

## Loan Agreement

**THIS AGREEMENT IS MADE BETWEEN BANKMUSCAT (SAOG) TO BE REFERRED TO AS THE "BANK" AND..... (TO BE REFERRED TO AS THE "BORROWER"). IT IS HEREBY AGREED AS FOLLOWS:**

1. THE BANK HAS ADVANCED A SUM OF R.O. .... AND/OR SUCH OTHER AMOUNT AS ADVISED BY THE BANK BY WAY OF LOAN (HEREINAFTER CALLED THE "LOAN") WITH INTEREST @ .....% PER ANNUM OR AT SUCH OTHER RATE AS THE BANK MAY AT ANY TIME DECIDE AND ADVISE TO THE BORROWER IN THE MANNER SET OUT IN CLAUSE (8) TO THE "BORROWER". THE "BORROWER" HEREBY UNDERTAKE(S) HIMSELF /HERSELF /THEMSELVES AND HIS/HER/THEIR LEGAL HEIRS AND SUCCESSORS TO REPAY, ON DEMAND, THE LOAN WITH INTEREST @ .....% (OR SUCH OTHER RATE AS THE BANK MAY AT ANY TIME DECIDE AND ADVISE TO THE BORROWER IN THE MANNER SET OUT IN CLAUSE (9)) COMPOUNDED MONTHLY/QUARTERLY AS IT REMAINS UNPAID. EACH MONTHLY INSTALMENT SHALL BE RO .....
2. THE BORROWER SHALL IRREVOCABLY DIRECT AND ASSIGN THE TRANSFER OF HIS/HER SALARY AND END-OF-SERVICE BENEFITS FROM HIS/HER EMPLOYER TO HIS/HER ACCOUNT WITH THE BANK FOR PAYMENT OF HIS/HER MONTHLY INSTALMENT REPAYMENTS AND HEREBY AUTHORIZES THE BANK TO DEBIT SUCH ACCOUNT WITH THE AMOUNTS DUE HEREUNDER TOGETHER WITH THE AMOUNTS OF PREMIUMS DUE UNDER THE BANK'S BORROWERS INSURANCE SCHEME IN RESPECT OF THE LOAN. SUCH INSTRUCTIONS SHALL CONTINUE TO REMAIN EFFECTIVE UNTIL THE BANK HAS CONFIRMED BY WRITTEN NOTICE TO THE EMPLOYER, THE FULL SETTLEMENT OF THE BORROWER'S OUTSTANDING LIABILITY. THE BORROWER(S) UNDERTAKE(S) TO INSURE THAT THE CREDIT BALANCE ON SUCH ACCOUNT WILL BE SUFFICIENT TO MEET THE INSTALMENT REPAYMENT OBLIGATIONS AS SUCH SUMS FALL DUE FOR PAYMENT.
3. IF THE BORROWER DEFAULTS IN MAKING ANY PAYMENT DUE HEREUNDER, WHETHER OF PRINCIPAL, INTEREST, COMMISSION, CHARGES OR OTHERWISE, OR DIES OR LOSES CAPACITY OR IF THE BORROWER MAKES AN APPLICATION FOR A DECLARATION OF BANKRUPTCY OR IS SUBJECT TO A DECLARATION OF BANKRUPTCY OR ANY OTHER ATTACHMENT AGAINST HIS/HER ASSETS, OR IF ANY CHANGE IN LAW OR CIRCUMSTANCES OCCUR WHICH THE BANK CONSIDERS WILL AFFECT THIS AGREEMENT AND IF THE BANK AND THE BORROWER CANNOT AGREE TO CHANGES TO THIS AGREEMENT TO COVER SUCH CHANGE IN LAW OR CIRCUMSTANCES, OR IF THE BORROWER COMMITS ANY OTHER BREACH OF ANY OF THE TERMS OF THIS AGREEMENT, OR IF THE BORROWER IS THE SUBJECT OF ANY ATTACHMENT, THE BANK MAY AT ANYTIME STOP OPERATIONS ON ANY OF THE BORROWER'S ACCOUNTS AND DEMAND IMMEDIATE REPAYMENT OF THE ENTIRE LOAN INCLUDING INTEREST ACCRUED THEREON AND ALL SUMS DUE HEREUNDER BY NOTICE TO THE BORROWER WITH IMMEDIATE EFFECT. THE BANK HAS THE RIGHT TO CANCEL THE SAID LOAN OR ANY OTHER FACILITIES AVAILED BY THE "BORROWER" AND TO AMEND ANY TERMS OR CONDITIONS OF THE SAID AGREEMENT AT ANY TIME BY SENDING ANY NOTICE TO THE BORROWER.
4. IF THE BORROWER SHALL FAIL TO PAY IN FULL AND ANY AMOUNT DEMANDED BY THE BANK UNDER CLAUSE 3, THEN ALL AND ANY AMOUNT SO DEMANDED WILL BE AUTOMATICALLY, AND WITHOUT FURTHER NOTICE TO THE BORROWER, ACCURE OVERDUE INTREST AT THE RATE OF .....% PLUS 1% PER ANNUM OF AT SUCH RATE OR RATES THEBANK SHALL AT ANY TIME DECIDE AND ADVISE TO THE BORROWER IN THE MANNER SET OUT IN THIS AGREEMENT, SUCH INTREST TO BE CAPITALIZED MONTHLY AND TO ACCURE FROM THE DATA OF THE BANK'S DEMAND UNDER CLAUSE 3 UNTIL THE DATE OF PAYMENT BY THE BORROWER OF ALL AND ANY AMOUNTS SO DEMANDED TOGETHER WILL ALL SUCH DEFAULT INTREST IN FULL, INCLUSIVE AND NOTWITHSTANDING AND DEPOSITS OF ANY KIND OTHERWISE MADE WITH THE BANK BY OR ON BEHALF OF THE BORROWER.
5. THE BORROWER SHALL NOT DRAWDOWN ANY AMOUNT IN EXCESS OF THE LOAN AMOUNT SPECIFIED IN CLAUSE (1) AND IF FOR ANY REASON AND AT ANYTIMETHE LOAN SHALL EXCEED SUCH MAXIMUM AMOUNT THEN THE BORROWER SHALL IMMEDIATELY REPAY SUCH EXCESS TO THE BANK IN FULL TOGETHER WITH INTEREST THEREON WITHOUT THE NEED FOR ANY EXCESS LOAN/ FACILITIES AVAILED BY HIM/HER ON THE SAME TERMS AND CONDITIONS OF THIS AGREEMENT.
6. ANY INTEREST, COMMISSION, CHARGES, COSTS OR EXPENSES DUE OR INCURRED IN RESPECT OF THE LOAN OR ANY OTHER CREDIT FACILITIES EXTENDED TO THE BORROWER OR OF ANY TRANSACTION OF ANY KIND CARRIED OUT AT THE BORROWER'S ORDER OR ON THE BORROWER'S BEHALF WHETHER OR NOT BY WRITTEN ORDER MAY BE DEBITED TO ANY OF THE BORROWER'S ACCOUNTS WITH THE BANK. ALL AMOUNTS OF INTEREST, COMMISSION, COSTS AND EXPENSES DEBITED TO ANY OF THE BORROWER'S ACCOUNTS SHALL BECOME PART OF THE BORROWER'S LIABILITY TO THE BANK.
7. THE BANK IS ENTITLED TO CONSIDER THAT ALL ACCOUNTS IN THE BORROWER'S NAME HELD JOINTLYORSEVERALLYCONSTITUTEASINGLECOMBINEDACCOUNTANDTHEBANKISAUTHORIZED TO SET-OFF ALL DEBIT AND CREDIT BALANCES STANDING TO SAID ACCOUNTS, AND THE BENEFIT OF ANY SECURITY GRANTED IN RESPECT OF ANY ITEM OF ANY SUCH ACCOUNT SHALL REMAIN ASSIGNED TO SECURE THE SAME WITHOUT ANY NOVATION BEING OPPOSED BY ANY THIRD PARTY. JOINT BORROWERS SHALL BE LIABLE JOINTLY AND SEVERALLY.
8. ANY CLAIM, SUMMONS, ADVICE OR NOTICE RELATING TO THE LOAN SHALL BE DEEMED TO HAVE BEEN DELIVERED TO THE BORROWER IF GIVEN IN WRITING BY POST TO THE LAST ADDRESS OF THE BORROWER KNOWN TO THE BANK.
9. THE BORROWER AUTHORIZES THE BANK TO ACT AT ITS SOLE DISCRETION TO CHANGE THE INTEREST RATES FROM TIME TO TIME SO LONG
10. THE INTEREST RATES DO NOT EXCEED THE CEILING SET BY THE CENTRAL BANK OF OMAN WITHOUT NOTICE AND WITHOUT THE BORROWER'S PERMISSION, AND THE BORROWER WAIVES ANY RIGHT IN THAT REGARD.
11. THE BORROWER HEREBY ACKNOWLEDGES AND CONCEDES THAT THE BANK'S BOOKS, AND ACCOUNTS SHALL BE SOLE EVIDENCE OF THE SUM DUE OR WHICH THE BORROWER IS BOUND TO PAY IN RESPECT OF THE LOAN AND THE BORROWER ALSO SPECIFICALLY WAIVES ANY RIGHT TO CHALLENGE THE CORRECTNESS OF THE BANK'S RECORDS IN ADDITION AND INDEPENDENT FROM THE OBLIGATIONS DESCRIBED ABOVE, THE BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY UNDERTAKES TO INDEMNIFY THE BANK AGAINST ALL EXPENSES (INCLUDING BUT NOT LIMITED TO COURT FEES AND LEGAL FEES) WHICH THE BANK MAY INCUR IN ENFORCING RIGHTS AGAINST THE BORROWER UNDER THIS AGREEMENT.
12. THIS AGREEMENT SHALL REMAIN IN EFFECT UNTIL THE BANK CONFIRMS IN WRITING TO THE BORROWER THAT ALL PAYMENTS DUE TO THE BANK HEREUNDER HAVE BEEN MADE IN FULL AND THAT ALL OTHER OBLIGATIONS AND LIABILITIES OF THE BORROWER TO THE BANK HEREUNDER HAVE BEEN DISCHARGED IN FULL.
13. THE BORROWER UNDERTAKES TO CHECK ALL NOTIFICATIONS OF BALANCE TO THE BANK RECEIVED FROM THE BANK. IF WITHIN ONE MONTH OF THE DATE OF DISPATCH OF A NOTIFICATION OF BALANCE TO THE BORROWER'S ADDRESS AS IT APPEARS IN THE BANK'S RECORDS, NO OBJECTION HAS BEEN RECEIVED FROM THE BORROWER THEN THE BALANCE SHOWN THEREIN WILL BE CONSIDERED CORRECT AND THE FACT THAT NO COMMUNICATION HAS BEEN RECEIVED FROM THE BORROWER WILL, SUBJECT TO MANIFEST ERROR ON THE PART OF THE BANK, BE CONFIRMATION OF THE CORRECTNESS OF THE ACCOUNT AND THE BORROWER MAY NOT THEREAFTER RAISE ANY OBJECTION IN RESPECT OF ANY SUCH NOTIFICATION OF BALANCE. THE BORROWER ACKNOWLEDGES THAT SHOULD THE BORROWER NOT RECEIVE A NOTIFICATION OF BALANCE FOR ANY PERIOD IT IS SOLELY AND ENTIRELY THE RESPONSIBILITY OF THE BORROWER TO DEMAND A NOTIFICATION OF BALANCE FROM THE BANK.
14. IN THE EVENT THIS AGREEMENT IS SIGNED BY MORE THAN ONE BORROWER, ALL COVENANTS, OBLIGATIONS AND LIABILITIES OF THE BORROWER UNDER THIS AGREEMENT SHALL APPLY AND EXTEND IN FULL TO EACH BORROWER AND ALL OF THEM AND TO ALL THE ASSETS OF, AND ALL THE SECURITY PROVIDED BY, EACH BORROWER AND ALL OF THEM SO THAT EACH BORROWER SHALL BE INDIVIDUALLY RESPONSIBLE TO PAY THE BANK THE ENTIRE AMOUNT OF THE LOAN INCLUDING ALL AND ANY AMOUNT OF INTEREST, CHARGES, COMMISSION, COSTS OF EXPENSES DUE OR INCURRED IN RESPECT OF THE LOAN. WITHOUT PREJUDICE TO ANY RIGHTS THE BANK MAY HAVE AGAINST ANY BORROWER, THE BANK MAY HOLD ANY OF THE AFORESAID FULLY LIABLE FOR ALL SUMS DUE TO IT HEREUNDER.
15. SHOULD THE BORROWER INTEND TO LEAVE THE SULTANATE OF OMAN THE BORROWER UNDERTAKES TO INFORM THE BANK AT LEAST ONE MONTH IN ADVANCE AND TO REPAY THE BALANCE OF THE LOAN OUTSTANDING, TOGETHER WITH ALL OTHER AMOUNTS DUE TO THE BANK HEREUNDER, BEFORE HIS/HER DEPARTURE.
16. INSURANCE CLAUSE
  - a. The bank will insure the borrower's life against death or permanent partial disability or permanent total disability up to the approved loan amount through arrangement between the banks and reputed insurance company in Oman in case the customer wishes bank to arrange the insurance cover.
  - b. The borrower agrees to pay insurance premium set by the insurer upfront as single premium. This sum of premium may be added to the requested loan amount at the discretion of the borrower. If the insurance premium is added to the loan, the resultant EMI will be taken in to account when computing Dept burden ratio. However, if insurance is paid separately, the debt burden ratio will be calculated accordingly without

taking in to account insurance. Should customer wish to make his/her arrangement for insurance, premium should be paid for fully policy tenure in advance.

- c. Refund of the insurance premium in case of foreclosure would be decided by the insurance company and the terms of the refunds will be stipulated in the insurance documents. On each top up request the loan will be treated a fresh agreement and full insurance premium will be recovered. Here also ,the customer has an option to pay insurance upfront or add it to the loan amount as indicated in earlier point
- d. Loan applicants should fill up and get the insurance document before disbursement of loan. The applicant is supposed to fill in this health declaration correctly to ensure prompt payment of claim by the insurance company, In case of death /PPD /PTD. False/incorrect declaration will result in refusal of claim by the insurance company.
- e. In case of borrowers death/PPD/PTD the insurance company will pay the loan outstanding at the date of death /PPD/PTD .This is valid subject to claim being notified within stipulated days of the borrower's death /PPD/PTD.
- f. In the case of borrowers opting to get their own insurance, loan applicant should assign the insurance policy in the name of bank and later would be made as the irrevocable beneficiary till the maturity of the loan. In case of foreclosure of loan, bank would be given a letter by the applicant to cancel the insurance policy assignment.
- g. The insurance contract in case of individual policies would be between the customers and insurers and in case of any disputes, it would be between the customer and the insurance company.

- 17. THE BORROWER SHALL AUTHORIZE THE BANK TO PROVIDE ANY INFORMATION ABOUT HIS ACCOUNT(S) AND HIS BANKING BUSINESS TO ANY THIRD PARTY IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 70(C) OF THE BANKING LAW OF OMAN 114/2000 AND AMENDMENTS THERETO AND ROYAL DECREE NO. 22/94 ISSUING THE RULES OF COLLECTIONS, TAXES AND FEES AND ANY OTHER DECREE OR RELEVANT MINISTERIAL DECISIONS AND CIRCULARS OF THE CENTRAL BANK OF OMAN REGARDING THE IMPLEMENTATION OF JUDICIAL JUDGMENTS AND THE LEGAL REQUIREMENTS FOR MAINTAINING THE CONFIDENTIALITY OF BANKING TRANSACTIONS. THE BORROWER ALSO AUTHORIZES THE BANK TO PROVIDE OTHER BANKS, JUDICIAL AND MONITORING AUTHORITIES, COMPETENT COURTS, PUBLIC PROSECUTION, THE ROYAL OMAN POLICE, AUDITORS WHO ARE AUTHORIZED BY VIRTUE OF JUDICIAL ORDERS OR ANY OTHER ORDER ISSUED BY CONCERNED AUTHORITIES, LEGAL ADVISORS OF THE BANK OR ANY OTHER CONCERNED PARTIES THE BANK FINDS IT FIT TO PROVIDE SUCH INFORMATION ABOUT THE BORROWER'S ACCOUNT(S) AND BANKING BUSINESS. THE DISCLOSED INFORMATION MAY INCLUDE INFORMATION ABOUT THE BORROWER, LOANS, ADVANCE PAYMENTS, CREDIT FACILITIES AND ANY OTHER INFORMATION REQUIRED FOR LEGAL PURPOSES OR TO TAKE ANY PROCEDURES WHICH ARE DEEMED TO BE NECESSARY IN CASE OF A BREACH OF OBLIGATIONS OR FOR THE PURPOSE OF STATISTICS AND MARKETING OR FOR ANY OTHER PURPOSE DETERMINED BY THE BANK FROM TIME TO TIME.
- 18. THE BANK SHALL ADHERE TO ARTICLE 15 OF THE CIRCULAR OF THE CENTRAL BANK OF OMAN NO 457/2003 ISSUED ON 28TH JULY 2003 AND CIRCULAR OF THE CENTRAL BANK OF OMAN NO. 852/2003 ISSUED ON 24TH DECEMBER 2003 REGARDING THE POLICY OF CONFIDENTIALITY WHILE USING THE INFORMATION OF ITS CUSTOMERS AS WELL AS THE DISCLOSURE POLICY APPROVED BY THE BANK'S BOARD DURING ITS MEETING NO. 7/2004 HELD ON 25TH MAY 2004 AND ANY OTHER AMENDMENT TO THE DISCLOSURE POLICY OF THE BANK IN THE FUTURE.
- 19. ALL DOCUMENTS PERTAINING TO THIS LOAN AND ATTACHED HERETO SHALL BE PART & PARCEL OF THIS AGREEMENT.
- 20. THIS AGREEMENT SHALL BE FREELY ASSIGNABLE BY THE BANK AT ANY TIME WITHOUT THE NEED FOR ANY CONSENT FROM THE BORROWER. THE BORROWER IS NOT PERMITTED TO ASSIGN THIS AGREEMENT WITHOUT THE PRIOR WRITTEN CONSENT OF THE BANK.
- 21. THIS AGREEMENT SHALL REMAIN IN EFFECT UNTIL THE BANK CONFIRMS IN WRITING TO THE BORROWER THAT ALL PAYMENTS DUE FROM THE BORROWER TO THE BANK HAVE BEEN MADE IN FULL AND THAT ALL OTHER OBLIGATIONS AND LIABILITIES OF THE BORROWER TO THE BANK HAVE BEEN DISCHARGED IN FULL
- 22. EACH OF THE CLAUSES OF THIS AGREEMENT IS SEVERABLE AND THE INVALIDITY OR UNENFORCEABILITY OF ANYONE OR MORE OF SUCH CLAUSES SHALL NOT AFFECT THE REMAINING CLAUSES WHICH SHALL REMAIN IN FULL FORCE AND EFFECT.
- 23. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE SULTANATE OF OMAN AND THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF OMAN.
- 24. THE BORROWER HEREBY ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT/THE AGREEMENT HAS BEEN READ TO HIM/HER AND THAT HE/SHE UNDERSTANDS AND AGREES TO THE OBLIGATIONS, LIABILITIES AND RIGHTS HEREUNDER.
- 25. THE BORROWER MAY REQUEST A COPY OF THIS AGREEMENT TO THE BORROWER UPON RECEIPT OF A WRITTEN REQUEST BY HIM/HER.

Date:

Borrowers Signature:

Name:

Bank Authorized Signature:

