



Terms and Conditions

The Creditor is a financing company which provides a consumer financing facility in the form of a loan for the sole and exclusive purpose of buying a certain commodity/goods, from a Dealer. Notwithstanding the Debtor's satisfaction of the eligibility criteria and the submission of the required documents, set by the Creditor for the approval of the Facility, if any, the Creditor reserves the right to refuse or reject any Loan Application.

The Debtor has applied for the financing of his/her purchase of Goods and the Creditor has agreed to extend financing to the Debtor, subject to the General Terms and Conditions (the "GTC") hereinafter set forth.

1. DEFINITION OF TERMS

Unless otherwise stated under this GTC, the following definitions apply throughout:

1.1 AGREEMENT shall mean the Consumer Financing Agreement, these General Terms and Conditions, the Payment Schedule, Disclosure Statement, Consent Form and all other documents executed and/or delivered by the Debtor to the Creditor or any third party in relation to the Facility.

1.2 CREDITOR shall mean HC Consumer Finance Philippines, Inc. which shall provide the financing of the Goods purchased by the Debtor from the Dealer.

1.3 DEALER shall mean the seller of the Goods as specified in the Consumer Financing Agreement.

1.4 DEBTOR shall be the person who shall purchase the Goods from the Dealer and the person who shall take out a Facility and be liable for the repayment of the Loan Amount to the Creditor.

1.5 DELIVERY ADVICE shall mean a written confirmation of the Creditor delivered to the Dealer which states that the Creditor approved the Facility in favor of the Debtor which authorizes the Dealer to deliver the Goods to the Debtor, the same shall be acknowledged by the Dealer only after the Agreement is executed and the Downpayment and other fees are paid by the Debtor to the Creditor.

1.6 DISCLOSURE STATEMENT or 'DS' shall be the document where the Loan Amount, Downpayment, Instalments, interests, fees and other charges are stated in compliance with Republic Act No. 3765 otherwise known as the Truth in Lending Act.

1.7 DOWNPAYMENT shall mean a part of the Purchase Price which shall be paid by the Debtor to the Dealer together with other loan charges and fees stated in DS on Effective Date.

1.8 DUE DATE shall mean the date when an Installment is due and when the Debtor should pay such Installment as stated in the Payment Schedule.



1.9 EFFECTIVE DATE shall mean, unless specified otherwise, the date of execution of this Agreement as mentioned in the Consumer Financing Agreement.

1.10 FACILITY shall mean the consumer financing service provided by the Creditor in favor of the Debtor which shall be solely and exclusively used by the Debtor to buy certain Goods from the Dealer and unless otherwise provided by this Agreement, the Facility is provided to the Debtor on the Effective Date.

1.11 GOODS shall mean the product or item described in the Table of Consumer Financing Details, which is sought to be purchased by the Debtor through the financing provided by the Creditor.

1.12 INSTALLMENT shall mean the monthly payment that the Debtor shall make to the Creditor as indicated in the Payment Schedule.

1.13 LOAN AMOUNT shall refer to the obligation of the Debtor to the Creditor which is to be paid in Installments and is stated in the Payment Schedule. The Loan Amount is computed as Purchase Price of Goods excluding the Downpayment.

1.14 LOAN APPLICATION shall mean the interview conducted by the Creditor with the Debtor which includes the collation of any and all information, documents and records which would help in the decision of the Creditor to grant the Facility to the Debtor.

1.15 PAYMENTS CHANNELS shall mean banks or any third party contracted by the Creditor to accept Installments from the Debtor.

1.16 PAYMENT SCHEDULE shall mean a schedule to the Consumer Financing Agreement which states the monthly Installments and their Due Dates.

1.17 PURCHASE PRICE shall mean the price of the Goods as stated by the Dealer.

2. LOAN AMOUNT

2.1 The Creditor shall provide the Loan Amount to the Debtor strictly in accordance with the Agreement.

2.2 The Debtor is giving its unconditional and irrevocable authority for the Creditor to release the Loan Amount to the Dealer as evidenced by the Delivery Advice which is confirmed by the Creditor only after the Agreement is executed and the Downpayment and other fees are paid by the Debtor.

2.3 The Debtor and Creditor hereby agree that the disbursement of the balance of the Purchase Price to the Dealer shall be construed as a valid disbursement of the Loan Amount under this GTC by the Creditor for the account of the Debtor.



3. RATE OF INTEREST

3.1 The Creditor and Debtor hereby agree that the interest rate, method of application thereof to the Loan Amount and the interest period are as stated in the DS.

3.2 The Debtor understands that the rate of interest charged and calculated on the Loan Amount is likely to vary for different debtors of the Creditor and/or for different periods considering the factors mentioned in the Agreement and on the basis of such understanding, the Debtor hereby agrees to pay the interest on the Loan Amount at the rate charged and calculated by the Creditor and stipulated in the DS.

3.3 Interest will begin to accrue in favour of Creditor on and from the Effective Date.

4. PAYMENT

4.1 The Debtor hereby irrevocably and unconditionally promises and binds himself/herself to pay the Installment and the interest amount accruing on the same and all other fees, on or before the Due Date at the appointed Payment Channels. Such payment shall become due on each Due Date as stated in the DS, without need of any further notice or demand from Creditor. The list of Payment Channels is provided in the Payment Schedule and any changes and update shall be provided on the Creditor's website.

4.2 The Debtor shall receive a copy of the Payment Schedule which contains the date when the Installment is due; the amount of Installment; and a breakdown of the principal and interest due. Should there be a need to adjust the Payment Schedule because of a partial prepayment of the Loan Amount or a change of the interest rate, the Creditor shall provide the Debtor with the new Payment Schedule in accordance with Clause 16.3 herein. The amounts stated in the Payment Schedule and/or new Payment Schedule, including, but not limited to the applicable interest rate stated therein, shall be final and conclusive against the Debtor.

4.3 The Debtor shall continue to pay the Installments no later than the Due Dates regardless of whether the Goods purchased with the Loan Amount were defective, returned, lost, damaged, under repair, not working, not delivered or purchase contract with the Dealer is terminated for any reason whatsoever.

4.4 Irrespective of the mode of payment provided by the Creditor, the Debtor shall solely and exclusively bear all the charges/fees imposed by the Payment Channels, if any.

4.5 Where the Debtor makes payment through any of the Payment Channels, the Debtor and Creditor undertakes that:

4.5.1 Such payment shall be made only to the Payment Channels authorized by the Creditor. The Creditor shall notify the Debtor of any change in the authorized

Payment Channels in accordance with Clause 16.3 of this GTC; and

4.5.2 The Creditor shall not be held liable for any delay caused, or failure occurred, in accepting and/ or crediting such payment in favour of Creditor due to any

discrepancy, non-functioning, or closure of the outlets/ kiosks of such Payment Channels and the Debtor shall be solely liable to bear and pay late payment

penalties, as applicable, as may be imposed by Creditor.



4.5.3 The Debtor waives any rights under Article 1252 of the Civil Code of the Philippines and agrees that any payment made by him to Creditor for the purpose of repayment of the Facility shall be applied based on the due dates of each Installment due and in the following order:

- 4.5.3.1. collection charge
- 4.5.3.2. penalties
- 4.5.3.3. fees
- 4.5.3.4. interest
- 4.5.3.5. principal
- 4.5.3.6. thereafter against any other obligations of the Debtor to Creditor, if any.

4.6 The Debtor shall be responsible for the timely payment of the Installment in accordance with Payment Schedule or changes therein. The Creditor shall not be liable if payment was lost, damaged, misplaced in transit, non-application/non-remittance of payment or negligence of any Payment Channels.

4.7 Debtor shall regularly check any changes in the terms of payment as stated herein through notices in accordance with Clause 16.4 of this GTC.

5. PROCESSING FEES AND OTHER PAYMENTS

5.1 The Debtor confirms that all fees and charges, payable for processing, administrating and/or sanction of the Loan Amount, mentioned in the DS shall be solely and exclusively borne and paid by the Debtor in due time.

5.2 All processing fees and other payments imposed on any Installment or any other amount payable by Debtor to Creditor shall be on the account of Debtor.

5.3 In the event that the Creditor shall be required to pay any taxes or other fees on or with regard to the execution, formalization or perfection of any documentation contemplated hereunder or delivered pursuant hereto, the Debtor shall, upon notice, reimburse Creditor for such taxes or fees paid.

5.4 The Creditor shall be entitled to revise the amount of any penalty, fees or charges for any service or to waive off whole, or any part of, any penalty, or fees or charges for any service at its sole and exclusive discretion with prior written notice to the Debtor in accordance with Clause 16.3 of this

6. EXCESS PAYMENTS

If the Debtor makes a repayment of the Installment but the amount repaid is higher than the Installment due, the Creditor may, at its discretion do the following actions:

6.1 apply the provisions under Clause 4.5.3; and/or

6.2 apply the excess payment as payment to the other to any other amount that the Debtor is obliged to pay to the Creditor; and/or

6.3 Credit the excess payment to the next Installment in the Payment Schedule of the Facility. If none of the above



actions are applicable, the Debtor shall request for the return of the excess payment through a written request sent through registered mail to the Creditor. Creditor shall inform Debtor when and where he/she can claim the excess payment upon receipt of such request.

7. PARTIAL EARLY REPAYMENT (PER)

Subject to the payment of all interest, charges, fees, and obligations provided for in this Agreement, the Debtor may partly prepay any Installment, for the succeeding months, at any time before its Due Date and without interest, upon fulfillment of the following conditions:

7.1 All obligations of Debtor to Creditor were fulfilled in a due and timely manner.

7.2 A written request from Debtor in the form provided at Creditor's website, must be delivered to Creditor through registered mail ("Written Request");

7.3 Written Request must be received by Creditor, ten (10) days before the Due Date for it to be processed before such Due Date, otherwise, early payment shall be processed on the next succeeding Due Date (cut-off time for receiving of requests shall be 2pm, if received after the cut-off time, then counting of days will recon on the next working day);

7.4 The minimum amount of partial early repayment must be equivalent to one (1) Installment, plus partial early repayment fee as stated in the DS and any other charges due to Debtor (the "Minimum Amount"). Any amount paid which is less than the Minimum Amount shall be treated in accordance with Clause 4.5.3 of this GTC;

7.5 Upon fulfillment of these requirements, Creditor shall readjust all Installment amounts which readjustment shall be made known to Debtor in accordance with Clause 16.3 of this GTC ("Readjustment Notice"); and

7.6 If the amount paid by Debtor is higher than the amount stated in the Written Request, then the excess shall be treated in accordance with Clause 6 of this GTC.

8. EARLY REPAYMENT IN FULL

Subject to the payment of all interest, charges, fees, and obligations provided for in this Agreement, the Debtor is entitled to repay in full, all outstanding Loan Amount before the end of the last Due Date (financing period) and without interest on the remaining balance, provided that the account of the Debtor is not past due. If and when the Debtor intends to repay, in full, all outstanding Loan Amount before the end of the financing period, the Debtor must repay all the remaining scheduled monthly installments and early repayment fee, including penalties, if any, as stated in the DS. The Debtor may call Creditor's Customer Service Hotline communicated in the Payment Schedule to know the exact amount to pay off the Facility on the intended date of payment.

9. DELIVERY OF GOODS

9.1 Title/Ownership of the Goods shall be transferred to the Debtor upon the delivery of the Goods to Debtor and the payment of the Downpayment by the Debtor. Notwithstanding the foregoing, the Debtor agrees to return the Goods to



the Creditor if and when this Agreement is terminated by the Creditor in accordance with Clause 14 of this GTC and if and when asked by the Creditor to do so.

9.2 Delivery of Goods shall be the full responsibility of the Dealer and, therefore, Debtor agrees to hold Creditor free and harmless from any failure or negligence in respect of the delivery of the Goods. Should there be any special arrangement between the Debtor and the Dealer regarding delivery of Goods or on when the Goods shall be available for the Debtor to claim from Dealer ("Special Arrangement"), it shall be understood that this Special Arrangement shall only be between Debtor and Dealer and any problem or liability arising from this Special Arrangement shall be incurred by Debtor and/or Dealer and the Creditor shall not be a party to this Special Arrangement harmless from any failure or negligence in respect of the delivery of the Goods.

9.3 The inspection of the Goods shall be the sole responsibility of the Debtor at the time of the delivery of the Goods. Upon receipt of the Goods, the Debtor shall be deemed to have received the Goods in good condition and without defect. Notwithstanding the foregoing, the Debtor hereby agrees that any claim regarding the quality, warranty, maintenance, and/or after sales services in respect of the Goods shall be the full, sole and exclusive responsibility of the Dealer and/or the respective manufacturer and, therefore, Debtor agrees to hold Creditor free and harmless from any liability related to the quality, warranty, maintenance, and/or after sales services of the Goods.

9.4 Any claim by the Debtor against the Dealer regarding the quality, warranty, maintenance, and/or after sales service in respect of the Goods shall not in any way affect the Debtor's obligations to the Creditor under this Agreement.

10. REPRESENTATIONS AND WARRANTIES

10.1 The Debtor is of legal age, of sound mind, able to contract in any kind of contract and possesses no legal disability to enter into the Agreement nor any criminal records of any kind.

10.2 The Debtor's loans and obligations with other banks, lending, financing or credit card companies and the like are updated and not delinquent as of Effective Date.

10.3 All documents presented to the Creditor by the Debtor are current, authentic, and, may be relied upon by the Creditor as of Effective Date.

10.4 All oral representations and communications made to the Creditor by the Debtor remain true, correct and accurate as of Effective Date.

10.5 The Debtor enters into the Agreement willingly and without influence or duress from any party.

10.6 The Debtor declares that the Goods is/are to be used for the benefit of his/her family.

10.7 This Agreement and other documents and instruments mentioned and related hereto, when executed, shall be valid and binding upon the Debtor and enforceable in accordance with their respective terms and conditions.

10.8 The representations and warranties of the Debtor, enumerated in herein shall survive the execution of this



Agreement and, while any amounts are outstanding hereunder or under the Facility, shall be deemed repeated on each day any such amount remains outstanding.

11. COVENANTS

As long as any of the Loan Amount remains outstanding and unpaid, the Debtor:

11.1 Shall punctually pay all Installments and perform all other obligations, undertakings and covenants hereunder.

11.2 Shall pay all of and perform all contractual obligations under this Agreement promptly and in accordance with their terms and conditions therewith and shall not allow any of the Installments to be default in any way.

11.3 Shall submit documents and provide information which may be required by the government regulators or the Creditor at any time.

11.4 Is obligated to notify the Creditor for every change of data of Debtor by calling the Customer Service Hotline preferably before but in any case immediately after such change.

11.5 Shall execute and deliver such other instruments and documents as may be requested by the Creditor to give full force and effect to the provisions of this Agreement and other documents and instruments executed in connection therewith or to comply with the Creditor's internal policies.

11.6 Shall not use the Goods in any illegal means and shall be liable for any and all claims arising from the use of the Goods.

11.7 Shall not assign, transfer, sell or dispose of the Goods. In the event of any damage on or loss of the GOODS, Debtor is still required to fulfill all of his/her payment obligations as provided for in these Terms and Conditions.

12. COLLECTION

The Debtor gives his/her express consent to the Creditor for the use of any of the information, provided by the Debtor and gathered by the Creditor during the Loan Application, in this Agreement and during the course of payments of the Debtor, communication made by the Debtor to the Creditor or in connection with this Agreement or obligations arising from it, in connection with collecting of the Facility or any Installment. The Debtor gives his/her express consent to obtain or update his/her information with the credit bureau or other external parties, and as well as any government agencies, such as but not limited to, Social Security System, Government Service Insurance System, Bureau of Internal Revenue and Department of Labor and Employment, for collection purposes.

13. EVENTS OF DEFAULT

Each of the following events constitutes an Event of Default, irrespective of the reason for its occurrence and whether it is voluntary or involuntary or occurs as a result of any court order, law or regulation:

13.1 The Debtor fails to promptly and fully pay any Installment or fails to pay, when due, any of the interest on the Loan Amount and/or other charges and fees stipulated in this Agreement when any of such falls due, and/or fails to properly



perform any of the obligations arising from this Agreement, other documents and instruments mentioned and related hereto, or violates any covenants or provision of this Agreement, other documents and instruments mentioned and related hereto;

13.2 Any term, representation or warranty, covenant or undertaking embodied in the Agreement, or in any certificate, statement, or document submitted to Creditor, turns out to be false or ceases to be true in any material respect and the Debtor fails to update the information, or is violated or not complied with;

13.3 The Debtor is in default in respect of another facility or indebtedness with the Creditor or with third parties;

13.4 Debtor uses the Loan Amount for any other purpose or there is a reasonable suspicion that Debtor applied for a loan in order to defraud the Creditor or the Dealer;

13.5 If the Debtor fails to furnish any information or documents required by Creditor;

13.6 Debtor dies or becomes incapacitated to pay the Facility;

13.7 The Agreement ceases to be legal, valid or binding obligation of the Debtor because of the change in law or regulations; or

13.8 Any other circumstance occurs which in the opinion of Creditor, gives reasonable grounds for Creditor to believe that Debtor may not be able to perform its obligations under the Agreement.

14. CONSEQUENCES OF DEFAULT

If an Event of Default occurs, then at any time thereafter, Creditor may, at its sole discretion, without need of notice or demand:

14.1 Impose a collection as stated in the DS for each Installment that is not paid by the Debtor after five (5) days after the Due Date. Penalties in the amount as stated in the DS shall be imposed if debtor fails to pay within thirty (30), sixty (60) or ninety (90) days past due ("DPD"). These penalties shall be cumulative and be added to the principal obligation for computation of each DPD.

14.2 Declare the Facility and all obligations, including the Loan Amount, all 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 Debtor.

14.3 Upon the request of the Creditor, the Debtor hereby agrees and binds him/herself to return/deliver the Goods to the Creditor if requested by the Creditor on a certain date and to a designated place as determined by the Creditor. This obligation does not release the Debtor from his/her obligation to repay his/hers entire obligations to the Debtor. In this case the Creditor may sell or auction the Goods in Creditor's sole discretion or through any authorized institution for the sale or auction of the Goods, for the repayment of the entire/outstanding payment obligations of Debtor, which are still due and payable, after deduction of all the applicable costs



14.4 At its option, take such action and exercise such remedies in order to protect and enforce its rights under the Agreement.

14.5 Have the right to exercise, alternatively, successively, concurrently and cumulatively, any and all other rights and remedies now or hereafter available to it under this Agreement and the applicable laws.

15. DELAY IN ENFORCEMENT

Acceptance by the Creditor of any payment after its Due Date or after an Event of Default under Clause 13 of this GTC has occurred or after legal proceedings have been commenced against the Debtor shall not constitute an extension of time for payment or a modification or notation of the terms of this Agreement or in any way prejudice or adversely affect Creditor's cause of action against the Debtor.

16. GENERAL PROVISIONS

16.1 No failure, omission or delay on the part of Creditor in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single, partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any such hereunder.

16.2 If Creditor hires the services of an attorney and/or collection agencies, to collect the Facility obligations and incur expenses arising from the same, the Creditor shall be entitled to recover from the Debtor, any and all attorney's fees and agency fee, in the amount incurred in connection with the collection of the Facility.

16.3 All communications and/or notices relative to the Facility or the obligation of the Debtor shall be provided to the party concerned through Creditor's website, phone call, email, SMS, personal visit and through registered mail at the discretion of the Creditor. The mere act of sending any communication through the above stated means shall be valid and effective notice to the party concerned for all legal purposes. Should the Debtor have any questions or concerns, he/she may reach the Creditor through its Customer Service Hotline as stated in the Payment Schedule.

16.4 The Creditor 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 fulfill and perform all his/her obligations to such transferee or assignee, including the payment of the Installments. The transferee or assignee shall have the authority of Debtor to collect the due amount.

16.5 The Creditor shall have the absolute right to terminate the Agreement together with any other document executed between Creditor and Debtor at any time if the Debtor breaches any of the terms and conditions of the Agreement. The Debtor shall have right to terminate the Agreement only once the whole of the Loan Amount together with the amount of interest, fees and penalties is repaid in the manner required by Creditor as stated in this Agreement.

16.6 Bookkeeping and financial records of Creditor shall constitute the only complete evidence concerning the provision of the Facility under the Agreement and shall be binding upon Debtor.



16.7 Creditor reserves the right to amend any of the terms and conditions governing the Agreement including any provision of GTC provided that such change will be communicated to the Debtor in accordance with Clause 16.3 herein.

16.8 In case any provision of the Agreement shall be declared to be invalid, illegal or unenforceable in any respect, the validity, legality or unenforceable of any other provision therein shall not in any way be affected or impaired thereby.

16.9 All disputes, controversies or differences which may arise between Debtor and Creditor in relation to or in connection with the Agreement shall be brought exclusively in the proper courts at the option of Creditor.

16.10 The Agreement shall be governed by the laws of the Republic of the Philippines.