



BANK OF MALDIVES PLC
GENERAL TERMS AND CONDITIONS FOR CREDIT FACILITIES

This document constitutes the General Terms and Conditions for Credit Facilities of Bank of Maldives Plc, which is attached to, and forms an integral part of the Sanction Letter signed between the Bank and the Borrower. In the event of any disparity between the terms and conditions of the Sanction Letter and these terms, the terms and conditions of the Sanction Letter shall take precedence.

1 DEFINITIONS:

- 1.1 "Advance" means an advance (as from time to time reduced by repayment) made or to be made by the Bank under the Sanction Letter.
- 1.2 "Bank" means Bank of Maldives Plc, 11BoduthakuruFaanu Magu, Male', Republic of Maldives and shall where the context admits, mean and the successors-in-title, administrators, assignees and agents of Bank of Maldives Plc.
- 1.3 "Beneficiary" means the entity or person(s) specified in Clause 1(d) of the Sanction Letter and shall where the context so requires, include, in the case of a body corporate, the successors-in-title, liquidators, administrators and permitted assignees of the Borrower or in the case of an individual his/her heirs, successors, executors, administrators, assignees and personal representatives.
- 1.4 "Borrower" means the entity or person(s) specified in Clause 1(a) of the Sanction Letter and shall where the context so requires, include, in the case of a body corporate, the successors-in-title, liquidators, administrators and permitted assignees of the Borrower or in the case of an individual his/her heirs, successors, executors, administrators, assignees and personal representatives.
- 1.5 "Conditions Precedent" means the conditions specified in Clause 6 of the Sanction Letter which must be fulfilled prior to requesting for disbursement.
- 1.6 "Facility" means the credit facility specified in Clause 2 of the Sanction Letter.
- 1.7 "Group Exposure" means the total exposure, at any given time, of the Borrower, its subsidiaries and associates/affiliates including any credit facility where the Borrower stands as Guarantor and/or Mortgagor.
- 1.8 "Guarantee" means a letter of personal/corporate guarantee signed by the Guarantor and offered as security for the provision of the Facility.
- 1.9 "Guarantor" means the entity or person specified in Clause 1(c) of the Sanction Letter who guarantees the obligations of the Borrower arising out of or associated with the Facility and shall where the context so requires include, in the case of a body corporate, the successors-in-title, liquidators, administrators and permitted assignees of the Guarantor or in the case of an individual his/her heirs, successors, executors, administrators, assignees and personal representatives.
- 1.10 "Mortgagor" means the entity or person specified in Clause 1(b) of the Sanction Letter and shall where the context so requires include, in the case of a body corporate, the successors-in-title, liquidators, administrators and permitted assignees of the Mortgagor or in the case an individual his/her heirs, successors, executors, administrators, assignees and personal representatives.
- 1.11 "Payment Request" means a request from the Borrower to the Bank substantially in the form set out in Appendix A, requesting that an Advance be made to the Borrower/Supplier(s) under the Sanction Letter.
- 1.12 "Project" means the purpose for extending the Facility as specified in Clause 4 of the Sanction Letter.
- 1.13 "Sanction Letter" means the letter containing the agreement between the Bank and the Borrower for the purpose of obtaining a credit facility and incorporates the terms and conditions for the provision of the said facility.
- 1.14 "Security/Collateral" means the properties and ownership rights described in Clause 11 of the Sanction Letter, together with all the Mortgagor's/Guarantor's rights, interests and titles on and to the same
- 1.15 Unless the context otherwise requires, a reference to:
 - 1.15.1 the singular includes the plural and vice versa;
 - 1.15.2 a gender includes all genders;
 - 1.15.3 a document is a reference to that document (including any schedules, exhibits and annexure) as amended, consolidated, supplemented, novated or replaced;
 - 1.15.4 an agreement includes any deed, agreement or legally enforceable arrangement or understanding whether written or not.

2 GENERAL TERMS AND CONDITIONS

- 2.1 Utilization of the facility is subject to accepting of the Sanction Letter by the Borrower and completion of documentation formalities for Security detailed in Clause 11 of the Sanction Letter.
- 2.2 The Borrower shall promptly following acceptance of the terms of the Sanction Letter and until such time as full and final and irrevocable payment of any and all amounts payable under this Sanction Letter have been made, procure and maintain at the cost and expense of the Borrower, suitable insurance policy to cover all types of risks in an amount acceptable to the Bank on all assets offered as security for the credit Facility, which insurance policy shall include the Bank as a joint beneficiary and co-insured. In the event the Borrower fails to procure and/or maintain such insurance policy after the grant of the credit Facility, the Bank shall be entitled, without obligation, to procure and/or maintain such insurance policy and any other insurances as the Bank may from time to time determine to safeguard the security and the interests of the Bank as mortgagee. In such event, the Borrower shall, on demand, reimburse the Bank the insurance premium and other relevant fees and expenses including any costs incurred to obtain the insurance policy, failure of which shall give bank the right to debit any of the Borrower's accounts maintained with the Bank to recover such amounts without further notice, regardless of whether such debit will result in overdrawn position of the account. Any such overdrawn will be treated as unauthorized and all relevant charges/fees/penalties as per Bank's Schedule of Charges and Fees will be applicable. The Bank also reserves the right to debit the insurance premium to the credit facility account, in which case such amount will be added to the principal amount of the Facility, and will be payable in full by the Borrower with any interest thereon, within the approved term of the Facility, according to any revised payment schedule that the Bank may demand. For the purpose of this Clause, credit facilities approved from 1st September 2018 shall be required to procure "BML Insurance" for the purpose of insurance of assets offered as security for credit facilities unless otherwise approved in writing by the Bank. If the Borrower wishes to obtain an insurance policy other than BML, the Borrower shall obtain prior written consent and approval of the Bank. In case where the Borrower is obtaining a BML Home Loan for the



- purchase of a condominium/ apartment in a condominium/ multi-apartment Complex, and where insurance coverage for the whole condominium/multi-apartment complex is obtained by the condominium/multi apartment complex management; the said insurance must be amended in order to accommodate the bank as a co-beneficiary of the existing insurance policy. If the above is not agreed by the condominium/multi apartment complex management, the Borrower must have to obtain a separate insurance policy through the Bank for the value of the unit for which the loan is obtained/borrowed to satisfy the collateral insurance requirement
- 2.3 Request for disbursement of funds under the Facility must be received by the Bank not later than the period specified in the Sanction Letter after compliance to the Conditions Precedent set forth in the Sanction Letter. If request for disbursement of funds under the Facility is received beyond the period specified in the Sanction Letter, a review of the Project will be undertaken and amendment fees may be applicable if approved.
- 2.4 Subject to the terms and conditions of the Sanction Letter, the Borrower hereby unconditionally and irrevocably instructs the Bank to make Advances to it by crediting the amounts specified in the Payment Request to the account of the Supplier/Seller.
- 2.5 Upon transfer of any amount by the Bank to the account of the Supplier/Seller pursuant to any Payment Request the Bank shall be deemed for all purposes to have made the Advance to the Borrower, and the Borrower shall be deemed to have borrowed from the Bank the Advance in the amount transferred upon the terms and conditions of the Sanction Letter.
- 2.6 The Borrower must meet any contingencies that might escalate costs of the Project from their own funds. However, if the cost of escalation is substantial, Bank may, at its absolute discretion, allow enhancements to the facility subject to all required criteria being met.
- 2.7 The Borrower must make arrangements to meet foreign currency requirements (if any) from sources other than the Bank.
- 2.8 The Borrower shall comply with all taxation laws under which the Borrower is subject to taxation including but not limited to Business Profit Tax (BPT) and Goods and Services Tax (GST) and ensure all tax returns are filed and all taxes and statutory dues (including interest, penalties, fines and charges in respect of taxes) are paid on time. The Borrower must regularly submit to the Bank, as evidence of tax payment, tax return vouchers and subsequent tax payment vouchers, for each payment period as declared by Maldives Inland Revenue Authority (MIRA), until full adjustment of the Facility.
- 2.9 The Borrower must inform the Bank in the event the Borrower obtains any additional credit facility from a lender other than the Bank, specifying the amount availed and the respective lender of the facility.
- 2.10 All credit facilities in the name of the Borrower/Mortgagor /Guarantor should remain regular at all times during the tenor of this facility.
- 2.11 All facilities in the name of the Borrower must be repaid as per the sanctioned terms and within the sanctioned tenor.
- 2.12 The Bank reserves the right to revise the interest rate and other fees chargeable under the Sanction Letter at its absolute discretion and the variation shall take effect from the date specified in the Bank's notice to the Borrower.
- 2.13 Bank reserves the right to cancel the Facility and call back the entire outstanding with up to date interest due to non-adjustment of the Facility in time, violation of any terms of Sanction Letter or due to any other reasons. Notwithstanding the final maturity/expiry date of the Facility, it is subject to satisfactory review by the Bank annually or any other time as decided solely by the Bank. The Bank may at its absolute discretion cancel the Facility and any other credit facilities extended to the Borrower in the event of a significant deterioration in financial and operating performances, material change in shareholding structure, or significant deterioration in the prevailing market value of the collateral.
- 2.14 Penal interest up to the rate specified in the Sanction Letter or prevailing Schedule of Charges and Fees of the Bank may be charged on all outstanding facilities of the Borrower availed or guaranteed singly or forming part of a Group Exposure, due to non-compliance under any terms of the Sanction Letter, including, but not limited to the following circumstances:
- 2.14.1 If the Borrower fails to meet any payment commitments under Letters of Credit (LC), including but not limited to, failure to retire the LC documents on maturity; or
- 2.14.2 In the case of all other credit facilities, unless stated otherwise, if the Borrower fails to pay any due amount or part thereof within the period of 90 (ninety) days from the due date as per terms of respective Sanction Letters; or
- 2.14.3 In the event of cancellation of the limit pursuant to sub-clause 2.13, if the Borrower fails to adjust the dues within the period stipulated by the Bank at the time of such cancellation.
- 2.15 If, at any time the Borrower fails to make any scheduled payments or fails to operate within the approved Facility limit, the Bank is authorized without prior notice or demand to retain any credit balance and the payment of interest or other moneys in relation thereto to which the Borrower/Guarantor is entitled to on any account including term deposits, in any currency, at any of our offices/branches. The Bank may set-off from such credit balances, the maximum liability which may at any time be or become due to us by the Borrower.
- 2.16 The Borrower/Mortgagor/Guarantor unconditionally authorizes the Bank to disclose information relating to the Borrower/Mortgagor/Guarantor and their Bank liabilities to MIRA, Maldives Monetary Authority, Credit Information Bureau or any other authorities such as Maldives Police Service, Courts, Anti Corruption Commission and Auditor General's Office. The Borrower/Mortgagor/Guarantor will not have any recourse against the Bank as a result of making such disclosure.
- 2.17 The Borrower/Mortgagor/Guarantor hereto consents that all disputes arising in connection with the Facility/Agreement shall be tried and litigated exclusively in Civil Court, Male' as per section 69(g) of the Judicature Act of Maldives (Law No 22/2010). As such, the Borrower/Mortgagor/Guarantor waives any right of the Borrower/Mortgagor/Guarantor may have to assert under any other provision of the Judicature Act, to object as to the venue with respect to any proceedings brought in the Civil Court for the purpose of litigating any dispute, controversy, or proceeding arising out of or related to this Agreement.
- 2.18 All legal fees, costs and expenses in connection with the preparation, registration, and execution of the Facility and enforcement of the Borrower's obligations under the Facility are to be borne by the Borrower and will be debited from the Borrower's account.
- 2.19 Details of the finance charges (interest) and other fees and charges applicable to credit Facility are stated in the Schedule of Charges and Fees published by the Bank and made available on the Bank's website, copies of which are available on request at any of the Bank's branches. All charges, fees, interest rates (finance charges), fines and margins are subject to change without notice at the Banks sole discretion and any such changes/additions to the Schedule of Charges and Fees will be communicated by publication of such notice of change/addition on Bank's website.



- 2.20 Any demand or notice or other such correspondence from the Bank to the Borrower/Mortgagor/Guarantor in connection with a Credit Facility will be considered to have been duly served and communicated if sent either by hand delivery, ordinary or registered mail, to the address stated in the Sanction Letter and other loan/mortgage documentation. The Borrower/Mortgagor/Guarantor must inform the Bank if there is any change in the address.
- 2.21 Each of the terms and conditions contained herein shall be severable and distinct from one another and if at any time, any one or more of such terms and conditions is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected thereby.
- 2.22 The failure by the Bank to exercise or enforce in any instance any of the terms or conditions of the Sanction Letter, or to insist upon strict performance by the Borrower/ Mortgagor/ Guarantor of any of the provisions of these terms shall not constitute or be deemed as a waiver of Bank's rights thereafter to enforce each and every term and condition of this Agreement.
- 2.23 If Borrower fails to comply with any terms and conditions stipulated in the Sanction letter or the Bank's General Terms and Conditions for Credit Facilities (including submission of any documents required by the Bank, or taking any action without obtaining the Bank's prior written consent where the such prior written consent is explicitly made a requirement), the Bank has the right to charge a non-compliance fee without prior notice of the Borrower until full compliance with the Bank's terms and conditions. Non-compliance fee will be charged at the rate specified in the Sanction Letter.
- 2.24 This Agreement (unless stipulated otherwise) is governed by and will be construed in accordance with Maldivian Law and each of the parties to this Agreement submit to the exclusive jurisdiction of the courts of the Republic of Maldives.

3 CONDITIONS BASED ON TYPE OF FACILITY

- 3.1 For Demand/Term Loans:
3.1.1 Disbursement will be withheld if loan proceeds have not been fully utilized as per invoices submitted at the time of disbursing and loan balance (undisbursed amounts if any) shall be cancelled.
- 3.2 For Overdraft(OD)/Temporary Overdraft (TOD) Limits:
3.2.1 Regular and satisfactory transaction in Borrower's accounts must be carried out throughout the term of the Facility. Borrower's failure to abide by the terms may compel the Bank to cancel the Facility and call back the entire outstanding.
3.2.2 If due to any reason / oversight the overdraft account debit balance shows an excess over drawing in the account, the Borrower undertakes to adjust it immediately either by depositing cash, cheque, etc.
3.2.3 Borrower undertakes to operate the overdraft account within the approved limit; failing which sub-clause (2.13) will come into effect.
- 3.3 For Letter of Credit (LC) Limits:
3.3.1 Applications for LCs under the facility must be received on or before the expiry as specified in the Sanction Letter.
3.3.2 Borrower to make arrangements to deposit US Dollar funds from sources other than the Bank to enable timely retirement of LCs availed under the facility.
- 3.4 For Trust Receipt Demand Loan (TRDL) Limits:
3.4.1 TRDLs may be allowed for Sight LCs with each TRDL not exceeding 90 days and for Usance LCs, the credit period together with TR facility will be capped at 90 days.
- 3.5 For Bank Guarantees:
3.5.1 In the event the Bank is required to make any payment under the guarantee, such payment will be made by the creation of a new overdraft account in the name of the Borrower, and interest on such overdraft will accrue at the prevailing rates of the Bank for unauthorized overdrafts. The Borrower must on demand repay to the Bank any and all sums paid out by the Bank, including accrued interest on any new overdraft account(s) created to meet the payment obligations under the guarantee. Bank also reserves the right to set-off all sums paid out by the Bank against any moneys of the Borrower with the Bank as outlined under clause 2.15 above.
- 3.6 For facilities under Affordable Housing Loan scheme:
3.6.1 In considering this credit facility is granted under the Affordable Housing Loan Scheme Regulation of the Maldives Monetary Authority intended to facilitate affordable financing for ownership of personal housing to specific income groups, should the Bank observe the following circumstances, the applicable rate of interest on the balance remaining (including any undisbursed funds) will be converted to the prevailing commercial rate and repayment terms will be revised in conformity with commercial loans, at the discretion of the Bank:
a) Improvement in Borrower's(s') financial standing which qualifies the Borrower(s) to avail a similar credit facility at the prevailing commercial rate; and/or
b) The property financed by this credit facility is utilized for any purpose other than for the personal dwelling of the Borrower(s).

4 CONDITIONS BASED ON BORROWING ENTITY

- 4.1 If borrowing entity is more than one person:
4.1.1 Each of the Borrower covenant that they will be jointly and severally liable to repay the facility in accordance with the Sanction Letter.
- 4.2 If borrowing entity/Mortgagor/Guarantor is a company:
4.2.1 Any change in shareholding structure of the Borrower/Mortgagor/Guarantor shall be made only after obtaining prior written approval from Bank.

5 CONDITIONS BASED ON LOAN PURPOSE

- 5.1 For education loans:
5.1.1 All monies sent to the student should be routed through Borrower's account with the Bank.
5.1.2 Borrower must submit copies of the academic progress reports of the student annually within 03 (three) months of completion of each academic year.
- 5.2 For house construction/renovation loans:
5.2.1 Equity investment to the Project to be routed through the Bank.



- 5.2.2 The Borrower shall not enter into any type or kind of lease construction contracts with any third party in respect of the Project, whereby the lessee undertakes to partly or fully complete construction of the property, unless and until the loan has been fully adjusted. Prior written approval from Bank is required before any changes can be brought and implemented to any term or condition or provision of any existing rental or construction contract in respect of the Project. The Borrower shall inform the Bank of any change in any information provided by, or in any change in circumstance of, the Borrower(s) at time of loan approval.
- 5.2.3 All income proceeds of the Borrower shall to be routed through the Borrower's debt service account assigned by the Bank to meet loan repayments.
- 5.2.4 All rent/income proceeds of the Borrower from the Project are to be routed through the Borrower's debt service account assigned by the Bank to meet loan repayments. The Borrower shall ensure that this provision is included in all lease/rental agreements entered by the Borrower with third party lessees in respect of the Project. Such rental agreements entered into with third parties must be submitted to the Bank within 03 (three) months from renting the units in order to verify the rental income being earned by the Borrower
- 5.2.5 The Borrower undertake not to obtain advance payment exceeding an amount equivalent to rent of 2 (two) months from the tenants of any of the leased properties of the Borrower, without prior approval from the Bank and, any such advance payments are to be utilized in consultation with the Bank.
- 5.2.6 First and foremost priority for utilization of income proceeds from the Project which is financed through the credit facility and all other income shall at all times be given towards loan repayments.
- 5.2.7 Prior written consent of the Bank is required if Borrower wishes to change the layout of the Project being financed through the loan funds.
- 5.3 For loans approved for business purpose with total exposure above MVR1.0 million:
- 5.3.1 Borrower to maintain adequate financial and reporting systems and to submit to the Bank as soon as possible within 04 (four) months after the end of each financial year, annual audited accounts (balance sheet, profit and loss statement, cash flow statements) by an auditor licensed in the Maldives failing which non-compliance fee up to the rate specified in the Sanction Letter or prevailing Schedule of Charges and Fees of the Bank will be charged until the date of submission of the audited financial statements.
- 5.4 For loans approved to companies/businesses with total exposure above MVR5.0 million:
- 5.4.1 In addition to the annual audited financial statements, the Borrower undertakes to submit the management accounts and cash flow statement semi-annually not later than 60 (sixty) days after the end of each financial period and any other financial information required to verify the Borrower's current income and servicing requirements upon request by the Bank.
- 6 CONDITIONS BASED ON SECURITY/COLLATERAL**
- 6.1 For immovable property including government land:
- 6.1.1 the Bank shall be given written notice if any of the owner(s) of any of the properties as specified under the 'Security' clause decide to acquire any government owned land (registered in his/her name with the relevant government authority) on which the respective Security is located. In any event, no sale or transfer of any of the said land(s) or any part of the Security thereof shall take place without the prior written consent of the Bank.
- 6.2 For vessels/vehicles:
- 6.2.1 The Borrower/Mortgagor/Guarantor covenants that he shall promptly pay all statutory and other fees and charges in respect of the mortgaged vessel/vehicles to the relevant Government Authorities. In addition the Borrower/Mortgagor also covenants to maintain all relevant certificates, licenses and permits required for the operation of the mortgaged vessel/vehicle.
- 6.3 For fixed deposits/lien on cash:
- 6.3.1 Bank reserves the right to appropriate the proceeds of the fixed deposits/cash collateral in the event of failure of the Borrower to adjust the facility on expiry.
- 6.4 For stock in trade:
- 6.4.1 Borrower/Mortgagor/Guarantor must submit updated stock report on a quarterly basis from date of the Sanction Letter up to full adjustment of the Facility.
- 6.5 For leasehold rights:
- 6.5.1 Borrower/Mortgagor/Guarantor shall not surrender its leasehold property under the lease agreement, nor terminate or cancel the lease agreement, and Borrower/Mortgagor/Guarantor shall not modify, change, supplement, alter or amend the lease agreement either orally or in writing, and any attempt on the part of the Borrower to exercise any such right without the consent of Bank will be null and void.
- ***The Bank reserves the right to amend these terms and conditions or introduce new terms and conditions from time to time upon notification to the Borrower by publication of any such alteration/amendment or addition on the Bank's official website or in one or more newspaper published in the Maldives, and such amendments or additions will be binding on the Borrower / Mortgagor / Guarantor's part until full and final adjustment of the facility availed by the Borrower.***