PART II: GENERAL TRANSACTION TERMS AND CONDITIONS

These General Terms shall be read together with the Special Terms, and together they constitute the Financing (Loan) Agreement. If there is a conflict between the Special Terms and the General Terms, the Special Terms shall prevail and take precedence.

Section 1: Purpose of the Loan, Object of Financing & Ownership Thresholds

1.1. The Loan amount is granted to the Borrower pursuant to this Agreement solely for the purchase and acquisition of the specified Device. The Borrower hereby unconditionally and irrevocably authorizes, empowers, and instructs the Lender to remit the full Device Price (comprising the Loan amount and the customer's Down-Payment) directly and exclusively to the Vendor as the primary supplier and seller of record of the Device.

1.2. The Borrower assumes the absolute obligation to settle the outstanding balance of the Total Loan Obligation through systematic weekly instalments together with the interest and any other applicable payments, fees, or penalties.

1.3. The Borrower acknowledges that the selection of the Device is entirely its independent choice. The Lender bears no commercial liability regarding operational defects, delivery, technical upkeep, or service provision.

1.4. Manufacturer Warranty, Technical Servicing, and Device Replacement:

1.4.1. All product and hardware warranty claims, technical defects, repairs, statutory consumer rights claims regarding the Device and after-sales servicing relating to the Device must be escalated and submitted by the Borrower directly to the manufacturer’s official Authorized Service Centre (ASC). The Borrower explicitly acknowledges and agrees that neither the Vendor nor the Lender operates hardware repair facilities, and neither party shall be responsible for receiving, inspecting, repairing, or servicing defective Devices under warranty;

1.4.2. In the event that warranty servicing results in a full Device replacement, motherboard replacement, or any alteration of the Device’s unique Device IMEI Identity Code, the Borrower shall immediately notify the Lender and furnish the official replacement certificate or job card issued by the ASC. The Borrower unconditionally agrees and authorizes the Lender to immediately register, deploy, and activate the *Knox Guard* security and locking software on the replacement device or new Device IMEI Identity Code under the identical terms and collateral conditions of this Agreement;

1.4.3. For the avoidance of doubt, the fact that a Device is under diagnosis, servicing, or repair at ASC shall not suspend, reduce, defer, or excuse the Borrower’s statutory and contractual obligation to remit all scheduled loan instalments to the Lender in full as and when they fall due.

1.5. The Borrower holds the status of beneficial owner of the Device. Definite legal title, proprietary ownership, and unrestricted rights shall only pass to the Borrower upon full confirmation that the Total Loan Obligation, any other applicable payments, late interest, fees, or penalties (if any of this applies) are paid to the Lender in full.

1.6. Until all fiscal obligations under this Agreement are fully discharged and paid, the Lender retains overriding (first-tier) collateral and security rights over the Device as explicitly set forth herein.

1.7. The Borrower acknowledges and agrees that any physical retail store, agent, or merchant outlet where the Borrower physically collects or takes possession of the Device acts solely as a logistical fulfillment point and custodian under contract with the Vendor. Such retail outlet does not constitute an independent seller of the Device under this Agreement, and all legal, financial and title relationships concerning the sale of the Device remain exclusively between the Vendor, the Borrower and the Lender as defined herein.

Section 2: Payment Execution, Schedule and Non-Compliance Operations

2.1. Total Loan Obligation shall be fulfilled and repaid in weekly instalments starting from the first payment date which is 7 (seven) days following the Commencement Date (real physical release of the Device to the Borrower).

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

2.3. For the purpose of legal certainty, the Parties hereby confirm that the Total Loan Obligation includes the Loan amount and all interest calculated in relation thereto in accordance with this Agreement (but it explicitly excludes late execution penalties, relevant operational costs and fees, data recovery costs or regulatory enforcement fees).

2.4. All money transfers to the Lender are made and processed strictly through designated mobile money networks (M-PESA / Airtel Money or other mobile money network separately accepted by the Lender) directed to the specific corporate paybill number notified by the Lender.

2.5. In the event that the Borrower fails to repay any part of the Total Loan Obligation or any other amount due to the Lender, the Borrower shall be subject to a daily late interest fee of exactly 0.5% calculated continuously from the total overdue principal Loan amount. Provided always that the total interest, late fees, and penalties accumulated and charged on the overdue amount shall be strictly capped and shall not exceed the statutory limits prescribed under the Central Bank of Kenya regulations and the applicable *In Duplum* rule.

2.6. The Borrower possesses the right to clear outstanding amounts ahead of schedule by visiting a corporate branch of the Lender or contacting its customer support. Early repayment applies to both individual weekly instalments before the due date or the total repayment of the full Total Loan Obligation.

Section 3: Remote Collateral Controls and Hardware Interventions

3.1. The Borrower grants the Lender the absolute contractual right and agrees that the Lender throughout duration of this Agreement maintains rights over the Device which allows the Lender to install a Device manufacturer approved firmware (with any future updates), security software, telemetry applications, remote security patches, restrict usage of and deactivate the Device as well as to see the Device's GPS location if the Borrower defaults on paying the weekly instalment or is otherwise in arrears or default.

3.2. Should the weekly installment schedule be breached, the Lender holds the unilateral right to remotely deactivate and lock the Device until the default is fully remedied. The Lender may temporarily re-activate the Device if the Borrower commits to a certain minimum payment.

3.3. Except where the Borrower has made an affirmative election under the Special Terms or executed a separate consent pursuant to Clause 3.7, the Lender's remote security rights, collateral encumbrance, and operational controls over the Device shall cease instantly upon full payment of the Total Loan Obligation, accrued fees, and any applicable late payment interest or penalties. Upon such discharge, the Lender shall promptly release all collateral claims over the Device. Where the Borrower has granted consent under under the Special Terms or Clause 3.7, the continued registration of the software shall be governed strictly by the dormancy, non-interference and revocation provisions set forth therein.

3.4. Any attempt by the Borrower or third parties to tamper, reverse-engineer, bypass, or root the security software or *Knox Guard* firmware constitutes a material breach, voiding the product warranty and subjecting the Borrower to immediate legal prosecution under civil, criminal and intellectual property statutes.

3.5. In accordance with regulatory legal acts, the Lender shall submit both positive and negative credit information and credit profiles regarding the Borrower and the performance of the Loan to licensed Credit Reference Bureaus (CRBs). In the event of an uncured default where the overdue amount exceeds the statutory threshold, the Lender shall provide the Borrower with written notice through recorded electronic means (including SMS, registered email, push notification or via the mobile application) of its intention to submit negative credit information to a licensed CRB at least seven (7) days prior to such submission. Within thirty (30) days from the date on which negative credit information is submitted to a licensed CRB, the Lender shall notify the Borrower via recorded electronic means confirming that the negative credit information has been forwarded to the bureau. The Borrower explicitly acknowledges that being listed with negative credit information at a licensed CRB may severely impair, restrict or prevent the Borrower from accessing future credit facilities and financial products from the Lender and other regulated financial institutions in Kenya.

3.6. The Lender may remotely update operational systems, install firmware and software security updates, proprietary or third-party applications on the Device to facilitate information sharing between the Lender and its clients (related to collateral tracking, new service offering etc., which is necessary for the proper execution of this Agreement). The Lender will provide the possibility to opt-out if such an application is not essential to Borrower's obligations under this Agreement.

3.7. Post-Repayment Software Retention and Collateral Readiness for Subsequent Loans:

3.7.1. Where the Borrower has explicitly opted in within the Special Terms or executed a separate written or electronic consent schedule, the Lender may retain the Device registered with the manufacturer-approved security/locking software (including *Knox Guard*) and the Lender's proprietary mobile application following full settlement of the Total Loan Obligation and all associated fees. Such retention is maintained exclusively for commercial efficiency to qualify the Borrower as a preferred client and facilitate expedited access to future credit facilities, asset financing or unsecured cash loans extended by the Lender where the Device serves as prospective security;

3.7.2. For the avoidance of doubt, unless and until the Lender and the Borrower formally execute a new, legally binding financing agreement, the retained software shall remain strictly dormant and passive. During such post-repayment period, the Lender shall have no right whatsoever to restrict, deactivate, lock, disable, interfere with the ordinary functionality of the Device, or track the real-time geographic location (GPS) of the Borrower. The Lender's contractual enforcement and locking rights under this Agreement shall only revive if and when:

3.7.2.1. the Parties enter into a valid subsequent credit agreement;

3.7.2.2. the Device is pledged as collateral thereunder; and

3.7.2.3. the Borrower commits an uncured payment default under that new credit agreement;

3.7.3. In strict compliance with legal acts, the Borrower maintains the unconditional right to withdraw this retention consent at any time following the full settlement of the Total Loan Obligation and all associated fees. Upon receipt of an electronic or written de-registration request from the Borrower (via the Lender's customer support, official portal or mobile application), the Lender shall, within five (5) business days and free of any administrative charge or fee, remotely release, de-register and remove the Device from the security locking profile and provide written or electronic confirmation of complete discharge to the Borrower.

Section 4: Borrower Covenants, Maintenance and Asset Protection

4.1. The Borrower is bound to pay and fulfill the Total Loan Obligation as well as other obligations arising from this Agreement strictly within the timelines specified in the Special Terms.

4.2. It is the Borrower's responsibility that the Device must be handled strictly according to the manufacturer's operational manual and instructions provided in end-user license agreement (if applicable). The Borrower must constantly maintain the Device in proper condition, repair and working order. Failure to comply resulting in physical, software or systemic damage voids any commercial warranty protections.

4.3. Damage, destruction, un-warranted defect or physical loss (including theft) of the Device does not relieve the Borrower from its financial liability, and the Total Loan Obligation repayment amount and any other applicable payments, fees, or interest shall be paid fully to the Lender according to the terms of this Agreement. Theft must be immediately reported to the police as well as to the Lender by calling to its customer care.

4.4. The Borrower undertakes not to sell the Device and to keep it exempt from the claims of any other party, and shall not secure, pledge, alienate, assign or charge the Device or create any other encumbrance or lien until the Total Loan Obligation is fulfilled and repaid and any other applicable payments, fees, or interest is paid.

4.5. Modifying, opening the chassis, erasing or removing serial numbers or other identification marks, or altering device identifiers is strictly forbidden and constitutes a fundamental default under this Agreement. The Borrower under any circumstances shall not tamper with Device, including – shall not make any changes to the firmware or security software, reverse engineer, misappropriate or modify and/or use the Device in any other way not authorized by the Lender, or assist any third party to do the same.

4.6. The Borrower grants the Lender, its agents, employees, or representatives all reasonable access to inspect the Device, including, without limitation, for the purpose of any repair services or the investigation of any unauthorized use of the Device or potential breach of the Agreement during its term.

4.7. Any breach of contractual obligations by the Borrower entitles the Lender to demand early repayment of the Loan, requiring the immediate settlement of all outstanding debt amounts and any other applicable payments, fees and interest. The Lender reserves the right to enforce its rights regarding the collateral and to take actual possession of the

Device by applying permitted enforcement mechanisms in accordance with the laws of Kenya, as well as without any application to the court, if permitted by law.

4.8. Upon default of the Borrower, the Lender on behalf of the Borrower is entitled to sell by way of private sale or public auction (at the choice of the Lender) or otherwise dispose of the Device in its present condition or following any commercially reasonable preparation to recover any outstanding debt amounts, any other applicable payments, fees and interest.

4.9. The Borrower remains strictly liable for all costs incurred by the Lender during debt recovery, possession recovery and disposal of the Device.

Section 5: Data Telemetry, Privacy Consents and Information Exchange

5.1. In order for the Lender to comply with legal requirements and 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, phone number, date of birth, income details, PIN, ID number, ID document copy, next of kin name and phone number and other information arising from this Agreement (Personal Information). By signing this Agreement, the Borrower provides its express consent for the collection and processing of baseline Personal Information, including KYC data, identification numbers, next of kin parameters, and financial capacity details.

5.2. By signing this Agreement the Borrower also hereby consents and authorises the Lender to collect, process, store and transfer the Borrower's Personal Information, and information relating to the Loan application, the Loan, the repayment details, GPS locations, IP address, mobile network operator, Device OS and firmware details and any other data or details within the limits permitted by law. The permitted uses may include: to and from a Credit Reference Bureau to obtain Borrower's credit report; to the Lender's lawyers, auditors or other professional advisors; any court or arbitration tribunal in connection with any legal proceedings regarding this Agreement; in order to provide the Lender's services to the Borrower and to perform the Lender's obligation under this Agreement; prevention, detection, investigation or prosecution of criminal activities or fraud; exchange of information with the Lender's service providers, dealers, agents, assignees or any other company that may be or becomes the Lender's subsidiary or holding company for reasonable commercial purposes relating to the services; for reasonable commercial purposes related to financings, such as marketing and research related activities; in business practices including but not limited to quality control, training and ensuring effective systems operation.

5.3. The Borrower hereby agrees and authorizes the Lender to obtain and procure Personal Information and personal data contained in Integrated Population Registration System (IPRS) from the Government of Kenya, and the Borrower further agrees and consents to the disclosure and provision of such Personal Information and personal data by the government institutions of Kenya to the Lender. The Borrower hereby expressly consents and authorizes the Lender to submit, request, exchange and receive any credit history data about the Borrower to/from licensed Credit Reference Bureaus (CRB).

5.4. By signing this Agreement the Borrower hereby consents that the Lender and the contracted service providers shall collect and process Personal Information and personal data of the Borrower through a software that has been introduced on the Device for downloading by the Borrower upon possession.

5.5. Execution of this document constitutes written acknowledgment that the Lender processes the Borrower's Personal Information and personal data on the lawful basis of contract performance, legal obligation, and legitimate interest for all core business operations. By the Borrower signing this Agreement as the data subject, the Lender receives the necessary authorizations to process the Borrower's Personal Information and personal data for all the stated purposes essential to the execution of this financing framework.

5.6. The Lender undertakes that it will duly observe its obligations as a data controller under any applicable data protections laws which arise in connection with the collection and processing of the Personal Information and personal data of the Borrower.

5.7. The Borrower agrees and accepts that the downloaded software may collect and use technical data and related information, including, but not limited to, technical information about the Device, as well as technical, configuration, and geographic data periodically collected by the downloaded software. Furthermore, the Borrower agrees that, through the software, the Lender will access and read the Device's location and other technical data while allowing the Borrower to view loan details and make payments using the MPESA USSD platform.

5.8. Data retention shall be limited strictly to timelines required for contract enforcement and statutory compliance. The Lender undertakes to use and process the data collected through the software only to the extent necessary and as long as necessary to properly execute in accordance with the data protection laws of Kenya (and as shall be amended from time to time).

5.9. The Borrower has a full right to access, rectify, port and erase its data or limit processing of this data. For all requests, the Borrower is to contact the Lender's Data Protection Officer through dpo@fonlend.co.ke.

Section 6: Miscellaneous & Statutory Governance

6.1. All notices, demands or other communication to 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, push notification on Device or through an advertisement in a newspaper with national circulation.

6.2. No 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.

6.3. A statement issued by an official of the Lender regarding the amounts outstanding under this Agreement at the relevant time shall be binding and conclusive upon the Borrower and shall serve as definitive proof of outstanding liabilities, except in the case of manifest error.

6.4. The Borrower accepts and agrees that the Lender may at any time assign and transfer all or any part of its rights or obligations under this Agreement to any person. The Borrower shall not, without the prior written consent of the Lender, assign or transfer any of his rights or obligations or benefits under this Agreement to any person.

6.5. The invalidity of any single clause shall not affect the enforceability of the remaining contract provisions. If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law, the enforceability, legality and validity of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

6.6. This Agreement constitutes the entire and comprehensive agreement between the Parties regarding the Loan and supersedes and extinguishes any prior agreements, obligations, representations, warranties, and arrangements of any kind (whether in writing or not) relating to the Loan and its granting.

6.7. Amendments are valid only if executed in writing by both contracted Parties.

6.8. This Agreement is governed by the laws of the Republic of Kenya, and Parties consent and submit to the jurisdiction of the courts of law of Kenya in respect of all or any claims arising under this Agreement.

6.9. The General Transaction Terms and Conditions of this Agreement are freely available to the Borrower at the Lender's office and are also published on the Lender's website at https://www.fonlend.co.ke. The Lender may amend and update the General Transaction Terms and Conditions from time to time. The version of the General Transaction Terms and Conditions in effect on the date of signing the Special Terms shall apply to the Borrower.

6.10. Any complaint from the Borrower is handled in accordance with the "[..]" complaint and claim handling policy. The Borrower must contact the Lender by visiting its branch or using the following communication channels: Customer Care number: 0182 644 188; e-mail: customer_support@fonlend.co.ke.