



LOAN AGREEMENT

PART B – GENERAL TERMS AND CONDITIONS

1. INTRODUCTION

- 1.1. This document sets out the general terms and conditions applicable to the Loan Agreement extended by Home Credit to the Customer. This is the document referred to in Loan Agreement Part A as Loan Agreement Part B. Unless otherwise defined, capitalized terms used herein shall have the same meaning ascribed to them in Loan Agreement Part A.
- 1.2. Provisions of this document shall apply to POS Loan and Cash Loan, except when otherwise indicated.
- 1.3. For clarity, "POS Loan" shall refer to the loan used to buy Goods from the Retailer; and "Cash Loan" shall refer to the loan in which the Customer received cash from Home Credit.

2. REPRESENTATIONS AND WARRANTIES

- 2.1. The Customer represents and warrants to Home Credit as follows:
 - 2.1.1. The Customer: is of legal age, is of sound mind, does not have any criminal record, and possesses full legal capacity to enter into, and freely and voluntarily enters into the Loan Agreement.
 - 2.1.2. All of the Customer's loans and obligations with other lenders (including but not limited to banks, financing companies, and credit card companies) are updated and not delinquent or past due.
 - 2.1.3. All documents presented to Home Credit by the Customer are current, authentic, and, may be relied upon by Home Credit.
 - 2.1.4. All oral representations and communications made to Home Credit by the Customer remain true, correct and accurate.
 - 2.1.5. For POS Loan, the Goods financed by the Loan Agreement is/are to be used for the benefit of the Customer or the Customer's family.
 - 2.1.6. The Loan Agreement shall be valid and binding upon the Customer and enforceable in accordance with its terms and conditions.
- 2.2. The representations and warranties of the Customer are made as of the Effective Date as stated in the Loan Details and are deemed repeated on each day that any amounts are outstanding under the Loan Agreement.

3. COVENANTS

- 3.1. As long as any Loan Amount or any other fees, charges, or amounts owing under the Loan Agreement remain outstanding and unpaid, the Customer shall:
 - 3.1.1. promptly perform all of the Customer's obligations under the Loan Agreement, including without limitation the payment of amounts due under the Loan Agreement.
 - 3.1.2. promptly submit and provide to Home Credit all documents and information, execute and deliver such other instruments and documents, and perform or refrain from performing any such other acts, as may be required by Lender, whether for compliance with government regulations or Home Credit's own policies.
 - 3.1.3. notify Home Credit of every change in the Customer's contact details and address by calling Home Credit's Customer Service Hotline or sending an email to info@homecredit.ph preferably before but in any case immediately after such change.
 - 3.1.4. not use the Goods or Cash Loan for any illegal means.
 - 3.1.5. in case of a POS Loan, (i) hold Home Credit harmless against any and all claims arising from the use of the Goods, or any and all claims related to the quality, warranty, maintenance, and/or after sales services of the Goods, with the understanding that Home Credit has no responsibility in respect of these matters; (iii) hold Home Credit harmless against any and all claims relating to the delivery of the Goods or arising from any failure or negligence in respect of the delivery of the Goods, with the understanding that delivery of the Goods is the sole responsibility of the Retailer; (iv) not assign, transfer, sell or dispose of the Goods; and (v) promptly perform all other obligations under the Loan Agreement notwithstanding any damage to or loss of the Goods, any dispute between the Customer and the Retailer of the Goods, or the existence of any of the claims described in this paragraph.

4. PAYMENT CHANNELS

- 4.1. Any and all payments made by the Customer in connection with the Loan Agreement shall be made through the designated banks or third parties appointed by Home Credit from time to time to accept payments from the Customer (**Payment Channels**). Any changes to the Payment Channels shall be notified to the Customer through website announcement. Prior to making each payment, the Customer shall verify the list of Payment Channels at the website of Home Credit.
- 4.2. Home Credit shall not be held liable for, and the Customer bears the risk of, any delay or failure in crediting or accepting any payment to Home Credit, due to any event or circumstance, including without limitation the closure, non-functioning, or malfunctioning of the Payment Channel.

5. AUTOMATIC DEBIT ARRANGEMENT (ADA)

- 5.1. The Customer may also choose to avail of the Automatic Debit Arrangement wherein the Instalment Amount will be debited every month from the Customer's enrolled bank account on the Recommended Payment Date as stated in the Payment Schedule until the Customer's obligation is fully paid.



- 5.2. If the Recommended Payment Date falls on a non-banking day, the Customer agrees that Home Credit may debit the Customer's enrolled bank account on the banking day before the Recommended Payment Date.
- 5.3. Should the Customer avail of ADA, he/she undertakes to always maintain a sufficient amount for Home Credit to debit his/her account for the monthly instalment amount plus fees and penalties, if any.

6. PROCESSING AND USE OF INFORMATION

- 6.1. The Customer expressly consents to the use by Home Credit of any information provided by the Customer or otherwise obtained by Home Credit, in relation to or in connection with the Loan Agreement, for purposes of enforcing the Customer's obligations under the Loan Agreement.
- 6.2. The Customer expressly consents to the collection and processing of personal information about and/or relating to the Customer, and to the transfer of such information to third parties including without limitation any of the affiliates or subsidiaries of Home Credit, credit bureaus, government agencies and collection agencies.

7. PAYMENT

- 7.1. In accordance with the Loan Agreement Part A, the Borrower expressly waives the benefit of Article 1252 of the Civil Code of the Philippines, Republic Act No. 386, and agrees that any payment to Home Credit for the purpose of settling any Installment Amount or any other amount due in relation to the Loan Agreement shall be applied to the Installment Amount or such other amount that fell due earlier.
- 7.2. Payment made by the Customer shall be applied in the following order: in the following order: first, to the principal; second, to the penalties and charges; third to the fees (attorney's fees, agency fees, etc.); and fourth, to the interest.

8. EARLY REPAYMENT

- 8.1. Early Repayment. Provided the Customer is not in delay or in default, the Customer may prepay the balance of the Loan Amount before the Last Due Date without interest on the balance, subject to the following:
 - 8.1.1. For Partial Early Repayment, the Partial Early Repayment Fee and any other amounts to be paid by the Customer to Home Credit should be paid together with the prepayment of part of the balance of the Loan Amount. The minimum amount of partial early repayment must be equivalent to one installment. The Customer shall apply for the Partial Early Repayment at least 10 calendar days prior to the Due Date of Installment. Detailed steps on applying for the Partial Early Repayment shall be made available through Home Credit's website and/or Customer Service Hotline. Any further payments by the Customer after the partial early repayment shall be made in accordance with the revised Payment Schedule.
 - 8.1.2. The minimum amount of the partial early repayment must be equivalent to one instalment plus the partial early repayment fee as stated in the Disclosure Statement, and any other charges due to Home Credit. Any amount paid which is less than the minimum amount required by this section shall be treated as an advance payment for the next instalment payment.
 - 8.1.3. For Full Early Repayment, the Customer can call Home Credit's Customer Service Hotline and inform that full early repayment will be made and shall get the full details of the amount to be settled and the payments channels where payment can be made.

9. EVENTS OF DEFAULT

- 9.1. Each of the following events constitutes an event of default (**Event of Default**), irrespective of the reason for its occurrence, or whether it is voluntary or involuntary, or whether it occurs as a result of any court order, law or regulation:
 - 9.1.1. the Customer breaches or otherwise fails to promptly perform any of its obligations under the Loan Agreement;
 - 9.1.2. the Customer breaches any of its representations, warranties, or covenants;
 - 9.1.3. the Customer is in default in respect of any other facility or indebtedness granted by Home Credit or third parties; and
 - 9.1.4. any event which, in the reasonable opinion of Home Credit, would result in the likelihood that any of the Customer's obligations under the Loan Agreement will not be performed or fulfilled, including without limitation, the death or incapacity of the Customer, Home Credit's reasonable suspicion that the Customer applied for the Loan Agreement in order to defraud Home Credit or the Retailer, a change in any law or regulation that affects the validity or enforceability of the Loan Agreement.

10. CONSEQUENCES OF DEFAULT

- 10.1. Upon the occurrence of an Event of Default, Home Credit may, at its sole discretion, without need of notice or demand, and without limiting Home Credit's rights under applicable law or under the Loan Agreement:
 - 10.1.1. take such action and exercise such remedies in order to protect and enforce its rights under the Loan Agreement;
 - 10.1.2. declare the Loan Agreement, including all charges, fees, penalties and interest accrued and unpaid thereon, to be immediately due and payable, without need of presentment, demand, protest or further notice of any kind, all of which are herein expressly and specifically waived by the Customer;
 - 10.1.3. impose and collect the Collection Charge and the Penalties as stated in the Loan Agreement. The Collection Charge shall be imposed on each Installment Amount that is not paid by the Customer within five days after the relevant due date. The relevant Penalty shall be imposed if the Customer fails to pay an Installment Amount within 30, 60, or 90 days, as applicable, after the relevant due date. The Collection



Charge and the Penalties are cumulative and shall be added to the principal obligation;

- 10.1.4. impose and recover from the Customer the Attorney's Fees and Agency Fee as stated in the Loan Agreement and incurred in connection with enforcing the Customer's obligations under the Loan Agreement; and
 - 10.1.5. for POS Loan, demand that the Customer deliver (and Customer undertakes to so deliver) the Goods to Home Credit at such time and place as may be designated by Home Credit; provided, that delivery by the Customer of the Goods pursuant hereto shall not relieve the Customer from the obligations under the Loan Agreement; provided further that Home Credit may, at its discretion, sell or auction the Goods delivered by the Customer pursuant hereto in any manner that may be deemed appropriate by Home Credit, with the proceeds of such sale or auction to be applied to the repayment of the Customer's obligations under the Loan Agreement, after deduction of all the applicable costs.
- 10.2. The rights available to Home Credit under the Loan Agreement and applicable law, may be exercised by Home Credit alternatively, successively, concurrently, and/or cumulatively, at the option of Home Credit.

11. GENERAL PROVISIONS

- 11.1. Home Credit may, at any time, update the General Terms and Conditions contained herein upon notice to the Borrower, and such amendments shall bind the Customer.
- 11.2. No failure, omission or delay on the part of Home Credit in exercising any right or power under the Loan Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any further exercise thereof. Acceptance by Home Credit of any payment after its due date or after an Event of Default has occurred or after legal proceedings have been commenced against the Customer shall not constitute an extension of time for payment or a modification or novation of the terms of the Loan Agreement or in any way prejudice Home Credit.
- 11.3. Home Credit shall be entitled to sell, transfer or assign any of its right and obligations hereunder to any person, company or entity without the consent of the Debtor. Any such sale, assignment, or transfer shall conclusively bind the Debtor. The Debtor shall be bound to fulfil and perform all his/her obligations to such transferee or assignee, including the payment of the Instalments. The transferee or assignee shall have the authority of Debtor to collect the due amount. The Customer for this purpose waives any rights it may have under Article 1634 of the Civil Code of the Philippines, Republic Act No. 386.
- 11.4. In any dispute arising out of or in connection with the Loan Agreement, the entries made in the accounts maintained by, and the records of, Home Credit are prima facie evidence of the matters to which they relate, absent any manifest error.
- 11.5. If any provision of the Loan Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law, such invalidity, illegality or unenforceability shall not affect any other provision of the Loan Agreement, but the Loan Agreement shall be reformed, construed and enforced to the fullest extent possible as if such invalid, illegal or invalid, illegal or unenforceable provision had never been included.
- 11.6. Any dispute arising from this Loan Agreement shall be brought exclusively in the courts that has jurisdiction over the principal place of business of Home Credit.
- 11.7. All notices, demands or other communications required or permitted to be given or made by Home Credit to the Customer hereunder shall be in writing and delivered personally or sent by prepaid registered post or by text message or by electronic mail; provided that Home Credit may make general announcements through its website or social media and other channels.
- 11.8. The Loan Agreement shall be governed by the laws of the Republic of the Philippines.