

Customer terms and conditions for AFP hire purchase

These terms and conditions are between **Yoma Bank Limited**, having its registered office address at Level 8, HAGL Myanmar Centre Tower 2, 192 Kaba Aye Pagoda Road, Bahan Township, Yangon, Myanmar (the “**Bank**”) and the Customer, being the individual or entity who has applied for hire purchase financing from the Bank (where the Customer means itself and includes the Customer’s heirs, beneficiaries, successors and assignees) (the “**Customer**”).

The Customer may have applied for hire purchase financing as follows:

- A. Directly through a branch, known as a “**Branch Application**” in these terms and conditions; or
- B. Online through the digital portal with the assistance of an authorised dealer, known as a “**Digital Application**” in these terms and conditions.

The Customer agrees to the Bank’s hire purchase arrangement for the equipment (the equipment being described in Schedule 1 for Branch Applications, or as set out in the Digital Application) (the “**Equipment**”) by agreeing to the following terms and conditions:

1. Hire purchase

- 1.1. The Customer has requested the Bank to pay for the purchase of the Equipment from the seller of the Equipment (“**Authorised Dealer**”) on behalf of the Customer.
- 1.2. The Bank agrees to let the Equipment to the Customer and the Customer agrees to take hire of the Equipment on the terms and conditions set out here (the “**Hire Purchase**”), until such time as the Customer has repaid to the Bank the purchase price of the Equipment (plus applicable interest and fees).

2. Commencement and duration

- 2.1. The Hire Purchase will commence from the date that the Bank purchases the Equipment from the Authorised Dealer on behalf of the Customer (the “**Commencement Date**”). The Commencement Date will be confirmed to the Customer as follows:
 - (a) For Branch Applications, the Commencement Date will be specified in Schedule 1; and
 - (b) For Digital Applications, the Commencement Date will be the date notified to the Customer by SMS and/or phone call as the start date of their Hire Purchase with the Bank,

and for both Branch Applications and Digital Applications, the Bank’s records will be the definitive proof of the Commencement Date of the Hire Purchase.

- 2.2. The Hire Purchase will continue until determined in accordance with these terms and conditions.

3. Payment, fees and interest

- 3.1. **Hire Purchase Amount.** The Customer agrees that the total amount payable by the Customer to the Bank for the Hire Purchase of the Equipment is as follows:
 - (a) the purchase price of the Equipment;

- (b) the service fees and insurance fees (the “**HP Fees**”); and
 - (c) the applicable interest,
- (collectively, the “**Hire Purchase Amount**”).
- 3.2. The Hire Purchase Amount will be set out either in Schedule 1, for Branch Applications, or in the SMS / text message sent to the Customer, for Digital Applications.
- 3.3. **Down Payment and Fees.** The Customer is required to pay a down payment for the Hire Purchase of the Equipment (the “**Down Payment**”) and the HP Fees as follows:
- (a) For Digital Applications, the amount of the Down Payment and HP Fees will be notified to the Customer upon approval of the Customer’s application via SMS and the Customer must pay the Down Payment and HP Fees directly to the Authorised Dealer prior to the Bank purchasing the Equipment from the Authorised Dealer on behalf of the Customer; and
 - (b) For Branch Applications, the amount of the Down Payment and HP Fees are set out in Schedule 1, and the Customer must deposit the Down Payment and HP Fees into their current account with the Bank prior to the Bank purchasing the Equipment from the Authorised Dealer on behalf of the Customer.
- 3.4. **Interest.** The Customer is required to pay interest to the Bank for the Hire Purchase. Interest is payable either fully upfront, or is amortised across the entire period of the Hire Purchase (the “**HP Period**”). Interest will be set out as follows:
- (a) For Digital Applications, the interest amount will be notified to the Customer upon approval of the Customer’s application via SMS; and
 - (b) For Branch Applications, the interest amount is set out in Schedule 1.
- 3.5. Where the Customer has agreed to pay interest upfront, this amount must be paid at the same time as the Down Payment and HP Fees, as per clause 3.3. Where the Customer has agreed to pay interest on an amortising basis, the interest will be included in the instalment repayment amount as calculated in accordance with clause 4.
- 4. Repayment**
- 4.1. The difference between the Hire Purchase Amount and the Down Payment Amount is the total amount the Customer must repay over the term of the Hire Purchase (the “**Total Repayment Amount**”).
- 4.2. The Customer must pay regular repayments to the Bank (“**Repayment Installments**”) in order to repay the Total Repayment Amount over the HP Period.
- 4.3. Details of Repayment Installments will be set out as follows:
- (a) For Digital Applications, the amount, frequency and due date of the required Repayment Installments will be notified to the Customer upon approval of the Customer’s application via SMS; and
 - (b) For Branch Applications, the amount, frequency and due date of the required Repayment Installments is set out in Schedule 1.

4.4. The Customer agrees that each Repayment Installment due under these terms and conditions must be deposited to its Yoma Bank account before the due date for that Repayment Installment. If the due date falls on a Saturday, Sunday or a public holiday in Myanmar, the due date will be the next business day in the same calendar month (if there is one) or the preceding business day (if there is not).

5. Default

5.1. If the Customer fails to repay a Repayment Installment by the due date, the Bank may charge the following late payment penalty interest on the entire outstanding balance due for the Hire Purchase, in accordance with the following rates:

Failure Period	Default interest rate per annum on outstanding balance due for the Hire Purchase
Step 1: 1 day to 30 days	3.0%
Step 2: 31 days to 60 days	10.0%
Step 3: 61 days to 90 days	15.0%
Step 4: 91 days to 180 days	20.0%
Step 4: 180 days and above	25.0%

5.2. If the Customer fails to repay a Repayment Installment for more than 60 days past the due date for that Repayment Installment, the Customer agrees that the Authorised Dealer may repossess the Equipment from the Customer on behalf of the Bank and the Authorised Dealer may take such action in respect of the Equipment as authorised by the Bank.

5.3. The Customer understands and agrees that the Bank may take any civil action and/or criminal action against the Customer upon failure by the Customer to repay any or all of the Total Repayment Amount (and any other accrued and outstanding payments due and owing by the Customer to the Bank, including penalty interest) due to the Bank under these terms and conditions. The Bank may also, in its sole discretion, terminate the Hire Purchase and re-possess or take over the Equipment at any place at any time if the Customer fails to repay any amount due and owing to the Bank under these terms and conditions.

5.4. In addition to a failure to repay as set out in clause 5.2 and 5.3, if:

- (a) the Customer fails to observe and perform any of these terms and conditions;
- (b) the Customer is or will be convicted of any offence involving fraud or dishonesty or of any criminal offence;
- (c) the Customer abandons the Equipment;
- (d) the Customer does or suffers to be done any act or thing which may prejudice the Bank's property in or right to the Equipment;
- (e) any default occurs under any other agreement relating to any loan or credit facilities whatsoever given by the Bank to the Customer solely or with other parties, or between the Customer and any other financial institution; or

- (f) any warranty statement or representation made in these terms and conditions or in any document given by the Customer to the Bank in connection with the Hire Purchase and/or these terms and conditions or made by the Customer to the Bank or to any dealer in connection with the Hire Purchase is breached or proved to be false in any respect,

then and in any such events the Bank will be entitled to:

- (g) terminate the Hire Purchase;
- (h) without notice, retake possession of the Equipment and all Ownership Documents, certificates of insurance and other documents (if any) relating to the Equipment;
- (i) take all legal and other action to recover all sums of money owing by the Customer to the Bank and/or to enforce the Bank's rights and remedies under these terms and conditions;
- (j) sell any or all of the Equipment at public or private sale, with or without notice to the Customer and with or without public advertisement, at any time and for any price; and/or
- (k) otherwise dispose of, hold, use, operate, hire to others or keep idle such Equipment, at the Bank's discretion, free and clear of all rights of the Customer and without any duty to account to the Customer for such action or inaction.

6. Customer's obligations

- 6.1. Where the value of the Equipment for Hire Purchase is greater than MMK 10 million, the Customer is required to ensure the Equipment remains adequately insured at all times during the HP Period, to the Bank's satisfaction.
- 6.2. The Customer is liable to pay all the expenses, tax and charges related to the Equipment during the HP Period. The Customer will also pay any taxes or charges that may be imposed by any government, statutory, or tax authority for the provision of the Hire Purchase and the documents associated with the Hire Purchase, including any stamp duty.
- 6.3. The Equipment cannot be sold, mortgaged, transferred or dealt with in any other similar way during the HP Period. The Customer understands and agrees that the Bank may take any such criminal action and/or civil action against the Customer for breaching these terms and condition as necessary and required by it to protect its rights.
- 6.4. The Customer must keep and maintain the Equipment in good and serviceable condition and repair and replace any damage to the Equipment during the HP Period, and is responsible for any loss or destruction of or any damage to the Equipment by any cause whatsoever, including fair wear and tear. If the Equipment is damaged by any means or by unlawful action of the Customer during the HP Period, the Customer agrees to indemnify the Bank against any such loss or damage to the Equipment (excluding any fair wear and tear) and other expenses incurred by the Bank in connection with such damage or unlawful action, as may be demanded by the Bank.
- 6.5. The Customer will pay the Bank all expenses (including all legal costs) incurred by or on behalf of the Bank in relation to the taking possession of the Equipment and of any

demand and/or any legal proceedings taken by or on behalf of the Bank to enforce the provisions of these terms and conditions. The Customer further agrees that he/she will indemnify the Bank on demand for any losses, damage or expenses incurred by the Bank and caused by any action being taken by the Bank as described in clause 5 or 6 of these terms and conditions.

7. Customer's warranties

7.1. The Customer represents and warrants that:

- (a) the Customer has full legal capacity and right and is fully empowered and authorised to own the Equipment and to sign these terms and conditions and to perform its obligations hereunder;
- (b) there is no law, regulation or provision of any oral or written contract, agreement or other instrument binding upon the Customer which would or may be contravened by the execution or delivery of these terms and conditions or the performance of any of the terms hereof or the use of the Equipment;
- (c) there is no default by the Customer under any agreement which has or could have a material adverse effect on its operations, property or financial condition and there is no litigation or administrative action pending or threatened against the Customer or any of its assets which has or could have a material adverse effect; and
- (d) all statements made and particulars given by or on behalf of the Customer are and will remain true and accurate.

7.2. No liability is attached to the Bank for any conditions, warranties or representations made by any dealer or supplier through whom these terms and conditions were negotiated or communicated to the Customer.

7.3. No liability will attach to the Bank either in contract or in tort for loss or injury or damage sustained by reason of any defect in the Equipment whether such defect be apparent on examination and the Bank will not be liable to indemnify the Customer in respect of any claim made against the Customer by a third party for any such loss or injury or damage.

8. Ownership of Equipment

8.1. Prior to full repayment of the Total Repayment Amount by the Customer, the Bank retains full right, title and interest in and ownership of the Equipment. To evidence and effect this ownership, the Customer has transferred the Ownership Documents to the Bank as soon as reasonably possible on or after the Commencement Date. The "**Ownership Documents**" for this section are the documents specified by the Bank to the Customer as required to evidence ownership, and may include:

- (a) The original sales agreement between the Authorised Dealer and the Customer for the Equipment;
- (b) the original 'vehicle registration book' issued by the Road Transport Administration Department and;

(c) the original 'premium book' issued by Myanmar Insurance.

- 8.2. The Customer agrees that it has possession of the Equipment as a mere bailee.
- 8.3. The Bank agrees to transfer back to the Customer the Ownership Documents on the day of full repayment by the Customer of the Total Repayment Amount (and any other accrued and outstanding payments due and owing by the Customer to the Bank). For clarity, if the Customer does not complete full repayment of the Total Repayment Amount (and any other accrued and outstanding payments due and owing by the Customer to the Bank), the Equipment will remain the absolute property of the Bank.
- 8.4. With respect to motor vehicles, the Bank may permit the Equipment to be registered in the name of the Customer, and in such instances the Customer agrees that notwithstanding such registration, absolute legal and beneficial ownership in the Equipment shall at all times remain with the Bank until the Total Repayment Amount (and any other accrued and outstanding payments due and owing by the Customer to the Bank) is paid by the Customer to the Bank.

9. Termination

These terms and conditions will remain in full force and effect until full repayment by the Customer of all sums due hereunder are made to the Bank to the satisfaction of the Bank.

10. General

- 10.1. **Interpretation.** Clause headings are for ease of reference only and have no legal effect. Reference to the singular includes the plural and vice versa.
- 10.2. **Waiver.** No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default or otherwise under these terms and conditions will impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default.
- 10.3. **Governing law and jurisdiction.** These terms and conditions and all matters arising out of or in connection with the Hire Purchase will be governed and construed in accordance with the laws of the Republic of the Union of Myanmar and the courts of Myanmar have exclusive jurisdiction to settle any dispute arising out of or in connection with these terms and conditions.
- 10.4. **Survival.** The obligations of the Customer to the Bank under these terms and conditions will survive termination of these terms and conditions until such time as all monies payable, due or owing to the Bank by the Customer have been fully paid in accordance with the provisions of these terms and conditions, provided that the indemnities and warranties of the Customer will survive such cancellation, discharge, repayment and termination of these terms and conditions.
- 10.5. **Benefit.** Subject to provisions above, these terms and conditions shall be binding upon and enure to the benefit of each party hereto and its successors and assignees.

[FOR BRANCH APPLICATIONS ONLY]

The Customer understands and agrees fully to the terms and conditions set out above and signs below in the presence of a witness:

Customer:

Witness (for Customer):

Signature:

Signature:

Name:

Name:

Title:

Title:

NRC:

NRC:

Address:

Address:

By signing below, the Authorised Dealer acknowledges and agrees that:

- (a) it has conducted Know-Your-Client verification of the Customer and is fully responsible for the accuracy of the information provided to the Bank in respect of the Customer and the Hire Purchase the subject of these terms and conditions; and
- (b) it guarantees the Total Repayment Amount (and any other accrued and outstanding payments, including penalty interest) owing by the Customer to the Bank for the Hire Purchase, in accordance with the guarantee contained in the dealer agreement signed between the Bank and the Authorised Dealer.

**For and on behalf of the Authorised Dealer,
signed by its authorised representative:**

Signature:

Name:

Title:

NRC:

Address:

Schedule 1 – Agreement details [BRANCH APPLICATION ONLY]

No.	Item	Details
1.	Customer details	Name: NRC: Address:
2.	Equipment	
3.	Commencement Date	
4.	HP Period	
5.	Hire Purchase Amount	Purchase price of Equipment: Application fees: Insurance fees: Total interest payable (upfront / amortizing): Total Hire Purchase Amount:
6.	Down Payment	
7.	HP Fees	
8.	Repayment Installments	Amount: Frequency: Due date: