

BUSINESS LOAN APPLICATION FORM

APPLICANT INFORMATION:

- Business Name:
- Business Registration Number:
- Business KRA Pin Number:
- Business Address:
- Contact Person:
- National ID Card Number:
- KRA Pin Number:
- Residential Address:
- Phone Number:
- Email Address:

LOAN DETAILS:

- Loan Amount Requested:
- Purpose of Loan:
- Repayment Period:
- Other Outstanding Loans:
- Post Dated Cheque(s) Number(s):

BUSINESS INFORMATION:

- Type of Business:
- Date Established:
- Number of Employees:
- Annual Revenue:

COLLATERAL INFORMATION:

- **Type of Collateral:**
 - Movable Equipment:
 - Other (please specify):

CHATELS ON MOVABLE EQUIPMENT:

- **Description of Equipment:**
 - **Item 1:**
 - Description:
 - Serial Number:
 - Estimated Value:
 - **Item 2:**
 - Description:
 - Serial Number:
 - Estimated Value:
 - **Item 3:**
 - Description:
 - Serial Number:
 - Estimated Value:
 - **Item 4:**
 - Description:
 - Serial Number:
 - Estimated Value:



I _____ an Advocate of the High Court of Kenya duly licensed to practice certify that I was present and saw the above named Borrower set his/her hand to this Loan Agreement.

ADVOCATE



LOAN AGREEMENT FORM

We refer to your request and are pleased to advise having sanctioned the following facility(ies) on the terms and conditions set out herein below.

It is hereby agreed by and between
(the Borrower) of ID/Passport/Business Registration number
and **PANGWA CAPITAL LIMITED** (the Lender) on this day of 20.....,
that this letter shall take precedence in the event of any inconsistency between the provisions thereof and any other terms.

Clause 1: USE OF FUNDS

- a) The funds will be utilized as per the Borrower's reasons for application.
- b) The Borrower should not be involved in any illegal business activity.

Clause 2: TERMS OF THE LOAN

- a) The maximum amount that will be available for draw down under the proposed loan facility shall not exceed the aggregate sum of **Kenya Shillings**
- b) The advance will be repaid directly from the Borrower's ordinary/current account by One (1) monthly installment comprising of both principal and interest in the sum of **Kes**..... Loan repayment be in installments of Kes.
- c) The repayments due from the Borrower will be effected through a cheque effected through the Borrower's account number
- d) If payment becomes due on a day, which is not a **Business Day**, the due date of such payment will be extended to the previous Business Day
- e) All payments under this facility will be made without set-off or counterclaim and free and clear of any withholding or deduction (save as required by the law) for any present or future taxes, levies, imports, duties or other charges. If the Borrower is obliged by law to make any such withholding or deduction the Borrower will pay to the Lender in the same manner and at the same time additional amounts to ensure that the Lender receives a net amount equal to the full amount which the Lender would have received if no such deduction or withholding had been required.
- f) All advances made under the proposed facility shall attract interest from the date of draw down (as well as before any demand or judgment against the Borrower) at the rate of **25%** per month and a facility fee of **5%** applied upfront. The Lender shall in its own discretion decide from time to time charge different rates for different accounts provided that the Lender shall give the Borrower at least thirty (30) days notice of the change of the rate of interest payable.

- g) The Borrower agrees to pay for legal fees as per the schedule below:
 - Kes. 350 for amounts up to Kes. 5,000
 - Kes. 600 for amounts between Kes. 5,001 - 9,999
 - Kes. 1,000 for amounts from Kes. 10,000
- h) The Borrower agrees to avail all records relating to this Loan to the Lender or its representatives upon reasonable notice.
- i) The Borrower consents to the Lender appointing a valuer to give a professional and objective assessment of the value of all the Borrower's assets (where applicable).
- j) In case of default, the Borrower agrees to be charged **Kes. 100 for each day in default.**

Clause 3: CONDITIONS OF SANCTION

- a) The Borrower to ensure that there are adequate funds in the account to meet loan repayments as they fall due and any default to lead to commencement of the recovery process.
- b) The Borrower will avail post-dated cheques as appropriate for the loan installment amount.
- c) Security to be perfected before drawdown:
 - i. Duly executed Personal Guarantee form by the borrower.
 - ii. Duly executed Chattel Mortgage form (***contained in the Loan Application Form***).

Clause 4: CONDITIONS PRECEDENT

As conditions precedent before the proposed loan facility will become available to the Borrower, the Lender requires the following from the Borrower, each in satisfactory form and substance:

- a) The enclosed Letter of Offer signed by the Borrower or on Borrower's behalf by an authorized person or persons by way of acceptance of the proposed facility on the terms and conditions of the Letter of Offer.
- b) Such information and documents concerning the Borrower's financial position and prospects as the Lender may request.
- c) Payment in cleared funds of all fees, expenses and other sums under clause 10 of this Agreement to the extent due and payable.
- d) Duly executed and perfected security documents referred to in **Clause 3 (c)** above.
- e) Adequate report and Valuation of the movable house items and/or business items by the Lender's professional valuers.

Clause 5: OTHER CONDITIONS

The Lender's obligation to avail the proposed facility or to comply with its obligations hereunder is also conditional upon the following:

- a) The Borrower being in compliance at the relevant time with the terms and conditions of, and there being no breach of or default under, this Agreement and any other document in connection thereto.
- b) The performance by the Borrower and the Lender of the obligations herein is subject to all laws, regulations, decrees, administrative rules and orders of the Republic of Kenya now or hereafter affecting the same.
- c) The Lender reserves the right to combine accounts, the right to consolidate all securities held for any account to constitute security for all accounts so held.

Clause 6: REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Lender, on the date of its execution of this Agreement and on each date that the proposed facility is available or outstanding, as follows:-

- a) The Borrower has power and authority to execute, deliver and perform her obligations under this Agreement and/or the security documents set out in Clause 10 of the Letter of Offer, and all necessary action has been taken (and not revoked) to authorize the execution delivery and performance by the Borrower of her obligations under this Agreement and/or the said security documents.
- b) This Agreement and/or the said security documents constitute the Borrower's legal valid and binding obligations in accordance with their respective terms.
- c) This Agreement and/or the said security documents have been duly authorized and executed by the Borrower.
- d) The execution delivery and performance of the obligations under this Agreement and/or the said security documents and the use of the proposed facility do not and will not result in any limitation on its powers to borrow or incur financial indebtedness being exceeded or result in any actual or potential breach of or default under any obligation agreement instrument or consent to which the Borrower is bound or violate any applicable law.
- e) No event has occurred which constitutes (or with the giving of notice or lapse of time or both would constitute) one of the events of default specified in clause 13 below.
- f) The Borrower is not in default under any agreement to which he is a party, which would have a material adverse effect of the Borrower's business or financial condition.
- g) No litigation, arbitration or proceeding is pending, taking place, or, to the Borrower's

knowledge, threatened against the Borrower or any of the Borrower's business, assets which may have a material effect on the Borrower's business, assets or financial condition.

- h) All approvals, authorizations or consents which it is necessary or advisable to obtain from any governmental, public or other authority or without limitation, any third party for the purpose or relating to the proposed facility and/or any security document have been obtained and are in force and all provisions and conditions thereof have been complied with.

Clause 7: DEMANDS

The Lender reserves the right to demand full repayment of the loan or vary the terms thereof if the Borrower contravenes his obligations as set out in this Agreement.

Clause 8: RECOVERY

In case of default, the Lender shall have the right to institute legal action against the Borrower for the full recovery of all monies lent with interest thereof.

Clause 9: COSTS

- a) The Borrower shall pay all legal costs and any other costs incurred by the Lender in connection with the loan or the enforcement or preservation of the Lender's rights. The Borrower shall indemnify the Lender forthwith upon demand of any costs incurred by the Lender in taking any steps to obtain payment of monies due under this Loan Agreement including costs of enforcement of any security held and including costs of advocates and other costs that the Lender shall incur.
- b) The Lender may debit the Borrower's loan account with the amount of any sums payable under this Loan Agreement.
- c) The Borrower agrees to reimburse the Lender forthwith upon demand all costs (including stamp duties and advocates expenses) on a full indemnity basis incurred in connection with the establishment of the security (if any) and preparation of necessary loan documents.

Clause 10: REPAYMENT

- a) All payments received by the Lender in respect of the Loan shall be credited only when payment is received in cleared funds. Any payment otherwise credited by the Lender in respect to the loan shall be subject to receipt of cleared funds and shall not be deemed credited until such clearance.
- b) The Lender shall apply all payments received from the Borrower in respect of the loan in the order of costs and expenses payable under this Loan Agreement, accrued and unpaid interest and lastly towards the principal sum.

- c) All loan repayments will be channeled through the below bank account:
- **BANK NAME: ECOBANK KENYA LIMITED**
 - **BANK ACCOUNT NUMBER: 6682007440**
 - **BANK BRANCH: FORTIS OFFICE PARK BRANCH**
 - **PAYBILL NUMBER: 700201**

Clause 11: NOTICE AND PLACE PAYMENT

Any Notice or request given by any party under this Loan Agreement to the other shall be in writing. It shall be deemed to have been duly given or made when it shall have been delivered by hand, mail (or airmail if sent to another Country), cable, email, telex or telefax to the party to which it is required or permitted to be given or made at the relevant address for communication as such party shall have designated by notice to the party giving such notice or making such request.

THE BORROWER:

THE LENDER:

Clause 12: EVENTS OF DEFAULT

- a) The following events will constitute default and cause any amount outstanding under the proposed facility to become immediately due and repayable and any commitments hereunder cancelled:
- (i) The failure of the Borrower to observe or perform any other obligations under this Agreement and/or the security documents.
 - (ii) If any circumstances arise which in the Lender's opinion have or may have a material adverse effect on the Borrower's ability to perform his obligations under this letter and/or the security documents.
 - (iii) The Borrower admits in writing the Borrower's inability to pay or shall become unable to pay his debts generally as they fall due, or becomes bankrupt or insolvent, or files any petition or action for relief under any bankruptcy, re-organization, and insolvency law.
 - (iv) A distress or other execution is levied on or against any substantial part of the Borrower's property and is not discharged within Seven (7) days.
 - (v) The borrower suspends or threatens to suspend his operations or, except in the ordinary course of business, sell, lease, transfer or otherwise dispose of all or any substantial part of the Borrower's assets (whether by a single transaction or by a series) or all or any part of its assets are seized or appropriated by or on

behalf of any governmental or any other authority or are compulsorily acquired.

- (vi) In the case of salary based facilities, the termination of the Borrowers employment;
 - (vii) Any of the Borrower's indebtedness is not paid on its due date or becomes due prior to its stated maturity or any guarantee given by the Borrower is not honoured when due or called upon.
 - (viii) Any governmental or other Consent or exemption required to enable the Borrower perform her obligations under this Agreement and or the letter of offer and or the security documents is withdrawn or modified or it becomes for any reason unlawful for the Borrower to perform any of those obligations.
 - (ix) Any representation or warranty made by the Borrower to the Lender in or pursuant to this letter shall prove to have been incorrect in any material respect when made (or deemed made) or, if repeated at any time hereafter by reference to the facts subsisting at such time, would no longer be true and correct in all material respects.
- b) On occurrence of any of the above events then and at any time thereafter the Lender may by written notice to the Borrower terminate the Lender's obligations under this Agreement and/or demand immediate repayment of the Facility together with accrued interest and all other amounts due hereunder and the Borrower will comply with such demand forthwith.
- c) The Borrower will indemnify the Lender against any loss (including loss of profit) or expense which the Lender may certify as incurred by the Lender as a consequence of any default in payment by the Borrower of any sum hereunder when due and/or the occurrence of any default.

Clause 13: AVAILABILITY

- 13.1 The offer hereby made is open for acceptance within fourteen (14) days from the date of the Letter of Offer and if not accepted unconditionally within that period, it will be deemed to be withdrawn from the date of expiry thereof.
- 13.2 The Lender reserves the right to periodically review the proposed facility and in its sole discretion, without prior notice at any time, revise, withdraw, modify or cancel, in whole or in part, the same whereupon any monies owing under or in respect of the cancelled facility shall become due and repayable by the Borrower to the Lender on demand.
- 13.3 The Lender also reserves the right and the Borrower hereby authorizes the Lender to disclose to any person/institution (that the Lender may partner with in relation to the repayment or recovery of the facility) all the details including bank account details of the

Borrower.

- 13.4 The Letter of Offer and/or the granting of the proposed facility may be withdrawn if, in the opinion of the Lender, there is a material adverse change in relation to the Borrower's financial position and/or business performance and/or environment.

Clause 14: SET OFF, COMBINATION OR CONSOLIDATION OF ACCOUNTS

The Lender shall be entitled (but shall not be obliged) at any time and without notice to the Borrower to combine, consolidate or merge all or any of the Borrower's accounts and liabilities with and to the Lender and may transfer or set off any sums in credit in such accounts in or towards satisfaction of the Borrower's liabilities whether actual or contingent, primary or collateral notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Lender is hereby authorized to effect any necessary conversions at the Lender's own rate of exchange then prevailing.

Clause 15: LAW

The Laws of the Republic of Kenya shall govern this Loan Agreement. The Borrower hereby irrevocably submits to the jurisdiction of the Kenyan Courts.

Clause 16: MISCELLANEOUS

- 16.1 No indulgence by the Lender in respect of any rights hereunder will constitute or operate as a waiver of its said rights.
- 16.2 No amendment or variation this Loan Agreement shall be valid or effective unless it is in writing by both the Lender and the Borrower.
- 16.3 The Borrower acknowledges that no representation or inducements to enter into this Loan Agreement have been made whether orally or otherwise other than those representations specifically referred to herein.
- 16.4 Any reference to the masculine gender shall include a reference to the feminine gender and vice versa. Reference to the singular shall include reference to the plural and vice-versa.
- 16.5 The Borrower undertakes to notify the Lender immediately if his financial condition materially deteriorates from the date of their loan application.
- 16.6 Save as otherwise expressly provided, the terms of any other Agreement entered into between the Borrower and the Lender to the extent of any conflict or inconsistency shall be superseded by this Loan Agreement.
- 16.7 If any of the provisions of this Loan Agreement is proved to be wholly or partly invalid or un-enforceable this shall not affect the validity or force of the other provisions of this

SEALED with the common seal of the Lender)

In the presence of: -)

.....

ADVOCATE)

I CERTIFY that the above named attorney(s) appeared before me on the..... Day of20..... and (being known to me) acknowledged the above signature or mark to be his/hers and that they have freely and voluntarily executed this instrument and understood its contents.

ADVOCATE

PANGWA

PERSONAL GUARANTEE FORM

This Personal Guarantee ("Guarantee") is made on this day of 20...., by:

Guarantor:

- Name:
- Address:
- Contact Number:

Borrower:

- Name:
- Address:
- Contact Number:

Lender:

- Name: PANGWA Capital Limited
- Address: P.O. Box 5665 – 00200, NAIROBI
- Contact Number: 0104 686 041

Loan Details:

- Loan Amount:
- Loan Agreement Date:
- Loan Terms:

Guarantee Terms:

1. **Guarantee of Payment:** The Guarantor unconditionally and irrevocably guarantees the full and prompt payment of all amounts due under the Loan Agreement, including principal, interest, and any applicable fees.
2. **Extent of Liability:** The Guarantor's liability under this Guarantee is limited to the entire amount of the Loan Agreement, including any extensions, renewals, or modifications thereof.

3. **Default:** In the event the Borrower defaults on the Loan Agreement, the Guarantor agrees to pay the outstanding amount within **7 Days** of receiving a written notice from the Lender.
4. **Waiver of Rights:** The Guarantor waives any right to require the Lender to proceed against the Borrower or any other party or to pursue any other remedy before proceeding against the Guarantor.
5. **Continuing Guarantee:** This Guarantee is a continuing guarantee and shall remain in effect until the Loan Agreement is fully satisfied.
6. **Governing Law:** This Guarantee shall be governed by and construed in accordance with the laws of the Republic of Kenya

SIGNED by the GUARANTOR

In the presence of: -

ID/PP No.: _____

PIN No.: _____

Date: _____

ADVOCATE

I _____ an Advocate of the High Court of Kenya duly licensed to practice certify that I was present and saw the above named Guarantor set his/her hand to this Loan Agreement.

ADVOCATE



)

)

)

)

)

)

)

)

I CERTIFY that the above named attorney(s) appeared before me on the..... Day of20..... and (being known to me) acknowledged the above signature or mark to be his/hers and that they have freely and voluntarily executed this instrument and understood its contents.

LOAN APPLICATION DOCUMENTS

1. Latest 6 months bank statements.
2. Latest 3 months M-Pesa statements.
3. Copy of the Business Registration and KRA Pin.
4. Copies of the National ID and KRA Pin for the Borrower.
5. Copies of the National ID for the Guarantors.
6. Copies of the Business Records for the latest 6 months

