

Offer Letter

Date:

Borrower's Name:

Borrower's Address:

Attention :

Dear Sir/Madam,

We refer to our discussions on your loan application and are pleased to inform you that the Management of Polaris Bank Limited has approved an Advance - Invoice Discounting in favour of your Company under the following terms and conditions:

BORROWER:

Facility Details :

Facility Type	Advance
Facility Sub Type	Invoice Discounting
Application Type	New Request
Facility Amount	NGN
Purpose	To discount up to a maximum of 70% of invoices (excluding taxes)
Tenor	days
Clean Up Cycle	45 days
Mode Of Disbursement	Bullet
Interest Rate	28.50% per annum i.e. 4.50% above PLR currently 24.00% p.a., subject however to review in line with changes in PLR or prevailing money market conditions as may apply from time to time. The Bank shall however give a ten (10) day written notification before application of any interest rate review.

Customer's Name..... Signature..... Date.....

Source Of Repayment	Each drawdown from the line shall be repaid from proceeds of discounted invoices.
Amortization Type	Bullet

Fees :

Type	Rate	Amount	Payment Frequency
MANAGEMENT FEE	1.00%	_____ NGN	Up front Per Drawdown

Collateral Details:

Collateral Type	Description
STOCK/LIEN/DOMICILIATION - DOMICILIATION OF CONTRACT/ LPO PROCEEDS	Domiciliation of proceeds of Invoices Payable.

Conditions Precedent to Drawdown :

1	Payment of all upfront fees.
2	Submission of any other document and meeting any other requirement as may be reasonably required by the Bank.
3	Submission of an application letter requesting for the facility.
4	Accepted offer letter signed by authorized signatories of the Borrower.
5	Submission of a Board Resolution duly executed by the Borrower authorizing the acceptance of the facility and naming the persons to accept same on behalf of the Borrower.
6	Undertaking by the Borrower to domicile business proceeds to their accounts with Polaris Bank Limited.
7	Receipt of satisfactory CBN CRMS reports and minimum of two (2) credit bureau searches.
8	Execution of an irrevocable domiciliation agreement domiciling all proceeds on the discounted Invoices by the bank into the obligor's account with Polaris Bank Limited.
9	Submission of Invoices to be discounted and confirmation of same by the relationship team per drawdown from the line.
10	Receipt of acknowledged letter of domiciliation submitted and confirmation of same by the Relationship team.
11	Establishment of a DSR account for receipt of proceeds of each Invoices- this account must be stated on all invoices to be discounted and the domiciliation letter to be submitted.
12	Execution of personal Guarantee of the Managing Director of the company, Isiaka Alaya supported with is notarized statement of net worth.

Facility Post Conditions :

Customer's Name..... Signature..... Date.....

1	All costs and other expenses incurred in connection with this facility or enforcing the terms and conditions shall be for account of the borrower.
2	Although the facility is granted for a given tenor, the bank however reserves the right to review or cancel the facility at any time if it considers that circumstance have risen to warrant such.
3	All out-of-pocket costs, Insurance, legal expenses and incidentals shall be borne by the Borrower.
4	The facility is subject to the availability of funds.
5	The Borrower shall pay interest on all moneys due and payable and all moneys outstanding and owing to the Bank in relation to the Credit Facilities and any other charges payable under the Letter of Offer or hereunder at such rate or rates as may be stipulated or prescribed by the Bank at any time and from time to time up to the date of full payment of the amount due.
6	The Bank may use any information relating to the Borrower for evaluating the credit application. The Bank may at its sole discretion as it shall consider appropriate, give to and receive from Credit Bureaus and reference agencies whether based locally or abroad, other financial institutions, regulatory and law enforcement agencies and relevant third parties information about the Borrower, including information on the Borrower's directors and other personnel, transactions and conduct on your account together with details of any non-payment or delayed payments for the purpose of assisting them and\or the Bank in making lending or rating decisions about the Borrower.
7	All other terms and conditions as contained in the Facility Agreement shall be binding upon the Borrower.
8	Unpaid interest on any principal moneys shall at the end of each month be capitalized and added for all purposes to the principal sum then owing and thenceforth bear interest and any unpaid sum thereafter shall be compounded and capitalized monthly at the prevailing interest rate until final repayment, and whether before or after judgment and notwithstanding the fact that the relationship of banker-customer between the Bank and the Borrower may have ceased for any reason whatsoever.
9	Any failure or delay on the part of the Bank to give notice in accordance with the provision herein shall not absolve the Borrower from his obligation to repay the principal and interest and meet other obligations under this facility as and when due. Upon the occurrence of an Event of Default or upon the default of the Borrower in complying with any of the terms, conditions and or covenants of this facility, the Bank reserves the right to call in the facility and suspend availment and or further availment of any amount yet to be disbursed or the performance of any obligation yet to be performed under the facility and demand immediate repayment of all outstanding amount on the facility, whether then due or not.
10	Without prejudice to the rights and remedies of the Bank herein, the Bank shall be entitled to charge interest at the overdue rate of Maximum of 1% flat per month of unpaid amount in addition to charging current rate of interest on outstanding debt (without prejudice to the provisions of the Prudential Guidelines on the limitation of accruals).

General Conditions

Customer's Name..... Signature..... Date.....

1.Covenant

The Borrower undertakes that during the validity of the facility, that is, while there are any outstanding thereon, he will:

- (i) Not mortgage, pledge or subject to lien or encumbrance any property or assets now owned or hereafter acquired, except as required hereunder, without obtaining the Bank's prior written consent.
- (ii) Provide the Bank with satisfactory evidence that his assets have been insured in such amounts and against such risks as are customarily carried out by owners of similar businesses and property with the interest of the Bank duly noted on the relevant policy documents.

2.Events of Default

Without prejudice to the Banks right to cancel and/ or reduce the facility in line with its ability to accommodate it within its legal lending limits and/ or policy or portfolio constraints or demand repayment of outstanding amounts under any facility at any time, the occurrence of any of the following events shall cause all outstanding amounts to become immediately repayable:

- (i) if the Borrower fails to settle when due, any outstanding amount owed to or advised by the Bank; or
- (ii) if the Borrower defaults in the performance or observance of any other term, condition or covenant herein and such breach or default if capable of being remedied, shall continue without being remedied after a ten day notice shall have been given to it; or
- (iii) if any order is made or an effective resolution is passed or a petition is presented for the company's winding-up; or
- (iv) if a distress or execution is levied upon or issued against the company's property and is not discharged within 5 days; or
- (v) if an encumbrancer takes possession of any part of the Borrower's undertaking and assets; or (vi) if the Borrower ceases or threatens to cease to carry on business; or

3.Cross Default Clause

A default on this facility will constitute a default on all other facilities granted the Borrower and all facilities shall become due and payable immediately.

4.Right of Set-off

The Borrower covenants that in addition to any general lien or similar right to which Polaris Bank as Lender may be entitled to by law, the Bank may at any time and without recourse to the customer, combine or consolidate all or any of the Borrower's accounts without any liability to the Bank and set off or transfer any sum or sums standing to the credit of any one of such accounts in or towards satisfaction of the Borrower's liabilities to the Bank or any other in respect of whether such liabilities be actual or contingent, primary or collateral and several or joint.

5.Representation and Warranties

The Borrower is not in default under any obligation in respect of borrowed money and that the acceptance of this facility will not be or result in a breach of or default under any provisions of any other agreement to which the Borrower is a party. All consents, licenses, approvals, authorizations of any governmental authority, bureau or agency etc. required in connection with the execution, delivery, performance, validity or enforceability of this facility has been / shall be obtained by the Borrower and the originals thereof delivered to the bank. The conditions

Customer's Name..... Signature..... Date.....

contained therein or otherwise applicable thereto shall at the appropriate time be complied with or fulfilled. The costs of obtaining such approvals shall be borne by the Borrower

6.Default Charge

Any drawings above the facility amount or unpaid sum outstanding at any time during the facility or at expiration shall attract default charges at the rate applicable to unarranged lines currently 1% flat per month subject to a seven (7) day grace period before application of the default charges on the account.

7.Expenses

All costs and legal expenses arising from the facility or enforcing the terms and conditions herein should such occasion ever arise shall be claimed from the Borrower.

8.Indulgence and Waiver

The Bank may, at its discretion, grant indulgences or forbearances to the Borrower in respect of anything contained herein, and no such indulgence or forbearance, or any delay in exercising any power or right hereunder shall operate as a waiver or impairment thereof nor shall it affect or impair any such remedies, powers or rights in respect of any other occurrence or default.

9.Special Covenant

By signing this offer letter/loan agreement and by drawing on the loan, I/We covenant to repay the loan as and when due. In the event that I/We fail to repay the loan as agreed, and the loan becomes delinquent, the Bank shall have the right to report the delinquent loan to the CBN through the Credit Risk Management System (CRMS) or by any other means, and request the CBN to exercise its regulatory power to direct all banks and other financial institutions under its regulatory purview to set-off my/our indebtedness from any money standing to my/our credit in any bank account and from any other financial assets they may be holding for my/our benefit.

I/We covenant and warrant that the CBN shall have power to set-off my/our indebtedness under this loan agreement from all such monies and funds standing to my/our credit/benefit in any and all such accounts or from any other financial assets belonging to me/us and in the custody of any such bank.

I/We hereby waive any right of confidentiality whether arising under common law or statute or in any other manner whatsoever and irrevocably agree that I/We shall not argue to the contrary before any court of law, tribunal, administrative authority or any other body acting in any judicial or quasi-judicial capacity.

10.Right to Perfection of Security

The Obligor(s) hereby acknowledge(s) that the obligation to perfect the security for this Facility in favour of the Bank is his/hers/theirs solely.

Consequently, in the event that this Facility is secured by a security that requires perfection, the Obligor(s) hereby appoint(s) the Bank as his/her/their lawful attorney to execute seal and deliver any documents which the Bank may require for perfecting its title to or for vesting the property in the Bank or its nominees or in any purchaser and otherwise generally to sign seal deliver and otherwise perfect any such legal or other mortgage charge or assignment in respect of the property/assets pledged herein and this appointment shall operate as a general power of attorney.

Customer's Name..... Signature..... Date.....

Further, the Obligor(s) hereby unconditionally and irrevocably vest(s) the power and right to perfect such security in the Bank and consequently agree that the Bank reserves the right and at the Bank's sole discretion may commence the perfection of the security at any time and is hereby irrevocably authorized to debit my/our account for all perfection fees including the Solicitors fees for such perfection without any further recourse to me/us.

11.Cooling-Off Period

The Borrower/Customer shall, within three (3) working days of execution of the offer letter, be at liberty to rescind the acceptance of the offer without liability for any penalty or charges. Without prejudice to the provision in clause above, the borrower/customer may waive the right therein contained and such waiver shall be conveyed to the Bank in writing before the expiration of the three working days provided.

Customer's Name..... Signature..... Date.....

12.Acceptance

This offer remains valid for 7 (seven days) from the date it is communicated to you, after which it lapses if not accepted. Please indicate your acceptance of the above terms and conditions by signing under seal and returning to Polaris Bank this offer letter.

Yours Faithfully,

For: POLARIS BANK LIMITED

**Saheed Muritala
Relationship officer
ASOKORO BRANCH**

**Maxwell Nwankwo
Business Development Manager
ASOKORO BRANCH**

Memorandum of Acceptance

We _____, hereby accept the terms and conditions contained in this offer letter for a credit facility of NGN _____ dated _____ of which this is a copy.

Name.....

Name

Title.....

Title.....

Signature.....

Signature.....

Date.....

Date.....

Customer's Name..... Signature..... Date.....