

THE REPUBLIC OF UGANDA SECURITY INTEREST IN MOVABLE PROPERTY ACT, 2019
SECURITY AGREEMENT DATED 13 APRIL 2021
FOR ESTABLISHING SECURITY INTEREST OVER SERIAL-NUMBERED COLLATERAL

BETWEEN:

WATU CREDIT UGANDA LIMITED, Company number 80020001840014, a limited liability company incorporated in Uganda and having its registered office situated in Kampala for the purposes hereof of Post Office Box Number 16225, Kampala (hereinafter called the Lender or **Secured Creditor** (which shall include any successors in title and assigns); and

Grantor's Name		Uganda ID number	
Uganda TIN No		Date of birth	
Postal Address		Physical address	
Grantor's Email Address		Mobile Telephone Number	

hereinafter called the **Grantor or the Borrower** which (which shall include any successors in title and assigns), and together called – **the Parties**.

The Lender has issued to the Borrower (Grantor) a loan according to the Loan Agreement (hereinafter called **the Loan Agreement**) No. **2018-00001** for the purchase of a motor vehicle(s) described below (hereinafter– the Collateral):

Registration number	Chassis number	Body type / Make & model

Parties wish to establish security rights over the Collateral in order to secure performance of obligations imposed under the Loan agreement.

1. This Agreement establishes security rights over the collateral in the meaning of the Security Interest in Movable Property Act, 2019.
 2. This Agreement secures obligations contained in the Loan Agreement between the Lender in the capacity of Secured Creditor and the Borrower in the capacity of the Grantor, along with the schedules and any amendments thereof. The obligations include repayment of the Loan amount, Interest, and any other applicable payments or fees up to maximum total amount of _____ Ug. Shs.
 3. The Grantor confirms they are the beneficial owner of the collateral and the Secured Creditor has power to encumber it. The Grantor agrees to the registration of a notice of security interest in Collateral with the Uganda Registration Services Bureau for the benefit of the Secured Creditor.
 4. The Collateral herein shall also include each and every component part thereof; all replacements, renewals or additions to and substitutions.
 5. The Secured Creditor shall prepare the Initial notice to the Registrar of security rights according to Security Interest in Movable Property Act regulations and shall register the security created under this Agreement. The Secured Creditor may request the reimbursement of registration fees from the Grantor. The Grantor hereby agrees to registration of the Initial notice and/or amendments with the Registrar.
 6. Security interest in the Initial notice shall be registered for 3 years initial period and the Secured Creditor shall have a right to file an amendment notice and extend the security period for additional time until all obligations arising from the Loan agreement are settled.
 7. The Grantor undertakes not to encumber the Collateral in favour of other creditors in the duration of the present Agreement.
 8. The Grantor must notify in writing any change in identifier information within 5 days of change to the Secured Creditor.
 9. The Grantor while in possession of the Collateral shall exercise reasonable care to preserve the asset. The Secured Creditor has the right to inspect the Collateral in the possession of the Grantor or another person at any time.
 10. The Secured Creditor has the rights to transfer the security interest to another person or entity by registering an amendment notice to reflect the transfer.
 11. The Secured Creditor shall discharge the security interest over the Collateral within 5 days from the moment all obligations arising from the Loan Agreement are fulfilled. Cancellation notice to terminate the security rights over the Collateral may only be submitted by the Secured Creditor. The Secured Creditor may ask the Grantor to reimburse any registration fees.
 12. In case of a default with respect to any of Grantor's obligations, the Secured Creditor shall serve a notice to the Grantor to pay the money owed or perform and observe the agreement. The notice shall contain the following information:
 - 1) nature and extent of default;
 - 2) in case of default on the payment, the amount owed and term of payment;
 - 3) in case of default on other obligations, the act Grantor must do or desist to rectify the default and time limit;
 - 4) the rights of the Secured Creditor to repossess the Collateral without court or use any other remedies afforded by law if default is not rectified within specified time limit.
 13. The Grantor hereby expressly consents that in case of default the Secured Creditor may obtain possession of the Collateral without any court application.
 14. Upon default, the Secured Creditor shall be entitled on behalf of the Grantor to sell or otherwise dispose of the Collateral in accordance with the law in its present condition or following any commercially reasonable preparation or processing to recover any outstanding loan balance.
 15. The Creditor may select the method, manner at a time and place of its choosing and other aspects of the sale or other disposition, including whether to sell or otherwise dispose of Collateral.
 16. The Grantor agrees that any notices in respect of this Agreement may be served in the form of a text message to the mobile number of the Grantor or by e-mail or letter at the Secured Creditor's discretion.
 17. No alteration, amendment, variation or addition to this Agreement shall be effective unless made in writing and executed by the Parties.
 18. The Grantor acknowledges that no representations or promises contrary to the provisions of this Agreement have been made to the Secured Creditor or its agents.
 19. This Agreement shall be governed by and interpreted in accordance with Ugandan laws. The Grantor hereby irrevocably submits to the nonexclusive jurisdiction of the High Court of Uganda but this Agreement may be enforced in any court of competent jurisdiction.
- I, person named and signed below as representative of the Secured Creditor, hereby state that I explained the contents of this Agreement to the Grantor as the Interpreter who then appended their mark/signature to the Agreement.

IN WITNESS this Instrument has been duly executed on the day and year first above written.

SIGNED BY THE GRANTOR	{GRANTOR'S NAME}
in the presence of: WITNESS (name and address)
SIGNED BY THE LENDER (SECURED CREDITOR)	WATU CREDIT UGANDA LIMITED	
For and behalf of		
in the presence of: WITNESS (name and address)

LOAN AGREEMENT NO. XXXXXX DATED 13 DECEMBER 2018
Special Terms

These Special Terms shall be read together with the General Terms, and together they constitute the Loan Agreement.

WATU CREDIT UGANDA LIMITED (80020001840014), a limited liability company incorporated in Uganda and having its registered office situated in Kampala (P.O. Box Number 16225, Kampala, hereinafter called the **Lender** which shall include any successors in title and assigns; and

Borrowers Name:		Physical Address:	
Uganda ID number:		Email address:	
TIN Number:		Mobile Phone number:	
Postal Address:		District of Operation of the Vehicle:	

Hereinafter called the **Borrower** (which shall include any personal representatives and permitted assigns).

The Borrower has requested the Lender to issue to the Borrower a loan in the amount and according to the Special Terms and Conditions set out below for the purchase of a motor vehicle(s) (the Vehicle) and the Lender has agreed to issue the Loan.

Vehicle Price	UGX
Downpayment amount	UGX
Loan Amount (excluding fees)	UGX
Loan Processing Fee	UGX
Total Loan Amount (including fees)	UGX
Term in Months	24
Interest Rate per Month	%
Interest Amount	UGX
Repayment Amount (Total Loan Amount + Interest Amount)	UGX
Weekly Instalment	UGX
Number of Instalments	x

Registration number	Chassis number	Body type / Make & model

The Lender and the Borrower have entered into this Agreement for the purposes of recording and regulating their relationship, rights and obligations in respect of repayment of the Loan Amount on the terms and conditions detailed in the Special and General Terms.

By entering into this Agreement, I {borrowers name} confirm that I have read, understood and accepted the Special and General Terms of the Loan Agreement which were made available at the Lender's office and are available on the Company's website at www.watuafrica.com and the contents of this Agreement was duly explained and interpreted (if applicable) to me.

SIGNED BY THE BORROWER **{NAME, LAST NAME}**

in the presence of:

WITNESS (name and address)

SIGNED BY THE LENDER **WATU CREDIT UGANDA LIMITED**

for and on behalf of **{FO NAME LAST NAME}**

in the presence of:

WITNESS (name and address)

General Terms (Version 1.0, as approved by Watu Credit Uganda Limited on 25 May 2021)

These General Terms shall be read together with the Special Terms, and together they constitute the Loan Agreement.

1. Purpose of the Loan

1.1. The Loan Amount is used as part of the Purchase price of the Vehicle. The Borrower hereby requests and authorizes the Lender to transfer the Loan Amount directly from the Lender to the Seller of the Vehicle according to the Seller's invoice.

1.2. The Loan Amount is issued for the Term set out in the Special Terms and shall be repaid in weekly instalments together with the Interest and any other applicable payments, fees or penalty according to the terms below.

1.3. The Vehicle is selected by the Buyer, and the Lender is not liable by any contract to deliver the Vehicle or to service or maintain it or to provide any other services related to the Vehicle.

1.4. The Borrower is the beneficial owner of the Vehicle with full rights of ownership and control. The Lender may appoint the agent for the purpose of registering the legal ownership of the Vehicle so as to protect the Lender's security interest in the Vehicle. This registration as the legal owner shall be only for purposes of securing the Lender's interest in the Vehicle, but the beneficial owner has all possessory rights and derives all the benefits of the use of the motor vehicle and has exclusive rights over the control and is responsible for all the liability that may attach to the vehicle exclusively but virtue and use of the Vehicle. The Vehicle is understood to include each and every component part thereof; all replacements, renewals or additions to and substitutions for the Vehicle from time to time made are an integral part of the Vehicle. The Borrower agrees that the Lender may register a security interest on the Vehicle.

1.5. Under this Agreement, the Lender agrees to the cancellation of the security interest within 5 business days upon full repayment of the Loan Amount, Interest and applicable Fees.

1.6. In order to secure the repayment of the Loan Amount, Interest and any other applicable fees and payments, Security Interest shall be registered in favour of the Lender over the Vehicle described in the Special Terms according to the terms of Security Agreement which forms an integral part of the present Agreement.

2. Commencement and Duration

2.1. This Agreement shall commence on the Initial Disbursement Date (being the date when the Seller has made the Vehicle available to the Borrower on the basis of received payment from the Lender) and terminate on the Expiry Date (being the date of receipt of the final payment under the present Agreement).

3. Ownership and restrictions on the Vehicle

3.1. The Borrower shall be the beneficial owner of the Vehicle, subject to the Lender's security interest in the Vehicle pursuant to the Security Agreement.

3.2. The Borrower will become registered legal and beneficial owner of the Vehicle once the Borrower has fully repaid the Loan Amount, Interest and any other applicable payments or fees under the present Agreement in full and has performed all the duties according to the Agreement.

3.3. For the duration of the Agreement except with the prior written consent of the Lender, the Borrower is not allowed to sell, offer for sale, let, hire out, assign, charge, encumber or in any way deal with or dispose of the Vehicle, remove or permit the removal of the Vehicle outside Uganda or attempt to do any of these things.

3.4. The Borrower shall make sure the Vehicle is safe, kept in good condition, and used correctly and in conformity with any applicable code of practice and shall arrange any maintenance that is needed.

3.5. Any damage, loss or injury to anything or anyone, caused to or by the Vehicle or by its use is Borrower's risk. Any penalties, fines or liabilities arising in respect of the use or possession of the Vehicle or the carriage of any persons are Borrower's responsibility. The Borrower agrees to indemnify the Lender in case of any claims.

3.6. The full risk regarding loss or damage to the Vehicle, whether attributable to irresistible force, inevitable accident or any other cause is passed to the Borrower. The Lender shall not be liable for any loss or damage caused by any defect in or arising out of the Vehicle.

3.7. The Lender is allowed to inspect the Vehicle at any time.

3.8. The Lender has the rights to fit the Vehicle with a GPS / GSM tracking device at Borrower's cost, and any such costs are included in the Loan Amount. The Borrower shall not remove, interfere, damage, make any alterations to the tracking device and the Borrower hereby authorizes the Lender at the Lender's discretion to control or switch off the Vehicle remotely. Any breach of this clause by the Borrower will constitute an event of default and result in Borrower's immediate obligation to repay the entire Repayment Amount. The tracking device is property of Watu Credit Uganda.

4. Repayment of the Loan and Interest

4.1. The Borrower shall repay the Loan within a time period indicated in the Special Terms. The Loan shall be repaid by weekly instalments starting one week from the Initial Disbursement Date.

4.2. In consideration of the Lender granting to the Borrower the Loan, the Borrower shall pay the Lender the interest at the Interest Rate indicated in the Special Terms (the "Interest"). Interest will be calculated on a declining balance basis payable weekly.

4.3. For the purposes of this Agreement, the total interest is calculated based on the applicable monthly interest rate on remaining balance of the principal.

4.4. Each weekly payment shall be made on the same day in each subsequent week.

4.5. Total Repayment Amount as stated in the Special Terms includes the Loan Amount and Interest (but excludes any Penalty for late payments or other applicable fees). Lender shall in addition to the Repayment Amount be entitled to the payment of other applicable fees as set out in the Special Terms.

4.6. The Borrower shall make all payments due to the Lender in respect of the Loan, including but not limited to the Interest, Penalty, Downpayment and other fees to account(s) communicated to the Borrower during onboarding process and via regular SMS reminders. The Lender may at any time change the channel of collection and shall inform the borrower via SMS and/or any other channel of communication.

4.7. The Borrower may repay the Loan at any time before the due date. However, this does not affect the amount of Interest payable, which must be paid in full.

4.8. If the Borrower fails to repay the Loan and/or Interest or any other sum due or owing by the Borrower to the Lender the Borrower will be

charged the Penalty of 0.5% daily for any outstanding amount until full and final settlement.

4.9. In addition to the Penalty the Lender may apply a Collection charge of up to **200,000 UGX** (two hundred thousand Ugandan shillings) to cover internal recovery expenses if client is in arrears for more than 10 (ten) days. The Borrower acknowledges, agrees and confirms that the aforesaid late payment Collection charge represents a reasonable pre-estimate of the loss to be suffered by the Lender. This collection charge does not cover any external recovery expenses which will be payable by the Borrower separately.

4.10. The Lender shall apply all payments received under this Agreement in following order: 1) fees and expenses payable under this Agreement, 2) accrued and unpaid Penalty, 3) Interest, 4) the principal (Loan Amount).

4.11. If any payment hereunder would otherwise be due to be made on a day which is not a Business Day, it shall be made on the next succeeding Business Day.

4.12. If at any time it is unlawful or contrary to any request from or requirement of any central bank or other fiscal monetary or other authority, for the Lender to make, fund or allow to remain outstanding all or any part of the Loan Amount, then if the Lender so requires, the Borrower shall on such date as the Lender specifies repay the Loan Amount together with accrued Interest on it and any other amounts then due to the Lender hereunder.

5. Payment Fees and Taxes

5.1. The Borrower is responsible for all applicable tax payments, including deduction of any withholding tax if applicable.

5.2. All Transaction Fees payable in connection with the repayment of Loan, Interest, Penalty, Collection charge or other applicable fees shall be borne by the Borrower.

5.3. The Borrower shall indemnify the Lender on a full and unqualified indemnity basis against:

- (a) any legal charges including, without limitation, advocate and client costs incurred by the Lender in obtaining legal advice in connection with the Loan, related to the Borrower's dealings with the Lender or incurred by the Lender in any legal, arbitration or other proceedings arising out of any dealings in respect of the Loan; and
- (b) all other fees, expenses and taxes, duties, impositions and expenses incurred in respect of the Loan, including as a consequence of the occurrence of any Event of Default.

5.4. The certificate of the Lender as to the amount of such indemnified loss or expense shall be conclusive.

5.5. The Borrower hereby agrees to pay all costs, charges and expenses incurred by the Lender in obtaining or attempting to recover the Loan, Interest, Penalty or any other sum due from the Borrower.

5.6. All payments due from the Borrower hereunder shall be made free and clear of and without deduction for or on account of any present or future taxes. If at any time, any regulatory requirement or any taxing authority requires the Borrower to make any deduction or withholding in respect of taxes from any payment due from them for the account of the Lender, the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives a net sum equal to the sum which the Lender would have received had no such deduction or withholding been required to be made and the Borrower shall indemnify the Lender against any losses or costs incurred by the Lender by reason of any failure of the Borrower to make any such deduction or withholding.

6. Vehicle insurance

6.1. Upon signing the present Agreement the Lender arranges a comprehensive insurance cover for the Vehicle for 1 (one) year from a Lender's selected insurer at Borrower's cost, and any such costs are included in the Loan Amount. The Borrower shall independently renew such insurance at his own cost upon expiry of the first year. The insurance cover shall remain in force throughout the duration of the present Agreement.

6.2. The Borrower shall use the Vehicle in strict compliance to the terms of the insurance policy.

6.3. If the Vehicle has a total loss, is damaged or it is stolen, the Borrower still shall be fully responsible until full discharge the Borrower's outstanding liabilities. If any insurance cover fails to cover Borrower's liability to the Lender, the Borrower remains liable to the Lender for any shortfall.

6.4. The Borrower authorises the Lender to contact the insurer and, if the Vehicle has a total loss or it is stolen, consent to disclosing the amount required to discharge Borrower's outstanding liabilities to the Lender. The Borrower appoints Lender as his agent to negotiate and agree with the insurer the terms of any insurance claim in respect of the Vehicle and to receive any insurance payout.

6.5. The Borrower is fully responsible that the Vehicle is operated in full compliance with the traffic rules and any other regulations.

7. Events of Default

7.1. The Lender may, without prejudice to its other rights under the this Agreement and Security Agreement, terminate its obligation to make the Loan Amount available and declare the Loan Amount together with the full Interest amount and other applicable payments and fees under this Agreement immediately (or in accordance with such declaration) is repayable on demand if any of the following events occur:

- (a) any weekly instalment or any other amount due under the Loan Agreement is not paid on the due date; or
- (b) the Borrower fails to perform any of the Borrower's obligations under this Agreement or the Security Agreement (including but not limited to the operation of the Vehicle outside designated district of operation or operation of the Vehicle contrary to the terms of insurance policy); or
- (c) the Borrower defaults under any loan agreement, facility letter or other agreement or obligation relating to borrowing; or
- (d) any representation, undertaking, statement or warranty made by the Borrower pursuant to this Agreement and the Security Agreement is incorrect; or
- (e) if an order is made for the bankruptcy or insolvency of the Borrower or the Borrower becomes insolvent or is unable to pay his debts or enters into dealings with any of his creditors with a view to avoiding, or in expectation of, insolvency or stops or threatens to stop payments generally or an encumbrance takes possession, or a receiver is appointed of the whole or any material part of the assets of the Borrower; or
- (f) if the Borrower stops payment or agrees to declare a moratorium or becomes or is deemed to be insolvent or unable to pay his debts as and when they fall due; or
- (g) any material part of the Collateral or revenues of the Borrower is sold or disposed of (otherwise than in the normal course of trading) or threatened to be sold or disposed of or is nationalized, compulsorily acquired, seized or appropriated; or
- (h) the Security Agreement securing the Loan Amount (or any part thereof) now existing or hereafter created becomes enforceable or becomes invalid; or

- (i) any license, authorization, consent or registration at any time necessary or desirable to enable the Borrower to comply with the Borrower's obligations to the Lender hereunder shall cease to remain in full force and effect; or
- (j) any breach occurs of the terms and conditions (if any) endorsed on or referred to in the document of title in respect of the Security Agreement;
- (k) it becomes unlawful or impossible or it becomes uneconomical or difficult (as determined solely by the Lender) for the Lender to maintain the Loan in effect;
- (l) there shall be any other event, thing or circumstance which in the opinion of the Lender (as determined by the Lender in its absolute discretion) materially and adversely affects the ability of any of the Borrower to fully discharge the Borrower's obligations to the Lender;
- (m) Any judgment or order is made against the Borrower and is not complied with within seven (7) days or if any execution, distress, sequestration or other process is levied or enforced upon or sued against any part of the Borrower's property, assets or revenues.

7.2. If an Event of Default occurs, the entire Repayment Amount then outstanding together with the full Interest amount thereon and any other payments or fees shall immediately become due and payable to the Lender and the Lender shall cease to be under any further commitment to the Borrower, and the Lender shall be entitled at its option to sue for the repayment of the Repayment Amount (or so much thereof as shall be outstanding) and enforce the payment thereof and/or enforce the powers rights and privileges conferred on the Lender by the Security Agreement.

8. Representations and Warranties

8.1. The Borrower hereby represents and warrants to the Lender as at the date hereof:

- (a) the Borrower has full right of title and power to assign and transfer the Collateral (as defined in the Security Agreement) to the Lender and that the Collateral are not subject to any Encumbrance;
- (b) the Borrower's obligations under this Agreement will constitute valid and binding obligations of the Borrower enforceable in accordance with their respective terms;
- (c) the Borrower is not in default in respect of any other indebtedness (including obligations under guarantees and indemnities) and the borrowing and repayment of the Loan Amount will not contravene any existing applicable law or regulation or any contractual or other restriction or limitation binding on the Borrower;
- (d) any information the Borrower has provided to the Lender was, when given, true and no change has occurred since the date the information was supplied which renders it inaccurate; and
- (e) no insolvency or bankruptcy proceedings have been commenced against the Borrower or to the best of the Borrower's knowledge threatened against the Borrower.

8.2. These warranties shall be deemed repeated by the Borrower on and as of each day that there are monies due to the Lender hereunder are outstanding.

8.3. By accepting this Agreement the Borrower undertakes to the Lender that until all monies owing hereunder have been repaid in full and confirmed by the Lender in writing to have been so paid the Borrower:

- (a) without the prior written consent of the Lender will not initiate or consent to the commencement of any bankruptcy, insolvency or analogous proceedings in respect of the Borrower;
- (b) will not approve any agreement to license, lease, sell or create any Encumbrance over the Collateral;
- (c) will supply the Lender with all the information, confirmations and documents referred to in this Agreement and such other information, confirmations and documents that the Lender may require;
- (d) indemnify and keep the Lender fully and effectually indemnified (on a full and unqualified indemnity basis) from and against all actions, proceedings, costs, claims, liabilities, taxes, charges, expenses and demands whatsoever occasioned by any Event of Default or any breach or non-observance of any of the covenants, stipulations or warranties on the part of the Borrower contained in this Agreement.

9. Variation and Termination of Relationship

9.1. The Lender may at any time, upon 7 (seven) days' notice to the Borrower, terminate or vary its business relationship with the Borrower, and in particular the Lender may cancel or call in the Loan which it has granted and require the repayment of outstanding debts resulting therefrom within such time as the Lender may determine.

10. Data Collection and Disclosure of Information

10.1. In order for us to assess the Loan application and to provide the Loan, the Borrower provides the Lender with certain personal information including but not limited to: name, address, telephone, date of birth, TIN, income details, copy of ID document ("Personal Information").

By signing this Agreement the Borrower hereby consents and authorises the Lender to disclose, receive, record or utilise the Borrower's personal information, and data relating to the Loan application, the Loan, the Repayment details and any other data or details within the limits permitted by law. The permitted used may include:

- (a) in order to provide the Lender's services to the Borrower;
- (b) in order to perform the Lender's obligations under this Agreement;
- (c) prevention, detection, investigation or prosecution of criminal activities or fraud;
- (d) exchange of information with the Lender's service providers, dealers, agents, assignees or any other company that may be or become the Lender's subsidiary or holding company for reasonable commercial purposes relating to the Services;
- (e) to and from a Credit Reference Bureau to obtain Borrower's credit report;
- (f) to the Lender's lawyers, auditors or other professional advisors;
- (g) any court or arbitration tribunal in connection with any legal proceedings;
- (h) for reasonable commercial purposes related to financing, such as marketing and research related activities; and
- (i) in business practices including but not limited to quality control, training and ensuring effective systems operation.

10.2. The Borrower hereby agrees and authorises the Lender to obtain and procure Personal Information.

10.3. The Borrower hereby expressly consents and authorises the Lender to request and receive any credit history data about the Borrower from a Credit Reference Bureau.

10.4. Your personal data may be transferred to any third parties (within or outside Uganda) assisting with the execution of pre-contractual measures and performance of the agreement. You hereby explicitly consent to the data transfer, including a possible transfer outside Uganda,

including the transfer of your special personal data. A transfer outside Uganda will only be effected to third parties that have appropriate data protection safeguards in place with respect to the security and protection of your personal data, and/or to jurisdictions that have implemented adequate data protection measures and that we have confirmation that the appropriate safeguards are in place.

10.5. The Lender undertakes that it will duly observe its obligations as a data controller under the Data Protection and Privacy Act which arise in connection with the collection and processing of the Personal Information.

11. Assignment and Appointment of Attorney

11.1. The Borrower agrees that the Lender may at any time without prior notification or consent of the Borrower assign and transfer all or any part of its rights or obligations under the Loan Agreement and the Security Agreement to any person and after any such assignment and transfer the expression the "Lender" shall be deemed to include such assignee(s) to the extent of their respective participations.

11.2. The Borrower shall not, without the prior written consent of the Lender first having been obtained, assign or transfer any of his rights or obligations or benefits under the Loan Agreement and the Security Agreement to any person.

11.3. The Lender may disclose to any person to which the Lender is assigning or transferring its rights or obligations such information about the Borrower (including Borrower's personal data) as the Lender shall consider necessary in the circumstances.

11.4. The Borrower hereby irrevocably appoints the Lender to be the attorney of the Borrower and in the name and on behalf of the Borrower to execute and do any assurances, acts and things which the Borrower ought to execute and do under the covenants and agreements herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers hereby or by law conferred on the Lender.

12. Notices

12.1. Any notice, demand or other communication served on the Borrower by the Lender under or in connection with this Agreement shall be made in writing and, unless otherwise stated and to the extent permitted by law, may be given or made by letter, mobile text message (SMS), e-mail or through an advertisement in a newspaper with national circulation.

12.2. Save as otherwise expressly provided herein and to the extent permitted by law, any such notice, demand or other communication shall be deemed to have been properly served on the Borrower by the Lender when served in any one or more of the following ways:

- (a) if by way of letter and sent by personal delivery, upon delivery at the physical address of the Borrower; or
- (b) if by way of mobile text message (SMS) on the next working day after transmission; or
- (c) if by way of letter and sent by registered post, seven (7) days after the date of posting provided that proof is given that the notice was properly addressed and duly dispatched by registered post; or
- (d) if by way of e-mail, on receipt of a confirmation of receipt by the receiver of the e-mail to the sender of the e-mail and in any event, on the next working day after transmission provided that notice sent by e-mail alone shall not constitute a valid notice and the notice giver shall use either of the other forms of notice provided in this clause in addition to sending a notice by e-mail; or
- (e) if by way of advertisement in a newspaper with national circulation, on the date of publication of the newspaper.

12.3. The relevant address, mobile telephone number and email address of the Borrower for any notice, demand or other communication to be served on the Borrower under or in connection with this Agreement is as indicated in the Special Terms.

13. Miscellaneous

13.1. No failure or delay by the Lender in exercising any right, power or privilege shall impair the same or operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

13.2. A certificate by an officer of the Lender as to the amounts outstanding under this Agreement for the time being shall, save in the case of manifest error, be binding and conclusive upon the Borrower.

13.3. Any waiver of any right under this Agreement is only effective if it is in writing and it applies only to a party to whom the waiver is addressed and the circumstances for which it is given and shall not prevent a party which has given the waiver from subsequently relying on the provision it has waived.

13.4. Until all amounts owing to the Lender shall have been paid or satisfied in full the Lender shall have a lien on all the property and assets of the Borrower from time to time in the Lender's possession and a charge over the Collateral from time to time registered in the name of the Lender or its nominees whether the same be held for safe custody or otherwise.

13.5. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law, the legality, validity and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

13.6. The parties agree that this Agreement constitutes the whole and entire agreement between the parties relating to the Loan Amount and supersedes and extinguishes any prior agreements, undertakings, representations, warranties and arrangements of any nature whatsoever whether or not in writing relating to the Loan Amount.

13.7. No amendment to this Agreement shall be effectual or binding on the parties unless it is in writing and duly executed by or on behalf of each of the parties.

13.8. In the event that any provision of this Agreement shall be inconsistent with any provision contained in the Security Agreement, the relevant provision of the Security Agreement will prevail and such inconsistent provision of this Agreement shall be construed and read as subject to the relevant provision in the Security Agreement.

13.9. Any change in the constitution of the Lender or its absorption in or merger with any other person or the acquisition of all or part of its undertaking by any person shall not in any way prejudice or affect its rights hereunder.

13.10. Words denoting the singular number shall include the plural and vice versa.

13.11. This Agreement shall be governed by the laws of the Republic of Uganda, and parties consent and submit to the jurisdiction of the courts of law of Uganda in respect of all or any claims arising under this Agreement.

13.12. These General Terms of the Loan Agreement are made available at the Lender's office and are available on Watu Credit Uganda Limited website at www.watuafrica.com. The General Terms version which is effective on the date of signing of the Special Terms shall apply to the Borrower.