

## LOAN AGREEMENT

LRN: .....

This Loan Agreement is entered into the day ..... of ....., 20 ..... between **SECURE FINANCE LIMITED** a Limited Company incorporated under the Laws of Nigeria with its registered office at Suite B91, Ikota Shopping Complex, Lekki-Epe Expressway, Lagos, Nigeria (hereinafter called "**the Lender**") which expression shall where the context so admits include its successors-in-title, legal representatives and assigns) on the one part

AND  
(Mr/Mrs/Ms/Miss) ..... of .....

....., Nigeria.  
(hereinafter called "**the Borrower**") which expression shall where the context so admits include his/her heirs, personal representative, legal representatives and assigns) on the other part

### WHEREAS,

- A. The Lender wishes to grant a loan of N..... (.....) in favour of the Borrower herein referred to as the "Loan" and the Borrower wishes to accept the loan from the Lender.
- B. The Lender and Borrower have agreed that the purpose of the loan is to finance the Borrower's personal consumption.

### NOW THIS AGREEMENT WITNESSES AS FOLLOWS;

#### 1. Amount and Tenor

- a. The Lender agrees to lend to the Borrower a sum of N..... (.....) in accordance with the terms and conditions of this agreement.
- b. The Loan shall be disbursed by cheque issued in favour of the Borrower or by Confirmed Lender transfer.
- c. The Loan shall commence on the date of disbursement and the maturity period shall be for a period of (.....) ..... months ending on the last installment due

#### 2. Interest Rate, Fees and Costs

- a. The monthly interest rate is ..... % flat monthly and is calculated by the Lender from the date of loan disbursement to the date of full repayment by the Borrower.
- b. The Lender charges a one-off disbursement fee of ..... flat of the approved loan amount deductible from the approved loan amount at disbursement.
- c. The Lender has the right to adjust the interest rate stated herein if developments of the underlying economic parameters necessitate doing so, provided written notice is given to the Borrower.
- d. The Borrower will pay the disbursement fee and expenses (including but not limited to legal fees) incurred by either party in perfecting the Borrower's security to the Lender.
- e. If the Lender feels compelled to commence legal action against the Borrower, all costs involved will be added to the principal of the loan and will therefore be at the expense of the Borrower.

#### 3. Terms of Repayment

- a. The Borrower is obliged to repay the Loan according to the attached and agreed payment plan.
- b. If any of the installment Due Dates fall on a public holiday, payments can be executed on the immediate following working day
- c. The Borrower is to make sure that payment for installments Due is received by the Lender through the Lender's approved commercial Lender accounts on or before the installment Due date
- d. In the event that the Borrower fails to pay an installment on any of the agreed installment Due Dates, the Lender may decide at its discretion to charge a penalty interest rate of % on the outstanding installment principal for each day of late payment. By charging penalty interest, the Lender will not relinquish any right to take legal action.
- e. The obligation of the Borrower to repay the Loan shall not be subject to any compensation and/or set off by the Lender.
- f. If the Loan becomes due as mention under "Events of Default", the Lender shall be entitled to request the Borrower to repay the Loan Amount in full with immediate effect together with all interests which are outstanding and unpaid and all other charges payable in relation to the Loan.
- g. In the event of the Borrower failing to pay any amount due to the Lender under the Loan, the Lender reserves the right to debit all other accounts of the Borrower's Lender(s) accounts with the cheques pledged or via payment platforms registered by the Lender.
- h. The Borrower has the possibility if desired to cancel the Loan with a complete early repayment. In case he has reached 50% or more of the maturity of the loan without any default, and a new loan has been approved to the Borrower by the Lender, he shall be eligible to a discount on the outstanding interest. In any case, anticipated cancellation of the loan has to be authorized in writing by the Lender.

#### 4. Condition Precedent

The obligation of the Lender to provide the Borrower with the Loan is subject to the condition that the Lender shall have received and approved, at least a (1) day before the commencement date, the following legal documents pertaining to the Borrower and each of the following conditions performed and fulfilled in a manner satisfactory to the Lender:

- i. Passport photographs of the Borrower
- ii. Copy of an official identification (passport or national ID card) of the person(s) of the Borrower
- iii. Postdated cheques in favour of the Lender as requested by the Lender
- iv. At least six (6) months statement of account(s) of the Borrower where applicable and requested
- v. Documents covering the collateral used as security or the Loan (state specific collateral(s) and document(s))

#### 5. Loan Monitoring

- a. The Borrower hereby authorizes the Lender to institute an audit on the Borrower in order to check if the use of the Loan complies with the provision of this Loan Agreement.
- b. The Borrower agrees to render assistance at his own cost to any enquiry, evaluation and/or audit performed by persons of institutes or agents indicated by the Lender.
- c. The Lender reserves the right to recall principal loan Amount, interest accrued, penalties and eventually future interest if the Borrower is found to have contravened the Loan purpose and that engages in other illegalities.

#### 6. Representations and Warranties

- a. The representations and warranties contained in this agreement shall be true and correct in all aspect on and as of the Commencement Date and the duration of the Loan Agreement to the same extent as though made on and as of such date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all respects on and as of such earlier date;
- b. The parties warrant that they both have the capacity to execute, deliver and comply with the obligations under the Loan Agreement;
- c. The Borrower warrants that all information given to the Lender in relation to the Loan Agreement is correct, complete and not misleading and s/he has disclosed to the Lender all information which s/he has or has access to which is relevant to the assessment by the Lender of the nature and amount of the risks undertaken by the Lender becoming his creditor;
- d. The Borrower warrants that the statement of his financial affairs and all other books and records given to the Lender are true, fair and accurate statement of his financial position at the date on which they were prepared, except as notified to the Lender in writing prior to the date of the Loan Agreement;
- e. The Borrower warrants that no litigation, arbitration or administrative proceeding is currently, pending or to his knowledge threatened which has or the adverse determination of which would be likely to have a material adverse effect on the full repayment of the Loan;
- f. This Loan Agreement, and every other document delivered in connection herewith or therewith when executed will be legal, is valid and binding obligations of the Borrower and are enforceable in accordance with their respective terms and shall remain legally binding until the full repayment of the Loan;
- g. The Borrower warrants that there will be no material adverse changes in the financial condition of the Borrower at the time of the Commencement Date;
- h. The obligations of the Borrower hereunder and under any other document executed in connection herewith or therewith constitute the direct, unconditional and general obligations of the Borrower;
- i. The Borrower is not in default under any agreement or obligation to which he is a party or by which he may be bound by reason of his execution, delivery or performance of his Loan Agreement.

#### 7. Case of Default

- a. Under the Loan Agreement, default by the Borrower shall occur in the event that the Borrower fails to observe the provisions of the Loan Agreement;
- b. The following events are considered as Events of Default. If one (or more) of the following events occurs, the Lender has the right to terminate the Loan Agreement and demand immediate payment of the principal loan amount, interest accrued, penalties and eventually future interest, without any presentment, demand, protest or notice of any kind. The Borrower waives, as far as necessary, all of these rights. The Lender will have the right to start consequent legal action in the event of:

- i. Default  
If the Borrower does not pay recall or capital repayments according to the conditions of the Loan Agreement, it will be considered as a non-fulfillment and consequently as late repayment.
- ii. Intervention  
Any (governmental) authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations property or other assets of the Borrower or of its share capital, or takes any action for the dissolution of the Borrower or any action that would prevent the Borrower from carrying on all or a substantial part of its business or operations within the legal frame works of Nigeria.
- iii. Liquidation
  - (i) Any liquidator, judicial custodian, receiver, administrative receiver or trustee or analogous officer appointed with respect to or (ii) any encumbrance lawfully takes possession of:
  - The whole or any material part of the undertaking or assets of the Borrower; or
  - Any petition is filed seeking the above or seeking to declare the Borrower Bankrupt or insolvent or the winding up or liquidation of its affairs and that petition is not dismissed within 30 days.
- iv. Change of Activities  
The Borrower's activities change in such a way that they can pose a threat to the continuity of the Borrower;

v. **Material Adverse Effect**

If a Material Adverse Effect occurs. Material Adverse Effect means any event, condition or change which materially and adversely effects or could reasonably be expected to materially and adversely affect (i) the ownership of the interests or shares held in the Borrower itself or in the ownership of the assets of the Borrower; the operations, properties business of condition (financial or otherwise) of Borrower, (ii) the rights and remedies of Lender under the Loan Agreement or (iii) the ability of the Borrower to repay the Loan in accordance with their terms.

**8. Other Conditions**

- a. The Borrower shall not assign, transfer, alienate or encumber in any way his rights and/or obligations under this Loan Agreement itself or any part thereof;
- b. The Borrower undertakes to inform the Lender promptly of any plan, measure, event or condition which might materially and/or adversely affect Borrower's business in general and/or the progress of the Loan purpose in particular and/or the recoverability of the Loan and/or interest;
- c. The Borrower undertakes to obtain the Lender's approval when selling partly or entirely his fixed business asset or (and) taking medium or long-term liabilities pledging or (and) selling the collateral;
- d. The installments have to be paid as instant transfer(s) to the Lender's approved commercial bank accounts;
- e. The Borrower acknowledges and concedes that the Lender's books and accounts shall be sole evidence of the sum due or which the Borrower is bound to pay in respect of the credit.

**9. Termination**

The Lender has the explicit right to terminate this Loan Agreement, at its sole discretion, in the event that:

- a. Any circumstances occur which cause fundamental changes in the ownership of the assets of the Borrower without the Lender's consent;
- b. A change in the management structure of the Borrower occurs which has a material adverse effect;
- c. It is discovered that the Borrower's warranties and representations under this Loan Agreement is false regarding his entrepreneurial activity, financial situation, or other facts which are found to be of significant importance for the Borrower's ability to fulfill the terms of the Loan Agreement;
- d. Any circumstances occur which cause fundamental changes in the control over the Borrower;
- e. Any circumstances occur which, in the Lender's reasonable opinion, justify a concern that the Borrower will fail to perform its obligations under this Loan Agreement or that the Lender's rights of recourse will be adversely affected;
- f. Any change occurs in the financial or business condition or circumstances or operation of the Borrower such that it is unlikely in the opinion of the Lender that the Borrower will be able to perform its payment and other obligations under the Loan Agreement and/or which would affect the ability of the Borrower to comply with its obligations as contained under this Loan Agreement;
- g. Any other event or circumstances occurs which, in the opinion of the Lender, is likely to materially or adversely affect the liability of the Borrower to perform all or any of its obligations under this Loan Agreement;
- h. In the event the Lender opts to use its right to terminate this Loan Agreement in conformity with clause 11, the outstanding principal amount of the Loan together with any accrued interest thereto, penalties, other charges, related to the Loan recovery and eventually future interest shall become automatically due and payable by the Borrower to the Lender.

**10. Security**

The Borrower hereby declares, confirms, acknowledges, and warrants that s/he shall not sell, transfer or otherwise dispose of the collateral or any part thereof to a third party or any legal or beneficial interest therein or to assign or otherwise purport to deal therewith or with any interest therein, whether to provide security to a third party or otherwise, without the prior written approval of the Lender during the continuance of the Loan Agreement.

**11. Credit Report to Credit Bureau**

The Borrower hereby agrees and acknowledges the Lender's right to send the Borrower's name, indebtedness and repayment history to the Credit Bureau as soon as the Loan is disbursed and that this shall continue until the Loan is fully discharged.

**12. Amendments to the Terms and Conditions**

The Lender has the right to vary the terms and conditions of this agreement, provided prior written notice is given to the Borrower.

**13. Confidentiality Clause**

Each party undertakes to the other that this agreement and all negotiations relating to its conclusion shall remain strictly confidential between them and no disclosure thereof shall be made to any third party other than the related parties or as it is necessary to give effect to its provisions. Only such disclosures as have been agreed by both parties shall be made.

**14. Governing Law**

This agreement shall be interpreted and construed in accordance with the laws of the Federal Republic of Nigeria as may from time to time be in force. Disputes between parties which cannot be resolved by means of mutual agreement shall be subject to and governed by the laws of the Federal Republic of Nigeria.

**15. Miscellaneous**

The present contract remains in force until complete fulfillment of the Borrower's obligations under this contract.

The Borrower hereby acknowledges that s/he has read this agreement OR the foregoing was interpreted to him/her by....., and that s/he understands and agrees to the obligations, liabilities and rights herein.

IN WITNESS WHEREOF the parties hereunto have set their hands and seals the day and year first above written.

THE COMMON SEAL/Signature of the within-named **Borrower**

Name:.....

Signature.....

THE COMMON SEAL of the within-named **Lender SECURE FINANCE LTD**

.....  
CREDIT OFFICER

.....  
LOANS SUPERVISOR