

# GENERAL CONDITION (IN-HOUSE FINANCING OPTION)

These Terms and Conditions ("Agreement") govern the in-house financing option ("Financing Option") offered by Enagic Africa Limited ("Enagic"), a company duly registered under the laws of the Federal Republic of Nigeria with its registered office at 18 Olutoye Crescent, off Adeniyi Jones. Ikeja. Lagos. Nigeria, to its independent distributors ("Distributor") for the purchase of Enagic products. By applying for and utilizing the Financing Option, the Distributor acknowledges having read, understood, and agreed to be bound by these Terms and Conditions. These Terms and Conditions are subject to the applicable laws of the Federal Republic of Nigeria, including but not limited to the Companies and Allied Matters Act (CAMA), 2020, the Federal Competition and Consumer Protection Act, 2018, the Central Bank of Nigeria Act, 2007, and the relevant provisions of the Contract Law as interpreted and applied in Nigerian jurisprudence.

## Article 1: Definitions

For the purpose of this Agreement, the following terms shall have the meanings ascribed to them below:

1. Agreement: Means these Terms and Conditions, including any schedules, appendices, or amendments thereto.
2. Application Form: Means the form provided by Enagic, either in physical or electronic format, which the Distributor must complete to apply for the Financing Option.
3. CBN: Means the Central Bank of Nigeria.
4. CAMA: Means the Companies and Allied Matters Act, 2020, as amended.
5. Distributor: Means an independent distributor of Enagic products, duly registered and authorized by Enagic.
6. Enagic: Means Enagic Africa Limited, its successors, and assigns.
7. Financing Option: Means the in-house financing program offered by Enagic to Distributors for the purchase of Enagic products, as detailed herein.
8. Financing Amount: Means the principal amount financed by Enagic under the Financing Option, representing the purchase price of the Enagic product(s).
9. Payment Instrument: Means the payment method chosen by the Distributor, including post-dated bank cheque(s), standing order from a domicile bank, or direct debit via the Remita platform.
10. Processing Fee: Means the non-refundable fee charged by Enagic for processing the Financing Option application, as specified in Article 3.
11. Product: Means the Enagic product(s) purchased by the Distributor using the Financing Option.
12. Remita: Means the electronic payment platform operated by SystemSpecs, authorized by the CBN for payment processing.
13. Standing Order: Means an instruction given by the Distributor to their bank to make regular payments to Enagic from their account.
14. Post-Dated Cheque: Means a cheque written with a future date.

## Article 2: Eligibility and Application

2.1. To be eligible for the Financing Option, the Distributor must:

- a. Be a duly registered and active independent distributor of Enagic, in good standing, and compliant with Enagic's Distributor Agreement or signing up as a user of the Enagic product.
  - b. Have a verifiable source of income sufficient to meet the repayment obligations under the Financing Option. This is in line with the principle of "*Caveat Creditor*" where Enagic, as the financier, must exercise due diligence in assessing the Distributor's ability to repay.
  - c. Possess a valid bank account with a reputable financial institution in Nigeria. This complies with the CBN's regulations on electronic payments and financial inclusion.
  - d. Provide all necessary documentation and information requested by Enagic, including but not limited to a completed Application Form, proof of identification (e.g., National Identity Card, Driver's License, International Passport), proof of address (e.g., utility bill, bank statement), and bank account details.
  - e. Meet any other eligibility criteria that Enagic may prescribe from time to time.
- 2.2. The Distributor must submit a completed Application Form to Enagic, along with all required supporting documentation. The Application Form shall contain, inter alia, the Distributor's personal information, bank details, the desired Financing Amount, the chosen repayment period, and the selected Payment Instrument.
- 2.3. Enagic reserves the right, at its sole discretion, to approve or reject any application for the Financing Option. Enagic's decision shall be final and binding. Section 42 of the Constitution of the Federal Republic of Nigeria guarantees freedom from discrimination, but this does not preclude Enagic from making legitimate business decisions based on objective criteria.

2.4. By submitting an application, the Distributor authorizes Enagic to conduct a creditworthiness assessment, including but not limited to checking the Distributor's credit history with credit bureaus and verifying the information provided in the Application Form. This is in line with Section 33 of the Central Bank of Nigeria Act, 2007, which empowers the CBN to promote a sound financial system and protect depositors.

## Article 3: Financing Terms

- 3.1. Upon approval of the application, Enagic shall notify the Distributor of the Financing Amount, the repayment period, and the applicable Processing Fee.
- 3.2. The following repayment periods and corresponding Processing Fees shall apply:
- a. Three (3) months repayment period: Processing Fee of Thirty Thousand Naira (₦30,000.00).
  - b. Six (6) months repayment period: Processing Fee of Sixty Thousand Naira (₦60,000.00).
  - c. Ten (10) months repayment period: Processing Fee of One Hundred Thousand Naira Only. (₦100,000.00).
- 3.3. The Processing Fee is non-refundable and must be paid by the Distributor upon approval of the application and prior to the disbursement of the Financing Amount. The Processing Fee is intended to cover administrative costs and risk assessment expenses incurred by Enagic. This aligns with the principle of "*consideration*" in Contract Law, where both parties must provide something of value.
- 3.4. The Financing Amount, together with the Processing Fee, shall be repaid by the Distributor as indicated in the form provided over the chosen repayment period.
- 3.5. The first instalment payment shall be due one (1) month from the date of the Initial deposit (note that collection is due every 1st and 15th of each month).
- 3.6. The Financing Option is offered without interest. However, in the event of default, late payment penalties, as described in Article 6, shall apply.

## Article 4: Payment Instruments

4.1. The Distributor shall choose one of the following Payment Instruments for the repayment of the Financing Amount:

- a. Post-Dated Bank Cheques: The Distributor shall provide Enagic with post-dated cheques covering all monthly instalments. The cheques must be drawn on a valid bank account in the Distributor's name. The cheques must be payable to Enagic Africa Limited. This method complies with the provisions of the Bills of Exchange Act, Cap B8, Laws of the Federation of Nigeria, 2004, regarding the validity and negotiability of cheques.
  - b. Standing Order from Domicile Bank: The Distributor shall provide Enagic with a standing order mandate duly executed by the Distributor and their bank, authorizing the bank to make regular monthly payments to Enagic's designated bank account. The standing order mandate must specify the amount of each monthly instalment and the payment dates. This complies with the CBN's regulations on electronic funds transfers and payment systems.
  - c. Direct Debit via Remita Platform: The Distributor shall provide Enagic with authorization to debit their bank account directly via the Remita platform. The Distributor shall register their bank account on the Remita platform and grant Enagic the necessary permissions to initiate debit transactions. The Distributor acknowledges that the use of the Remita platform is subject to SystemSpecs' terms and conditions. This method ensures secure and reliable payment processing in accordance with CBN guidelines.
- 4.2. The Distributor is responsible for ensuring that sufficient funds are available in their bank account to cover each monthly instalment payment.
- 4.3. If a post-dated cheque is dishonoured due to insufficient funds or any other reason, or if a standing order payment fails due to insufficient funds or account closure, the Distributor shall be deemed to be in default, and the penalties outlined in Article 6 shall apply.
- 4.4. If a direct debit transaction via the Remita platform fails due to insufficient funds or any other reason, the Distributor shall be deemed to be in default, and the penalties outlined in Article 6 shall apply.
- 4.5. Enagic reserves the right to change its designated bank account for receiving payments. In such event, Enagic shall provide the Distributor with written notice of the change at least thirty (30) days prior to the effective date of the change.

## Article 5: Disbursement of Product

- 5.1. Upon approval of the Financing Option and payment of the Processing Fee, Enagic shall disburse the Product to the Distributor.
- 5.2. The Distributor acknowledges that they are responsible for the safe custody and maintenance of the Product from the date of disbursement.
- 5.3. Title to the Product shall remain vested in Enagic until the Financing Amount has been fully repaid. This clause constitutes a "*reservation of title*" (also known as a Romalpa clause) and is enforceable under Nigerian Contract Law.

## Article 6: Default and Remedies

6.1. The Distributor shall be deemed to be in default if any of the following events occur:

a. Failure to make any monthly instalment payment on or before the due date.

b. Dishonour of any post-dated cheque issued as a Payment Instrument.

c. Failure of any standing order payment due to insufficient funds or account closure.

d. Failure of any direct debit transaction via the Remita platform due to insufficient funds or any other reason.

e. Breach of any other provision of this Agreement.

f. Becoming bankrupt or insolvent. This aligns with Section 8(1)(f) of the Bankruptcy Act, Cap B2, Laws of the Federation of Nigeria, 2004, which defines an act of bankruptcy.

6.2. In the event of default, Enagic shall have the following remedies, in addition to any other remedies available under applicable law:

a. Holding Future Commissions: Enagic shall have the right to withhold any future commissions payable to the Distributor from any sales made. The withheld commissions shall be applied towards the outstanding Financing Amount, including any late payment penalties. This is akin to a right of set-off, recognized under Nigerian law.

b. Late Payment Penalty: Enagic shall charge a late payment penalty of five percent (5%) of the overdue instalment amount for each month that the payment remains outstanding. This is considered liquidated damages and is enforceable as long as it is a reasonable pre-estimate of the loss suffered by Enagic due to the default.

c. Demand for Immediate Payment: Enagic shall have the right to demand immediate payment of the entire outstanding Financing Amount, including any accrued late payment penalties.

d. Legal Action: Enagic shall have the right to institute legal action against the Distributor to recover the outstanding Financing Amount, including any accrued late payment penalties and legal costs. This aligns with Section 6 of the Constitution of the Federal Republic of Nigeria, which vests judicial powers in the courts.

e. Repossession of Product: Enagic shall have the right to repossess the Product, subject to applicable laws and regulations. The Distributor grants Enagic an irrevocable license to enter their premises to repossess the Product in the event of default. This right is subject to the principle of "**peaceful repossession**" as recognized in Nigerian jurisprudence. Enagic would need to obtain a court order to enter the Distributor's premises if peaceful repossession is not possible.

f. Reporting to Credit Bureaus: Enagic shall have the right to report the Distributor's default to credit bureaus, which may negatively affect the Distributor's credit rating. This complies with the CBN's regulations on credit reporting.

g. Termination of Distributorship: Enagic reserves the right to terminate the Distributor's distributorship agreement in the event of persistent default or breach of this Agreement. This is consistent with the termination clauses often found in commercial contracts.

6.3. The Distributor acknowledges that the remedies available to Enagic in the event of default are cumulative and not exclusive, and that Enagic may exercise any or all of these remedies at its sole discretion.

6.4. The Distributor shall be responsible for all legal costs and expenses incurred by Enagic in enforcing its rights under this Agreement, including but not limited to court fees, attorney's fees, and collection agency fees.

Article 7: Indemnification

7.1. The Distributor shall indemnify and hold Enagic, its officers, directors, employees, and agents harmless from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorney's fees) arising out of or in connection with:

a. The Distributor's breach of this Agreement.

b. The Distributor's use or misuse of the Product.

c. Any negligence or wilful misconduct on the part of the Distributor.

d. Any claims or lawsuits brought against Enagic by third parties as a result of the Distributor's actions. This indemnification clause is enforceable under Nigerian law.

Article 8: Governing Law and Dispute Resolution

8.1. This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

8.2. Any dispute arising out of or in connection with this Agreement shall be resolved through amicable negotiation between the parties.

8.3. If the parties are unable to resolve the dispute through negotiation within thirty (30) days, the dispute shall be referred to arbitration in accordance with the Arbitration and Conciliation Act, Cap A18, Laws of the Federation of Nigeria, 2004. The arbitration shall be conducted in Lagos, Nigeria, and the language of the arbitration shall be English. The decision of the arbitrator shall be final and binding on the parties.

8.4. Notwithstanding the foregoing, Enagic reserves the right to seek injunctive relief or other equitable remedies in any court of competent jurisdiction to protect its intellectual property rights or to prevent irreparable harm.

Article 9: Force Majeure

9.1. Neither party shall be liable for any failure to perform its obligations under this Agreement if such failure is caused by a force majeure event.

9.2. A force majeure event shall include, but not be limited to, acts of God, war, terrorism, riots, civil unrest, natural disasters, strikes, lockouts, government regulations, and any other event beyond the reasonable control of the party affected. This is a standard force majeure clause recognized under Nigerian law.

9.3. The party affected by a force majeure event shall promptly notify the other party of the event and shall use its best efforts to mitigate the effects of the event.

Article 10: Notices

10.1. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, sent by registered mail, or sent by email to the addresses specified in the Application Form or to such other address as either party may designate in writing to the other party.

Article 11: Entire Agreement

11.1. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications and proposals, whether oral or written. This is an "**entire agreement clause**" (also known as an integration clause) which helps to prevent disputes based on prior agreements or understandings.

Article 12: Amendments

12.1. This Agreement may be amended only by a written instrument signed by both parties. Enagic reserves the right to amend this agreement, and will provide 30 days notice of amendment. Continued usage of the financing option constitutes acceptance of these amended terms.

Article 13: Severability

13.1. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall remain in full force and effect. This is a severability clause, ensuring that the entire agreement is not invalidated if one provision is found to be unenforceable.

Article 14: Waiver

14.1. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom the waiver is sought to be enforced. This prevents unintended waivers.

Article 15: Assignment

15.1. The Distributor shall not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of Enagic. Enagic may assign this Agreement without the Distributor's consent. This is a standard assignment clause in commercial contracts.

Article 16: Data Protection

16.1. Enagic shall collect, use, and process the Distributor's personal data in accordance with the Nigeria Data Protection Regulation 2019 (NDPR) and any other applicable data protection laws. The Distributor consents to the collection, use, and processing of their personal data for the purposes of administering the Financing Option, conducting creditworthiness assessments, and communicating with the Distributor.

Article 17: Acknowledgment

17.1. The User/Distributor acknowledges that they have read, understood, and agreed to be bound by these Terms and Conditions.

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Users/Distributor's Signature and Date