hereinafter referred to as "the Borrower" which expression shall where the context so admits include my personal representatives and assigns) hereby confirm the following:-

Loan Amount	
Interest Rate % (per month)	
Loan Term	
Amount of each Instalment	
Total of Loan and Interest	

PART A: STANDARD TERMS AND CONDITIONS

- Effectiveness:** I confirm that this agreement shall become effective immediately it is signed by me.
- Disbursement:** I confirm that by signing this Agreement I authorize African Capital Ltd to disburse the amount borrowed as per the instructions given in Part VI of my Loan Application Form.
- Commencement:** I confirm that the commencement date from which the Loan term is computed shall be the Disbursement Date.
- Repayment:** I confirm that repayment of the loan shall be effected through payroll deduction/check-off directly to African Capital Ltd.
- Dispute resolution:** I am well aware that I have the right under the Consumer protection Act to commence an action in the High Court in the event of a dispute arising over or under this Agreement. I am also aware the legal costs incurred by the Lender in defending such an action will, if the matter is ruled in African Capital Ltd.'s favour, be added to the principal amount of the loan as default charges. I therefore agree to, at the first instance, attempt an amicable resolution of any dispute arising over to under this agreement through negotiation or other consensual mechanisms open to me and African Capital Ltd. This does not preclude or affect African Capital Ltd.'s right to recover any outstanding Loan by any other legal means available to it.
- Notices:** Any notice under this agreement may be given by delivery, registered post on address stated in Schedule A, or any electronic means with receipt confirmation addressed to the relevant party at such party's address stated in this Agreement or such party's last known address. Notices sent by registered post shall be deemed to have been received 72 hours after posting, and notices sent by electronic, on receipt.
- Lenders' covenants:**
 - That we will provide you with your Account statements upon request, at a fee.



- b) That disbarment will be effected on the date and in the manner I have directed.
8. **Borrower's Covenants:** In consideration of African Capital Ltd agreeing to lend me the aforementioned monies, I agree to be bound by the following terms and conditions:
- a) That notwithstanding the payroll deduction or other payment mode agreed with African Capital Ltd, I shall remain solely responsible for ensuring that the repayment are effected on the due dates without any set off.
 - b) That no repayment shall be presumed to be paid until the has been duly received by African Capital Ltd
 - c) That I shall pay Interest on the principal sum outstanding from time to time (as well after as before any demand or judgement) at the rate specified above, which rate I hereby agree that African Ltd has the right and discretion to vary or change upon giving me seven (7) days written notice.
 - d) That should I fail to pay any instalment(s) on the due date(s), the amount then in arrears will attract and continue to accrue additional Interest at the rate of ten per centum per month (10% p.m. . .) compounded from the due date until the entire amount in arrears along with such additional Interest is paid in full. I hereby agree that any repayments received subsequent to such default shall be used firstly to pay any costs incurred by African Capital Ltd in pursuing the repayment, secondly the Interest accrued on the Loan and thereafter to reduce the balance of the principal Loan.
 - e) That I agree that African Capital Ltd may assign its rights and transfer my obligations under this Agreement but not so as to affect any provision of this Agreement or any of my rights under this Agreement.
 - f) That African Capital Ltd is entitled (but not obliged) to demand payment of the total amount outstanding in terms of this agreement at any time if I fail and/ or neglect to observe any of the terms of this Agreement or assign my estate in favour of my creditors or compromise with any creditor, or my estate is sequestrated or wound up, or if I die or if it is discovered that I have a false representation at the time of applying this Loan.
 - g) That if I fail to make any repayment on the due date, or fail to discharge any of my obligations in terms of this Agreement and African Capital Ltd takes no action or delays in taking action against me I understand that this shall in no way amount to a waiver of African Capital Ltd.'s rights in any way.
 - h) That this agreement is made without any amendment or alternation thereon. Any amendment hereof will be in writing and duly signed by myself and African Capital Ltd.'s rights in any way.
 - i) That I acknowledge that should it become necessary for African Capital Ltd to institute legal action due to my non-compliance with the terms and conditions of this Agreement, I shall be liable for all such cost, including tracing fees, collection commissions and all other legal costs as calculated between the Advocate and Client.

- j) That I hereby confirm and declare that:-
- I. African Capital Ltd has provided the details of the approved Loan amount, the interest to be charged, the overdue Interest rate, the cost of borrowing, the default charges and the brokerage fee (where applicable) before the signing of this Agreement.
 - II. I am lawfully indebted to African Capital Ltd for the repayment of the principal Loan amount, Interest and transaction charge as set above.
 - III. The full loan amount is payable in equal monthly instalments as indicated above without any set off.
 - IV. The information supplied by me in the Loan Application Form is true and correct in all respects.
 - V. That I will inform African Capital Ltd promptly of any change in my circumstance and/ or details in the fastest possible manner.
 - VI. I understand that if my employment is terminated before the Loan is terminated before the loan is fully repaid, then the full amount outstanding will become immediately due and payable.
 - VII. Notwithstanding the provision above, African Capital Ltd may consider at its absolute discretion to reschedule any amounts due and outstanding in the event of termination of my employment on terms and conditions the African Capital Ltd may deem fit.
 - VIII. I will endeavour to complete and execute any documents required by African Capital Ltd in respect of this Loan. However, failure on my part in executing any of the documents required will in no way exonerate me of my liability to African Capital Ltd.
 - IX. African Capital Ltd reserves the right to contact my guarantors (if any) and my current and future employers as the Loan remains outstanding.
 - X. African Capital Ltd may at its sole discretion make credit reference searches and other enquiries when I make any application for an increase of the Loan amount and I hereby authorise African Capital Ltd to give information about myself and how I manage my accounts to the Credit Reference Agencies duly authorised by relevant regulations to carry on business as such in the Republic of Kenya who may use such information for credit assessment or to prevent or to detect fraud.
9. Prepayment:
- I. I understand that I am entitled to pre-pay in full or a portion of the outstanding amount at any time during the term of the loan, without charge or penalty.
 - II. In the event that I elect to exercise this right, I agree and undertake to give African Capital Ltd a three (3) months prior written notice (“Early Payment Notice”) of my intention to make any prepayments under this agreement. Where the prepayment is for a portion of the outstanding amount, the notice shall state the portion proposed to be prepaid.



- III. Where the prepayment is for the full outstanding amount, African Capital Ltd shall, upon receipt of the notice, give me a statement (“Early Payment Statement”) of the amount payable at a fee as per 7(a).
 - IV. All prepayments shall [be made before noon (12p.m) on the day indicated on the Early Prepayment Statement or, in the case of a prepayment of a portion of the outstanding amount, at the end of the aforementioned notice period.
 - V. It is mutually agreed that any prepayment made without giving the Early Payment Notice shall be utilized firstly to reduce the interest for the three (3) month notice period, and secondly to settle the amount then due and owing under this Agreement.
 - VI. It is mutually agreed that any prepayment made after the day and time stated in Early Payment Statement shall be utilized firstly to pay accrued default interest, and secondly to settle the amount then due and owing under this agreement.
10. Governing law: This agreement shall be construed in accordance with the Laws of Kenya.

SCHEDULE A:

Lender Address:

African Capital Limited
P. O. BOX 44563 – 00100 Nairobi
Telephone: 0718-210519, 0735-397390, 0717-513000
Email: info@africancapital.net

Borrowers Address:

Name.....
...
P.O. Box.....Postal.....
Code.....Town.....County.....
Telephone/ Mobile No.....Fax.....
Email Address.....
Physical Address.....



IN WITNESS WHEREOF this Agreement has been executed by the Borrower on this.....day of.....20.....

SIGNED by the said borrower

In the presence of:

Witness

Name.....Title.....
.....Signature.....

Signed by the duly constituted attorney of the said Financier.