

COMMERCIAL BANK OF AFRICA LIMITED
GUARANTEE AND INDEMNITY BY ONE PERSON

Consideration In consideration of **COMMERCIAL BANK OF AFRICA LIMITED** (hereinafter called "**the Bank**" which expression shall include and extend to its successors and assigns) at my request making or continuing advances or otherwise giving credit to affording banking facilities or granting other financial accommodation of such nature in such manner and within such limits subject as hereinafter provides as the Bank may from time to time in its sole discretion determine and for as long as the Bank may think fit to:

(Full name)

of _____

(Full address)

hereinafter "**the Customer**".

I, _____

(full names of Guarantor)

of _____

(full address)

FIRST, do acknowledge that, notwithstanding that the duration and extend of such facilities (subject to the limits specified in Clause 3 below) are in the Bank's sole discretion and the Bank may in such discretion at any time withdraw, curtail or vary the same, nevertheless the execution by me of these presents is a condition precedent imposed by the Bank without no such facilities whatsoever will be granted or continued by the Bank to the Customer for any period of time whatsoever:

SECONDLY, do further acknowledge that my intuition in mak⁹ing such request and executing this Guarantee and Indemnity is that the Bank shall suffer no loss (limited to the maximum amount specified in Clause 3 below) by reason of its affording or continuing to afford to the Customer any such facilities as aforesaid: and

THIRDLY, in pursuance of such acknowledgements and in fulfilment of such condition precedent as aforesaid **HEREBY AGREE DECLARE AND WARRANT AS FOLLOWS: -**

GUARANTEE 1. (a) I shall pay and satisfy to the Bank on demand (limited to the maximum amount specified in Clause 3 below) all sums of money which are now or at any time after this date shall be owing to the Bank anywhere on any account whatsoever whether from the Customer solely or from the Customer jointly either any other person or persons or from any firm in which the Customer may be a partner including the amount of notes of bills discounted or paid and other loans or advances made to or for the accommodation of either the Customer solely or jointly or of any such firm as aforesaid or for any moneys for which either the Customer solely or jointly or any such firm may be or become liable as surety or for any moneys or other facilities guaranteed by the Bank for and on behalf and at the request of the customer solely of jointly or any such firm or in any other way whatsoever together with in all

cases aforesaid all interest (at such rate or rates as may from time to time be charged to or payable by the customer under the arrangements from time to time in force between the Customer and the Bank) discount and other banker's charges including legal charges as between advocate and client accessioned by or incidental to this or any other security held by or offered to the Bank for the same indebtedness or by or the enforcement of any such security and including:

in the case of the death lunacy bankruptcy insolvency or liquidation of the Customer all sums which would at any time have been owing to the Bank by the Customer if such death or insolvency had occurred or such lunacy bankruptcy or liquidation had commenced at the time when the Bank received written notice thereof and notwithstanding such death lunacy bankruptcy insolvency or liquidation meanwhile:

all money obtained from or liabilities incurred to the Bank notwithstanding that the borrowing or incurring of such liabilities may be invalid or in excess of the powers of the Customer or of any director attorney agent or other person purporting to borrow or act on behalf of the Customer or may be otherwise irregular or invalid notwithstanding that such excess of powers or irregularity or invalidity may be a defence as between the Customer and the Bank:

in the event of discontinuance by any means of this Guarantee and Indemnity all cheques drafts bills noted and negotiable instruments drawn by or on account of the Customer on the Bank or its agents and purporting to be dated on or before the date when such discontinuance becomes known to the bank or its agents although presented to or paid by the Bank or its agents after that date and all liabilities of the Customer to the Bank at such date whether certain or contingent and whether payable forthwith or at some future time and also all credits then established by the Bank for the Customer:

and in addition I shall pay to the Bank interest on all sums recoverable from me pursuant to this Guarantee and Indemnity from the date of demand upon me by the Bank at the rate or rates charged by the Bank to the Customer at the time of such demand:

PROVIDED THAT the amount of my liability under this Guarantee and Indemnity shall at all times be subject to the provisions of Clause 3 of these presents:

Nature of Transactions AND PROVIDED ALSO that notwithstanding the generality of this proviso and without prejudice to any other provision of these presents, it is hereby expressly declared that (subject only to the provisions as to the amount of my liability hereunder set out in Clause 3 of these presents) my liability hereunder shall extend to all moneys and liabilities of whatsoever nature owing or incurred by the Customer in any account and on whatsoever footing whether the same be arranged advanced or incurred before or after the date hereof and whether or not the facility or arrangement by virtue whereof the same shall be due or incurred shall have been within my knowledge or contemplation at the date hereof.

Continuing Security (b) This Guarantee and Indemnity shall be a continuing security and shall remain in force as such notwithstanding any change in the name or style of the customer or in the person or persons carrying on business in the name of the Customer although by death retirement or other causes the

constitution of the Customer may have been wholly or partly varied and this Guarantee and Indemnity shall not be considered as satisfied notwithstanding any intermediate payment or satisfaction of account or the payment or liquidation at any time hereafter of the whole or any part of any sum or sums of money due from the Customer to the bank as aforesaid but shall extend to cover any sum or sums of moneys which shall at any time for the time being constitute the balance due from the Customer to the bank upon any such account as hereinbefore mentioned; no payment security or assurance which may be avoided under any statute and no discharge settlement or release given or made on the faith of any such payment security or assurance shall prejudice the right of the Bank to recover from me to the full extent of this Guarantee and Indemnity and my liability for the amount of money which is due from the Customer to the Bank on each day shall be deemed to be a new debt or liability first accruing on such day subject always to the provisions as to the amount of my liability hereunder set out in Clause 3 on these presents:

Death or (c) This Guarantee and Indemnity shall remain in force as
Disability continuing security notwithstanding that I may die or be
Of Guarantor under a disability and my legal or personal representatives shall be bound by this Guarantee and Indemnity accordingly and demand pursuant to this Guarantee and Indemnity may be made by the Bank on such personal or legal representatives accordingly until such legal or personal representatives have revoked this Guarantee in accordance with Clause 5 of these presents:

When (d) If the name of the Customer hereinbefore inserted is that
Customer of a firm or of a limited liability company or other
Not an corporation or of any committee or association or other
Individual unincorporated bodies any of the provisions herein
Person contained which shall be primarily and literally applicable to the case of a single and individual customer only shall be construed and take effect so as to give the bank hereunder a guarantee and indemnity for the moneys owing from such firm and every member thereof or from such limited liability company or corporation or committee or association or other unincorporated body as identical or analogous as may be with or to that which would have been given for the moneys owing from a single individual in the Customer had been a single individual; this Guarantee and Indemnity shall remain in full force and effect notwithstanding any change in the constitution of the Customer ; and in the case of a limited liability company or other corporation any reference to bankruptcy shall be deemed to be a reference to liquidation or other analogous proceeding and the moneys owing or incurred as aforesaid and hereby guaranteed shall be deemed to include any moneys owing in respect of debentures or debentures stock of such limited liability company or other corporation held by or on behalf of the Bank:

No proof in (e) Subject always to the provisions as to the amount of my
Competition liability hereunder set out in Clause 3 of these presents
With Bank this Guarantee and Indemnity shall be construed and take effect as a guarantee of the whole and every part of the principal moneys and interest and other liabilities owing and to become owing and incurred and to be incurred as aforesaid and accordingly I am not to be entitled as against the Bank to any right of proof in the bankruptcy or insolvency of the Customer or any other right of a surety discharging his liability in respect of the principal debt unless and until the whole of such principal moneys and interest and other liabilities shall have first been completely

discharged and satisfied; and further for the purpose of enabling the Bank to sue the Customer or prove against his estate for the whole on the moneys and liabilities as aforesaid or to preserve intact the liability of any other party the bank may at any time place and keep for such time as it may think prudent any moneys received recovered or realised hereunder to one or more separate or suspense accounts to the credit either of me or of such other person or persons or transaction if any as it shall think fit without any intermediate obligation on the part of the Bank to apply the same or any part thereof on or towards the discharge of the moneys owing as aforesaid or any intermediate right on my part to sue the Customer or prove against his estate in competition with or so as to diminish any dividend or either advantage that would or might come to the Bank or to treat the liability of the Customer as diminished:

Evidence of (f) I agree that the bank's statement of the Customer's Indebtedness account with the Bank for the Bank's last accounting period or such other evidence of indebtedness as the Bank shall provide shall be good and sufficient evidence in Court and elsewhere of my liability hereunder:

Lien (g) I agree that in respect of my liability hereunder the Bank shall have a lien on all securities belonging to me and now or hereafter held by the Bank whether in safe custody or otherwise howsoever and also on all moneys now or hereafter standing to my credit with the Bank:

No Counter- (h) I have not taken in respect of my liability hereunder and I Security shall not without the prior written permission of the Bank Without take from the customer any promissory note bill of Consent exchange mortgage charge or other counter-security Of bank whether merely personal or involving a charge on any property whatsoever of the Customer whereby I or any person claiming through me by endorsement assignment or otherwise would or might on the bankruptcy or insolvency of the Customer increase the proofs in such bankruptcy or insolvency or diminish the property distributable amongst the creditors of the Customer; and as regards any such counter-security as aforesaid which I may have taken or may take with such consent as aforesaid the same shall be a security to the bank for the fulfilment of my obligation hereunder and shall be forthwith deposited by me with the Bank for that purpose:

No right to (i) I acknowledge that as between myself and the Bank I Rely on other have no right whatsoever to rely upon any other security Securities held or to be held by the Bank for or on account of the moneys hereby secured or any part thereof or upon the disposal or realisation of any such security whether negligently or otherwise by the Bank or by any receiver thereof appointed by the Bank as affecting in any way my liability under this Guarantee and Indemnity excepting only so far as the actual proceeds of disposal or realisation thereof (as opposed to any claim by the Customer for negligence by the Bank or any receiver as aforesaid in respect of such disposal or realisation) may reduce the relevant debt or other liability of the Customer to the Bank:

Bank's right (j) The Bank may at any time and without notice to me debit To debit and any one or more of my accounts with the Bank with any Set-off part thereof which may become due to the bank under this Guarantee and Indemnity and set-off any sum due to me from Bank against my liability hereunder:

Opening (k) In the event of this Guarantee and Indemnity ceasing
Of fresh from any cause whatsoever to be binding as a continuing
Accounts security on me or my representatives or after notice to revoke or
determine this Guarantee and Indemnity has been given or after the payment of the
money guaranteed hereby has been demanded of me or of my legal representatives the
Bank shall be at liberty without thereby affecting its rights hereunder to open a fresh
account or accounts and to continue any then existing account with the Customer and
no moneys paid from time to time into any such account or accounts by or on behalf
of the Customer and subsequently drawn out by the Customer shall on settlement of
any claim in respect of this Guarantee and Indemnity by appropriated towards or have
the effect of payment of any part of the moneys due from the Customer at the time of
this Guarantee and Indemnity ceasing to be binding as continuing security or after
notice or demand as aforesaid or of interest thereon unless the person or persons
paying in such moneys shall at the time in writing direct the Bank specially to
appropriate the same to that purpose:

Indulgence (l) The Bank may without giving notice to me at any time without
prejudice to this Guarantee and Indemnity and without discharging or in any way
affecting my liability hereunder:

determine vary or increase any credit to the customer:

grant to the Customer or to any other person any time or indulgence:

renew any bills notes or other negotiable securities:

take vary deal with exchange release modify or abstain from perfecting or enforcing
any securities or other guarantee or rights which the Bank may now or hereafter have
from or against the Customer or any other person:

compound with the Customer or with any other person:

make any other arrangements with the Customer or any other person.

Customer's (m) No assurance security or payment which may be avoided
insolvency under any enactments relating to bankruptcy or winding
up and no release settlement or discharge which may
have been given or made on the faith of any such assurance security or
payment shall prejudice or affect
the Banks right to recover from me to the full extent of
this Guarantee and Indemnity:

No prejudice (n) This Guarantee and Indemnity shall be in addition by other
to and shall not in anyway be prejudiced or affected by securities
any collateral or other security now or hereafter held by or by any the Bank
for all or any part of the moneys and liabilities indulgence hereby guaranteed
nor shall such collateral or other
security or any lien to which the Bank may otherwise
entitled or the liability of any person or persons not
parties hereto for all or any part of the moneys and liabilities hereby secured by in
anywise prejudiced or affected by this present Guarantee and Indemnity; and the Bank

shall have full power at its discretion to give time for payment to or to make any other arrangement with any such other person or persons without prejudice to this present Guarantee and Indemnity or any liability hereunder; and all moneys received by the Bank from me or the Customer or any person or persons liable to pay the same may be applied by the Bank to any account or item of account or to any transaction to which the same may be applicable; and nothing herein contained shall operate to merge or extinguish my liability under any bill or bills of exchange accepted or endorsed by me or the Customer of which the Bank is the drawer or holder in due course and this Guarantee and Indemnity shall not prejudice the Bank's right or remedies under any such bill or bills.

INDEMNITY 2. (a) For the consideration aforesaid and in addition to the Guarantee hereinbefore contained I hereby further agree to indemnify the Bank and to keep the Bank fully and effectually indemnified against all losses damages costs charges and expenses, which the Bank may at any time suffer by reason of any default on the part of the Customer in discharging any debt or other liability to the Bank whether actual or contingent of any kind whatsoever and in the event of any such debt or other liability being found void or unenforceable as against the Customer by reason of incapacity limitation of actions or any other reason whatsoever I shall be liable to the Bank as principal debtor in respect thereof and shall repay to the Bank all such losses damages costs charges and expenses as aforesaid subject to the provisions as to the amount of my liability hereunder set out in Clause 3 of these present and I expressly declare that this Indemnity shall also be subject to the provisions of Clause 1 of these presents in so far as the same are applicable to an Indemnity.

Further more I hereby expressly counter-indemnify the Bank against all claims by any receiver of property held or to be held from the Customer for or in account of the moneys hereby secured or any part thereof for indemnity by the Bank in respect of his wrongful or negligent disposal of such property and all expenses arising from any such claim.

Amount of Guarantor's Liability Hereunder (Kshs. 3. The amount of my liability under this Guarantee and Indemnity shall be limited to : (a) the principal sum of Kenya Shillings); plus

all interest (so far as separately identifiable) accrued due to the Bank from the Customer at any time before, the date of demand upon me or of the discontinuance by any means of this Guarantee and Indemnity (hereafter called "the Due Date"); plus

interest on the total of (a) and (b) as from the Due Date until payment thereof (whether before or after judgement obtained) at the rate currently charged by the Bank to the Customer on the Due Date; plus

all costs commission charges expenses and the like accrued due to the Bank from the Customer on the Due Date or arising after the Due Date; plus

all further legal charges as aforesaid arising after the Due Date.

No set-off or Counterclaim 4. All payments under this Guarantee and Indemnity shall be made free of set-off or counterclaim

Revocation 5. I may at any time revoke this Guarantee and Indemnity by notice in writing given by me to the Bank such revocation to take effect 90 days after the date on which the Bank acknowledges in writing the receipt of such notice. A notice of revocation hereunder may be given by my personal or legal representatives after my dying or becoming under a legal disability. Such revocation of this Guarantee and Indemnity shall not affect my liability or the liability of my estate in respect of all advances made to and obligations incurred by the Customer prior to the taking effect of the notice of revocation.

Notices 6. Any notice from or demand by the Bank hereunder may be duly given to me by prepaid post letter addressed to me at the address herein written or at any last known address and shall be effectual notwithstanding any change of address or death and notwithstanding the return to the Bank of the notice or demand concerned and such notice or demand shall be effective for all purposes Forty-eight hours after the posting thereof and in proving service it shall be sufficient to prove that the letter containing the notice or demand was properly stamped addressed and put into the Post Office.

Law 7. This Guarantee and Indemnity shall be governed and construed in all respects according to the Law of Kenya and I agree to submit to the non-exclusive jurisdiction of the Kenya Courts.

Marginal Headings 8. The marginal headings are for convenience only and shall not be construed as part of this Guarantee and Indemnity.

AS WITNESS my hand and seal at this day of two thousand and .

SIGNED SEALED AND DELIVERED)

By the Guarantor in the)
presence of:)

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(Signature of Witness))

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(Full names of Witness))