

1.1 Faulu Digital Loan Account Terms and Conditions.

- 1.1.1 As a holder of the Faulu Digital Loan Account and a Faulu account Linked to digital services, you may, subject to these Terms and Conditions, apply for a loan from the Bank using the Mobile Banking Menu on your Phone.
- 1.1.2 Where you apply for a loan from the Bank, your application shall be appraised according to the applicable loan appraisal processes of the Bank. The Bank reserves the right at its sole discretion and without assigning any reason to approve or decline your application for a loan.
- 1.1.3 The Bank uses a digital scoring engine to confirm loan eligibility. By applying for a loan, you allow the Bank to digitally score your profile and allocate a limit.
- 1.1.4 The Bank uses data from licensed Credit reference Bureaus. By applying for a loan, you allow the Bank to use your information from Licensed CRBs
- 1.1.5 Subject to approval of your application for a loan the Bank shall disburse to you a loan of an amount to be determined by the Bank in its sole discretion subject to a minimum and maximum amount as indicated in Appendix B hereinafter or such other minimum or maximum amount as the Bank may from time to time in its sole discretion determine (the "Loan"). The Loan disbursed shall be pegged to the loan product applied for and advanced to the Customer.
- 1.1.6 The proceeds of the Loan shall be credited into your or Faulu Digital Account or Faulu's customer account as applicable subject to any deductions on account of applicable Transaction Fees.
- 1.1.7 You shall repay the Loan within the stipulated number of days after disbursement of loan as per the Appendix B below.
- 1.1.8 In the event that you do not repay the loan amount in full within the selected loan period of either thirty (30) days or fifteen (15) days from the date of disbursement, the bank will automatically roll over any outstanding amount for the same previously selected loan period, and a rollover fee of 10.5% will be applied on the total outstanding principal balance for a 30-day loan or 7% for a 15-day loan; additionally, if the loan remains unpaid at 7 days past due (DPD), an EDC (External Debt Collection) charge of 4% of the total outstanding principal balance will be applied. Should the loan remain unpaid at 31 days past due (DPD), an additional EDC charge of 15% of the total outstanding principal balance will be applied at that point, and all rollover fees and applicable charges will be automatically added to the outstanding loan balance and will continue to accrue until the loan amount and all related fees are fully paid.
- 1.1.9 In consideration of the Bank granting you the loan, you shall pay a facility fee calculated as a percentage of the disbursed loan amount, being 8.5% for a 30-day loan period or 5% for a 15-day loan period, which shall be recovered either upfront

or in arrears, in addition to the Loan amount, depending on the specific loan product.

- 1.1.10 You shall make all payments due from you to the Bank in respect of the Loan and Transaction Fees using the Mobile Banking Service and the System only unless otherwise agreed by the Bank in its discretion.
- 1.1.11 In the event that you do not repay the Loan/ any monthly installment in full within stipulated period per product as per Appendix B, The Bank will automatically demand the immediate payment of the outstanding amount due in respect of your Loan.
- 1.1.12 The Bank shall be entitled to terminate this Agreement and close your Faulu Digital Accounts in accordance with the provisions of Clause 13 without prejudice to any of its rights accruing hereunder if you fail to repay the Loan and/or the Transaction Fees due thereon on the due date of the Loan and shall have no option but to exercise any of the remedies below against you, to recover the said outstanding amount at your risk as to costs and expenses arising without further reference to you;
 - 1.1.12.1 Appoint External Debt Collectors
 - 1.1.12.2 File suit against you.
- 1.1.13 The Bank shall hold your funds in your Faulu Digital Deposit Account and customer operational account as collateral and security for any amounts outstanding and due from you to the Bank in respect of your Faulu Digital Loan Account. You hereby agree and confirm that the Bank is entitled in its discretion to prevent or restrict you from withdrawing in whole or in part the funds in your Mobile Money Deposit Account for so long as and to the extent of the amount outstanding in respect of your Mobile Money Loan Account without the Bank giving any notice to you and/or without incurring any liability to you whatsoever in that connection.
- 1.1.14 The Bank reserves the right to vary the terms of the Loan including the fees payable thereon from time to time having regard to the prevailing rules and regulations of the Central Bank of Kenya and the policies of the Bank.
- 1.1.15 The Bank shall have a right of lien and set off over funds held by you in your Faulu Digital Account and/or any other account held by you in the Bank. The bank also has the discretion to consolidate your Faulu Digital loan with any other existing loan facility you may have with the Bank
- 1.1.16 You hereby expressly consent and authorize the Bank to disclose, respond, advise exchange and communicate the details or information pertaining to your Faulu Digital Account to Credit Reference Bureaus as required under the Banking Act.

- 1.1.17 You are responsible for safeguarding your PIN number and any other relevant information pertaining to your account. It is your responsibility to report to the bank any breach of the sanctity of that information. Unless otherwise advised to the bank and the advice officially acknowledged, it will be taken that any transactions and instructions from your registered devices are instructions from you and as such, the bank will not be held liable should any dispute arise.
- 1.1.18 You hereby accept not to hold the bank liable for technical and/or system related challenges/break downs whether from the bank or any other 3rd party in provision of the service that may cause the transactions requested to be delayed or be cancelled.