

STAWI TERMS & CONDITIONS

1. DEFINITIONS

- 1.1 **“Account User/You”** means the SIM Card owner who is the person liable to the Bank applies for enrolment or registration onto the service and establishment of an Loan Limit and who is liable for the settlement of the Loan, interests and such other costs and expenses as are agreed by the parties hereto.
- 1.2 **“Active User Account”** means the account maintained by the Account User with the Bank through the Mobile Application “Stawi App” in connection with the loan transactions.
- 1.3 **“Bank/We/Us”** means the lenders mentioned below being KCB Bank Kenya Limited (KCB), Diamond Trust Bank Kenya Limited (DTB), Co-operative Bank of Kenya Limited (CO-OP), NCBA Bank Kenya PLC (NCBA) which expression shall where the context so admits include its successors in title and assigns.
- 1.4 **“Conditions”** mean these terms or and/or any other conditions that regulate or relate from time to time to the availing of the Stawi loan by the Bank.
- 1.5 **“Credit Reference Bureau”** or **“CRB”** means a credit reference bureau duly licensed under the Banking Act pursuant to the Banking (Credit Reference Bureau) Regulations, 2013, as amended, revised or promulgated from time to time, to *inter alia*, collect and facilitate the sharing of customer credit information.
- 1.6 **“Due Date”** means such repayment periods agreed between the parties between the date of loan disbursement until the loan and all sums due here under are settled in full.
- 1.7 **“Group”** means some people (minimum as defined from time to time) who come together on a free and voluntary basis, and with a spirit of co-operation expressed by mutual assistance, economic activity, or shared objectives; to operate together for the mutual economic benefit of registered Stawi group members
- 1.8 **“Know Your Customer”** also known as KYC refers to the customer due diligence obligations prescribed by relevant laws and as may be prescribed or recommended by the Government or Central Bank of Kenya from time to

time;

- 1.9 **“Loan”** refers to the term Loan given to the account user through the mobile phone or such other mode that shall from time to time be made available to the User and in such amounts as shall be determined by the Bank in its absolute discretion after an account user makes a formal application.
- 1.10 **“Stawi”** means the product name for which the loan shall be recognised and disbursed from.
- 1.11 **“SIM Card”** means the subscriber identity module which when used together with other prescribed Equipment enables an Account User to use the service.
- 1.12 **“Tenor”** means the period of the Stawi Loan being a minimum of one (1) month and a maximum duration of twelve (12) months.
- 1.13 The Bank and the customer shall together be referred to as the “parties” and where the context requires individually as a “party”.

2. AGREEMENT

- 2.1 These Conditions as varied from time to time constitute the Agreement between the Account User and the Bank with regard to the Stawi Loan disbursed through the Stawi Mobile App.
- 2.2 The Account User by completing the Mobile loan application online shall be deemed to have read, understood and agreed to be bound by these Conditions upon acknowledging their receipt as availed in the Mobile Loan application process.

The Account user confirms that they have considered the charges and interest levied by the Bank as regards the Stawi Loan as specified in condition 3 below and fully understand that failure to settle the loan on the due date shall result to a penalty fee of 10% of the outstanding due amount accruing daily up to a maximum of 100% of the loan requested and thereafter,

3. LICENSE TO USE

- 3.1 Subject to the Account user's compliance with these Terms, the Bank grants the Account User a limited, non-exclusive revocable, non-transferable

license to (i) access and use the Bank Systems through the Account user's mobile device solely in connection with the users use of the Services; and (ii) access and use any content, information or related materials that may be made available through the services, in each case solely for the Account user's personal, non- commercial use. Any rights not expressly granted herein are reserved by the Bank.

4. USER ACCOUNT, PASSCODE AND SECURITY

- 4.1 The Account User will have an option to set a security passcode on the App once they are approved for a credit limit. The account user is responsible for maintaining the confidentiality of the passcode and their account ("Account") and are fully responsible for all activities that occur under their passcode or Account. The Account User agrees to:
- (a) immediately notify the Bank of any unauthorized use of their passcode or Account or any other breach of security; and
 - (b) ensure that they exit from their Account at the end of each session. The Bank cannot and will not be liable for any loss or damage arising from the Account User's failure to comply with this Clause.
- 4.2 The Account User hereby acknowledges that the deletion of the App from the Device does not constitute termination of the Account and agree to undertake the process detailed herein in order to complete de-registration. If and when the Account User is desirous of having their name and other details removed from the records of the Bank, immediately upon receiving the User's written request to that effect, the Bank shall remove and/delete all such information. The Account User hereby acknowledges that the removal of the Account User's details from Stawi App does not constitute termination of the Account User's obligations, if any, to the Bank or any of Bank's banking partner who may have approved the Account User's credit limit on the Stawi App.

5. CREDIT SCORING

Your Loan Limit and our continued approval of your requests for a Loan will be determined by your credit score. Your credit score will be assessed based on various matters including the information obtained from your use of the Services and repayment history on your existing Loan Limit.

6. FEES, CHARGES & INTEREST

- 6.1 You hereby agree to pay all fees payable in connection with your use of the services.
- 6.2 You shall pay to the Bank and the Bank is entitled deduct from your Account (without reference to you):
 - 6.2.1 any fees payable in respect of the services;
 - 6.2.2 any legal charges including advocate and client costs incurred by the Bank in obtaining legal advice in connection with your Account and your dealings with the Bank or incurred by the Bank in any legal, arbitration or other proceedings arising out of any dealings in respect of your Account; and
 - 6.2.3 all other fees (including, but not limited to, those resulting from an overdrawn Account or shared correspondent bank fees), expenses and taxes, duties, impositions and expenses incurred in complying with your Requests.
- 6.3 You hereby agree to pay costs, fees, charges and expenses incurred by the Bank in obtaining or attempting to obtain payment of any loan owed or any other amount due under your Account.
- 6.4 The Bank will notify you of any changes to the fee and charges payable in respect of the use of the services by way of notice by way of electronic message to your eEquipment (or by such other alternative or additional means as the Bank will in its sole discretion determine including notice in a local newspaper of wide circulation), thirty (30) days prior to enacting any such change.
- 6.5 The following charges shall apply and may from time to time be subject to change without notice within the full extent permitted or demanded by law.

| | |
|------------------|---------------------------|
| Interest rate | 9% p.a up to CBR rate + 4 |
| Late payment fee | 10% of past due amount |
| Facility fee | 5% on amount disbursed |
| Loan insurance | 0.7% of amount disbursed |

7. REPAYMENT

- 7.1 The loan shall be repayable on the due date.
- 7.2 If the loan is not paid on the due date, the Bank shall, though not obligated, demand from the Account User all monies, which may then or thereafter be due and owing under these Loan Conditions, including but not limited to:
- 7.2.1 All loan facility fees due, interest due on loan and principal loan due.
 - 7.2.2 All legal and or other costs, charges and expenses which the Bank may pay or incur in connection with these loan conditions or the recovery of monies owing hereunder;
 - 7.2.3 A fee to compensate the Bank for a reasonable estimate of any loss incurred by the Bank as a result a result of default to the full extent permitted by law; and
 - 7.2.4 All monies due and computed from the due date until the settlement in full.

8. DEFAULT ON A STAWI LOAN

- 8.1 Event of Default occurs when the Account User:
- 8.1.1 fails to pay any sum payable for a Stawi Loan granted under this Agreement's Terms and Conditions for the period set forth in the Loan offer pages unless failure to pay is caused solely by an administrative error or technical problem not within the Account User's control.
 - 8.1.2 At any time after an Event of Default has occurred which is continuing, the Bank may, without prejudice to any other right or

remedy granted to it under any law.

8.1.3 Terminates this Agreement in accordance with Clause 14 below;

8.1.4 Declare that the Loan (and all accrued interest and all other amounts outstanding under this Agreement) is immediately due and payable, whereupon they shall become immediately due and payable; and

8.1.5 Supply information concerning the Event of Default to Credit Reference Bureaus. A copy of any adverse information concerning the Account User sent to a Credit Reference Bureau shall be made available to the Account User upon written request;

8.1.6 Engage an external collections agency to seek repayment;

8.1.7 Get indemnification upon demand against any reasonable loss or expense, which We may incur as a consequence of an Event of Default; and

8.1.8 Terminate this Agreement as a result of breach as stated in Clause 14 below.

9. LIEN

9.1 You acknowledge and accept that we shall have a general lien over (right to retain) all your property in our possession. Such property and assets include but are not restricted to cash, goods, securities or valuables deposited for safe custody as security, cheques presented, bills and any other movable or immovable property charged to secure repayment of any money, whether or not that money has been repaid, and also over all property in respect of which, by the general law, we have lien. Property held under lien in these terms and conditions shall be deemed to be held as security for the facility, up to an amount equivalent to the aggregate of the outstanding principal on your facility and the Recovery Expenses.

9.2 You hereby also constitute us as your attorney for the purposes of completing and perfecting any transactions in relation to your Loan account or any other of your property held by us in lien for purposes of discharging your Loan, including the recovery expenses and unpaid Fees ("Outstanding Amounts").

9.3 A written notice of fourteen (14) days running from the date of issuance of the same to you shall be issued to advise you of our intention to realize sufficient amounts of your property held in possessory lien to settle any Outstanding Amounts. Any repayment received after lapse of the notice will be accepted strictly on account and without prejudice to our rights.

10. INDEMNITY AND RECOVERY OF COSTS

10.1 The Account User undertakes to indemnify and keep the Bank indemnified at all times against all actions claims, demands, liabilities, losses, damages, costs, charges and expenses of whatever nature inclusive of any legal costs and disbursements incurred by the Bank in obtaining payment of any monies due and owing to the Bank from the withdrawal & termination of the Agreement.

10.2 Any legal cost and disbursements incurred by the Bank as against the Account User shall be deemed to include every sum which would be allowed to the Advocates of the Bank as against the Account User shall be deemed to include every sum which would be allowed to the Advocates of the Bank in taxation between the Advocate and clients to the intent that the Account user shall afford to the Bank a complete entitlement and unqualified indemnity in respect thereof.

11. CUSTOMER COMPLAINTS

11.1 Complaints shall be made by calling the contact center at 0709714999.

11.2 We, on receiving a complaint, shall provide the complainant with a prompt written acknowledgement within forty eight (48) hours and resolve the complaint in seven (7) working days. For complaints not resolved within seven (7) working days, written updates should be forwarded to the customer on the progress in resolving the complaint, once in every seven (7) days.

12. EXCLUSION OF LIABILITY

- 12.1 The Bank shall not be responsible for any loss suffered by the User should the Services be interfered with or be unavailable by reason of (a) the failure of any of the User's Equipment/Device, or (b) any other circumstances delay or non-availability of the System, terrorist or any enemy action equipment failure, loss of power, adverse weather or atmospheric conditions, and failure of any public or private telecommunications system.
- 12.2 The Bank will not be liable for any losses or damage suffered by the Account User as a result of or in connection with:
- 12.2.1 failure, malfunction, interruption or unavailability of the System, the Account user's Equipment, the Network, Bank System and/or Service;
 - 12.2.2 the money in the Account User's Stawi Account being subject to legal process or other encumbrance restricting payments or transfers thereof;
 - 12.2.3 The Account User's failure to give proper or complete instructions for payments or transfers relating to the User's Stawi Account; any fraudulent or illegal use of the Services, the System and/or the Account User's Equipment; or
 - 12.2.4 The Account User's failure to comply with these Terms and conditions and any document or information provided by the Bank concerning the use of the System and the Services.
 - 12.2.5 If for any reason other than a reason mentioned in subparagraphs 9.1 or 9.2, the Services are interfered with or unavailable, the Bank's sole liability under this Agreement in respect thereof shall be to re-establish the Services as soon as reasonably practicable.
 - 12.2.6 Save as provided in subparagraph 9.2.5 the Bank shall not be liable to the User for any interference with or unavailability of the Services, howsoever caused.
 - 12.2.7 Under no circumstances shall the Bank be liable to the User for any loss of profit or anticipated savings or for any indirect or consequential loss or damage of whatever kind, howsoever caused, arising out of or in connection with the Services even where the possibility of such loss or damage is notified to the Bank.

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

13. VARIATION

13.1 The Bank reserves the right to vary, amend or replace all or any of these conditions at any time without prior notice. The Bank shall notify the Account User of any changes made to these Conditions as soon as is practicable and by the most expedient means as determined by the Bank provide that failure to make such notification shall not invalidate the changes.

14. BREACH OF CONDITIONS

14.1 In the event of any breach by the Account User of any of these Conditions the Bank may in circumstances where the Account User fails to comply or procure compliance with the terms of a notice served by the Bank on the Account User, require immediate repayment in full of the outstanding balance on the Account User account.

15. LOAN SUSPENSION

15.1 The Bank may at any time and without notice cancel or suspend the right to utilize the loan entirely or entirely withdraw the loan as a product without affecting the Account User's obligations under these Loan Conditions.

16. TERMINATION

16.1 Either party may terminate their obligations under these conditions at any time on written notice to the other party. On termination by the Account User the termination notice of thirty (30) days should be accompanied by the repayment of the full loan outstanding at the time of receipt.

16.2 Termination shall only be effective upon the discharge of all outstanding liabilities under these Loan Conditions and communication of the same to the Bank.

16.3 The Bank may cancel any loan on written notice from Account User accompanied by the payment of all sum outstanding balance.

16.4 The Bank may at any time and without giving reasons or notice terminate these conditions and upon such termination the Account user must repay the full outstanding loan balance within the contracted period.

16.5 Termination by either the Account User or the Bank shall not affect the Account User's obligations to meet any liabilities incurred prior to such termination. This condition will continue until the Account User has repaid all amounts outstanding at the time of termination.

16.6 Deletion of the App from the User's devices does not amount to termination.

17. INTELLECTUAL PROPERTY RIGHTS

17.1 The Account User acknowledges that all intellectual property rights in the App and the Technology belong to the Bank, that rights in the App are licensed (not sold) to the User, and that the user has no rights in, or to, the App or the Technology other than the right to use it in accordance with the terms of this Agreement. The Account User acknowledges that they have no right to have access to the App in source-code form.

17.2 The Account User shall not copy, reproduce, distribute or create derivative works of the Bank's content that is available on the App. Also, the account user shall not reverse engineer or reverse compile the Bank's technology that is available on the App, including, without limitation, such Java Applet that may be associated with the App from time to time.

18. PRIVACY POLICY

18.1 The Account User understands and agree that the Bank may access, preserve, and disclose the User's personal information and the contents of the User account if required to do so by law or in a good faith belief that such access preservation or disclosure is reasonably necessary to comply with legal process or protect the rights, property and/or safety of the Bank, its affiliates or the public. The Bank employs a range of technologies and internal policy framework to protect the information and data maintained on our systems from loss, unauthorized access, disclosure, alteration, or destruction and has at all times taken and takes all steps reasonably

necessary to ensure the confidentiality and integrity of such personal data and information and the way it is processed. These policies and standards are periodically updated to keep them up to date with regulations and market developments.

18.2 The Bank only uses the Account User's personal information in accordance with the Bank's Privacy Policy. Please take the time to read the Bank's Privacy Policy, as it includes important terms which apply to the User.

18.3 Upon downloading the App and clicking the "Accept" option with respect to these Terms and Conditions, the Account User will be deemed to have accepted the Bank Privacy Policy, a copy of which is available on the Stawi App.

19. YOUR PERSONAL INFORMATION

19.1 You hereby expressly consent and authorize us to disclose receive record or utilize your personal information or information or data relating to your Loan account with respect to the Loan granted under the service and any details of your use of the services:

19.2 to and from our service providers, dealers, agents or any other company that may be or become the our affiliate or subsidiary or holding company for reasonable commercial purposes relating to the Services;

19.2.1 to a Credit Reference Bureau;

19.2.2 to independent debt-collection agencies;

19.2.3 to the our lawyers, auditors or other professional advisors or to any court or arbitration tribunal in connection with any legal or audit proceedings;

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

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

19.3 You authorize us to disclose any information relating to your Loan Account to any local, foreign or international law enforcement or governmental agencies so as to assist in the prevention, detection, investigation or prosecution of criminal activities or fraud or to any other institution or third party as required by the laws of any country and as we may deem

necessary.

19.4 You hereby expressly consent and authorize to the disclosing or sharing of your data between

KCB, DTB, NCBA and CO-OP for the provision of the service.

You shall notify the Bank in writing of any changes to your Personal Information or update the same through the Bank channels including but not restricted to your name and address. Until such notice is received, your personal information shall be deemed to be that which you provided in your application to register for the service.

20. DISCLOSURE OF INFORMATION

20.1 The Account User agrees that the Bank may disclose details relating to the Loan to any Third party (Including credit agencies) if in the Bank's opinion such disclosure is necessary for the purpose of evaluating any application made to the Bank or such third party or other purpose of evaluating any application made to the Bank or such third party or other purpose as the Bank shall deem appropriate.

20.2 The Account user agrees that the Bank may disclose details relating the loan including the details in servicing the Active user Account to any third party (Including credit agencies' of default in servicing the Active user Account to any third party (including credit agencies) for the purpose of evaluating the Account holder's credit worthiness or for any other lawful purpose.

21. GOVERNING LAW AND JURISDICTION

21.1 These Loan Conditions are governed in all respects by the Laws of Kenya.

21.2 A dispute, difference or question which may arise between the parties is limited to the interpretation of rights and liabilities of either party shall be resolved through good faith negotiation between the parties and failing such, within a period of sixty (60) days, to be referred to an arbitrator under the rules of the Arbitration (Amendment) Act 1995 of Kenya or any statutory modification or re- enactment for the time being in force, such arbitrator to be appointed by agreement of both parties and in the absence of

agreement within fourteen (14) days of notification of the dispute by either party to the other then on the application of any one party to the Chairman of the Kenyan Chapter of the Chartered institute of Arbitrators and the decision of such arbitrator shall be final and binding on the parties hereto.

21.3 Neither Party shall be entitled to commence or maintain an action in a Court of law upon any matter in dispute until such matter shall have been submitted and determined as herein before provided and then only for the enforcement of the arbitration award or such matter as is permitted by law.

22. NON-ASSIGNMENT

22.1 The Account user may not assign or otherwise dispose of any of the Account User's rights under this Agreement. the Bank may transfer or assign its rights and obligations under these conditions and such transfer or assignment shall be effective upon notification of the same to the Account User.

23. NOTICES AND CHANGE OF ADDRESS

23.1 All notices to the Account User made under these conditions shall be sent by short message system (SMS) to the mobile telephone number availed by the Account User or by prepaid post to the last known address of the Account User whichever will be deemed to be expedient by Stawi.

23.2 The Account User shall notify the Bank of any change of address. Until such notice is received the account user's address shall be that stated in the mobile App sign in details provided.

24. SET OFF

24.1 The Bank may, without notice, set off against any account indebtedness of the Account user:

24.1.1 Any other account whether current, loan, savings, mobile savings or loans or any other type:

24.1.2 Any time or other deposit

24.2 The Bank may, upon notice to the Account user (if required by law), set off his account against any other account or indebtedness in respect of which the Account user is liable, notwithstanding that some other person

may also be liable in respect thereof.

25. SEVERABILITY

25.1 If any of the terms, conditions or provisions contained in this agreement are determined by any court of competent jurisdiction to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall to the extent be severed from the remaining terms, conditions and provisions which shall continue to be valid to the fullest extent permitted by law.

26. CREDIT REFERENCE BUREAUS

26.1 The Account User expressly consent sand allows the Bank to forward personal data and full file credit information to licensed credit reference bureaus in accordance with the Banking (Credit Reference Bureaus) Regulations, 2008 or any other regulations that may from time to time come into force.

KCB, NCBA, DTB, and CO-OP are regulated by the Central Bank of Kenya for purposes of the Service.

The user has the right to seek independent legal counsel in order to fully understand the implications and potential consequences of agreeing to these Terms and Conditions prior to clicking the "Accept" button. The User shall be deemed to have read, understood and accepted to be bound by these Terms and Conditions (which may be amended by the Bank from time to time) by selecting the "Accept" button.