

THE REPUBLIC OF UGANDA
THE FINANCIAL INSTITUTIONS ACT, 2004

Dated 25th January, 2017

BANK OF UGANDA
(as the Receiver)

and

DFCU BANK LIMITED
(as the Buyer)

PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES AGREEMENT

DRAWN BY
THE OFFICE OF LEGAL AFFAIRS
BANK OF UGANDA
PLOT 37/45 KAMPALA ROAD
KAMPALA

Table of Contents

Clause	Page
1 Definitions and Interpretation	3
2 Asset Purchase	8
3 Consideration	8
4 Adjustments	8
5 Employee Matters.....	9
6 Completion.....	9
7 Representations and Warranties	10
8 Further Warranty/Branches.....	11
9 Indemnities	12
10 Further Assurance.....	12
11 Announcements.....	13
12 Confidentiality.....	13
13 Rights of Third Parties.....	14
14 Entire Agreement.....	15
15 Notices	15
16 Variation.....	16
17 Remedies and Waiver	16
18 Provisions surviving Completion.....	16
19 Assignment	16
20 Costs and Expenses	17
21 Severability.....	17
22 No partnership.....	17
23 Governing law	17
24 Dispute resolution.....	17
Schedule 1 Properties.....	19
Schedule 2 Summary of Excluded Assets	21
Schedule 3 Summary of Excluded Liabilities.....	22

THIS AGREEMENT dated the 25th day of January 2017 is made by and among:

(a) DFCU BANK LIMITED (Company Number 8931-a), a licenced financial institution duly incorporated under the laws of Uganda and for the purposes hereof of Plot 26 Kyadondo Road, Post Office Box Number 70, Kampala Uganda (the "Buyer", which expression shall where the context so requires, include the Buyer's permitted assigns); and

(b) BANK OF UGANDA ("BoU"), established under the Bank of Uganda Act (Cap. 51) of Plot 37/45 Kampala Road, P.O. Box 7120 Kampala, in its capacity as Receiver of CRANE BANK LIMITED (In Receivership) (the "Receiver"), under the FIA (as defined below).

RECITALS:

- (A) WHEREAS BoU took over the management of CBL (as defined below) pursuant to Sections 87(3) and 88(1)(a) and (b) of the FIA on the 20th day of October 2016, and subsequently on the 20th day of January 2017, placed CBL under receivership pursuant to Section 94 of the FIA;
- (B) AND WHEREAS, on the basis that CBL's liabilities exceed its assets, the Receiver has negotiated and concluded an arrangement in the interests of and for the benefit of the depositors and the creditors of CBL with the purpose of releasing the Receiver from depositors' and creditors' claims;
- (C) AND WHEREAS, it is in the interest of the public, the depositors and creditors of CBL and of the financial sector in Uganda, that the Assets (as defined below) be transferred to and the Liabilities (as defined below) be assumed by another financial institution;
- (D) AND WHEREAS, the Buyer, being a financial institution is able and willing to assume the Liabilities in consideration of which the Receiver has agreed to sell, assign, transfer and convey the Assets to the Buyer;
- (E) The parties have entered into this Agreement to record the terms and conditions of the Asset Purchase (as defined below).

IT IS HEREBY AGREED AS FOLLOWS:

1 Definitions and Interpretation

1.1 In this Agreement (including its recitals and the Schedules) unless the context otherwise requires the following terms shall have the meaning ascribed to them below:

1.1.1 Assets means all the assets of CBL as at the Completion Date (excluding the Excluded Assets), including:

- (i) physical cash and balances held by CBL in accounts maintained in other banks and/or at BoU ;
- (ii) amounts owed to CBL by third parties other than Customers;

- (iii) computer software;
 - (iv) the Stocks;
 - (v) the Bonds;
 - (vi) the benefit (subject to the burden) of the Transfer Contracts;
 - (vii) the Movable Assets;
 - (viii) the Fixed Assets;
 - (ix) the Loans and Advances;
 - (x) the Properties; and
 - (xi) all rights of CBL against third parties (including without limitation under warranties, representations and indemnities and under any policies of insurance) in respect of the Assets specified above and in respect of any goods incorporated therein or used thereon or any services performed in relation thereto;
- 1.1.2 **Asset Purchase** means the purchase of the Assets and assumption of the Liabilities pursuant to this Agreement;
- 1.1.3 **Bonds** means all and any Government of Uganda securities and corporate bonds held by CBL;
- 1.1.4 **Business Day** means a day (other than a Saturday, Sunday or gazetted public holiday or national day or bank holiday in Uganda) on which financial institutions are generally open for the conduct of business in Uganda;
- 1.1.5 **CBL** means Crane Bank Limited (in Receivership);
- 1.1.6 **Completion** means the completion of the Asset Purchase pursuant to Clause 6;
- 1.1.7 **Completion Date** shall mean the date of this Agreement;
- 1.1.8 **Confidential Information** means all communication between the parties which is either marked confidential or is by its nature confidential or intended to be for the knowledge of the recipient alone, and all information concerning the business, transactions and the financial arrangements of the parties with any person with whom any of them is in a confidential relationship with regard to the matter in question as well as the terms and conditions of this Agreement;
- 1.1.9 **Customers** mean the customers of CBL as at the Completion Date;
- 1.1.10 **Employees** means the persons employed by CBL as at the Completion Date;
- 1.1.11 **Encumbrance** means any mortgage, pledge, charge or lien;

- 1.1.12 **Excluded Assets** means the assets set out in Schedule 2;
 - 1.1.13 **Excluded Liabilities** means the liabilities set out in Schedule 3;
 - 1.1.14 **FIA** means the Financial Institutions Act, 2004;
 - 1.1.15 **Fixed Assets** means all of the furniture, fittings, templates, tooling, implements, chattels and equipment wherever situated attached or fixed to the Properties as at the Completion Date;
 - 1.1.16 **Indemnities** means the indemnities by the Receiver set out in Clause 9 and **Indemnity** means any one of them;
 - 1.1.17 **Liabilities** means all liabilities of CBL as at the Completion Date save for the Excluded Liabilities;
 - 1.1.18 **Loans and Advances** means loans, credit facilities and credit accommodations granted or extended by CBL to Customers and arrangements between CBL and Customers having similar effect;
 - 1.1.19 **Moveable Assets** means the equipment, tenant's fixtures and fittings, desktop computers, the motor vehicles, all loose or severable items of office equipment, store equipment, furniture and furnishings;
 - 1.1.20 **Properties** means the immovable properties registered in the names of CBL, brief particulars of which are set out in Schedule 1, and **Property** shall mean any one of the Properties;
 - 1.1.21 **Standard Book** means the performing Loans and Advances as at the Completion Date;
 - 1.1.22 **Stocks** means all and any shares or other securities held by CBL in any companies;
 - 1.1.23 **Transfer Contracts** means all contracts (including Customer contracts and all other contracts, arrangements, licences (excluding the CBL financial institution license) and other commitments) entered into or held by CBL, on or before, and which remains to be performed in whole or in part at, the Completion Date, which have been entered into by or for the benefit of CBL, or the benefit of which is held in trust for or has been assigned or subcontracted to CBL (but excluding contracts of employment or any consultancy agreements and contracts in respect of the Excluded Assets and Excluded Liabilities) and **Transfer Contract** shall be construed accordingly;
 - 1.1.24 **Warranties** means the representations and warranties by the Receiver set out in Clause 7.1 and Clause 8 and **Warranty** means any one of them.
- 1.2 In this Agreement (including the recitals and the Schedules), unless the context otherwise requires:
- 1.2.1 references to Clauses, sub-Clauses and Schedules are references to Clauses, sub-Clauses of and Schedules to, this Agreement;

- 1.2.2 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted and shall include any subordinate legislation made from time to time under that statute or statutory provision provided that, as between the parties, no such amendment, modification or re-enactment made after the date of this Agreement shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party;
- 1.2.3 words denoting the singular number shall include the plural and vice versa and reference to the masculine gender includes a reference to the feminine and neuter gender and vice versa and words importing the whole shall be treated as including a reference to any part thereof;
- 1.2.4 the expression parties shall mean the parties to this Agreement and party shall be construed accordingly;
- 1.2.5 references to a person shall be construed so as to include any natural person, firm, company, national government, state or agency of a state, local or municipal authority or government body, any joint venture, association or partnership (whether or not having separate legal personality);
- 1.2.6 reference to a company shall be construed so as to include any corporation or other body corporate, whenever and however incorporated or established;
- 1.2.7 references to costs, charges, expenses or remuneration shall be deemed to include, in addition, references to any value added tax or similar tax charged or chargeable in respect thereof;
- 1.2.8 references to indemnity and indemnifying any person against any circumstances include indemnifying and keeping him harmless from all actions, claims and proceedings from time to time made against that person and all loss or damage and all payments, taxes, costs or expenses made or incurred by that person as a consequence of or which would not have arisen but for that circumstance;
- 1.2.9 references to performing shall mean those Loans and Advances classified as normal or watch in accordance with the Financial Institutions (Credit Classification and Provisioning Requirements) Regulations, 2015;
- 1.2.10 references to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.2.11 the *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters

or things or by examples falling within the general words. Any phrase introduced by the terms *other, including, include* and in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

- 1.2.12 reference to this Agreement or to any other agreement or document referred to in this Agreement is a reference to this Agreement or such other agreement or document as varied or amended from time to time (such variation or amendment in each case occurring other than in breach of the provisions of this Agreement, and in accordance with the law to which that agreement or document is subject and the particular conditions (if any) of such agreement or document);
- 1.2.13 if amounts are referred to in numerals and in words and if there is any conflict between the two, the words shall prevail;
- 1.2.14 any covenant by a party not to do an act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done by another person so far as this is within the party's power or control;
- 1.2.15 the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules;
- 1.2.16 all headings and titles are inserted for convenience only and are to be ignored in the construction or interpretation of this Agreement;
- 1.2.17 any reference to a day (including the phrase Business Day) shall mean a period of 24 hours running from midnight to midnight;
- 1.2.18 any reference to a time of day is to Uganda time;
- 1.2.19 unless otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a Business Day, the next succeeding Business Day; and
- 1.2.20 the symbol UGX and the words Uganda Shillings respectively denote the lawful currency from time to time of Uganda;
- 1.3 If a definition of a particular term or expression in this Agreement imposes substantive rights and obligations on a party such rights and obligations shall be given effect to and shall be enforceable notwithstanding that they are contained in a definition.
- 1.4 The parties hereby agree that this Agreement is a complex commercial contract that has been negotiated and drafted jointly by sophisticated commercial parties represented by advocates and, accordingly, that no rule of contract, construction or interpretation pursuant to which ambiguities are

construed against the party who drafted the contract shall be applied to the construction or interpretation of this Agreement.

- 1.5 Subject to Clause 13, this Agreement shall be binding on, and enure to the benefit of, the parties and their respective successors and permitted assigns, and a reference to a party shall include that party's successors and permitted assigns.

2 Asset Purchase

- 2.1 On and subject to the terms of this Agreement, the Buyer hereby assumes the Liabilities with effect from the Completion Date and agrees to fully discharge the same on their due dates (if any) for payment.

- 2.2 The Buyer shall not be required to take on or discharge any obligation or liability of CBL except that which it agrees in this Agreement to take on or discharge.

- 2.3 In consideration of the Buyer's assumption of the Liabilities pursuant to Clause 2.1 above, the Receiver hereby sells, conveys, assigns, transfers and delivers to the Buyer the rights, title benefits and interests of CBL in and to the Assets.

3 Consideration

The consideration for the Asset Purchase is the Buyer's undertakings contained in this Agreement in relation to the Liabilities.

4 Adjustments

- 4.1 The parties hereby agree that all expenses incurred by CBL in relation to its operations during the period between 1st January 2017 and the Completion Date shall be for the account of the Receiver and shall be deducted from the monies for which the Buyer would otherwise have to account to the Receiver under clause 4.3 below.

- 4.2 The parties shall, within 14 (fourteen) days of the Completion Date (the "Adjustment Period"), ascertain in relation to disbursements by the Receiver of liquidity support to CBL subsequent to the 31st December 2016 the amounts thereof that were applied;

- (i) to settling Customer deposits and/or in disbursements of new loans that form part of the Standard Book; and
- (ii) to disbursement of new loans to Customers whose facilities' were then classified.

- 4.3 In relation to the amount ascertained under clause 4.2 (i) and (ii) above, the Buyer shall account and pay to the Receiver, in the manner agreed in clause 4.5 below, that amount less CBL's operating expenses referred to in 4.1 above.

- 4.4 In relation to the amount ascertained under clause 4.2 (ii) above, the Buyer shall account and pay to the Receiver from time to time, upon recoveries

being made of the classified loan (in whole or in part), a proportion of the recovery based on the ratio that the new loan bore to the classified amount outstanding at the time of disbursement of the new loan.

- 4.5 For amounts payable under clause 4.2(i) and (ii) above, if the sum payable is in excess of UGX 25,000,000,000/= (Uganda Shillings Twenty Five Billion), the Buyer will, within 7 (seven) days from the last day of the Adjustment Period, pay to the Receiver the sum of up to UGX 25,000,000,000/= (Uganda Shillings Twenty Five Billion) with any balance still owing thereafter being payable within 3 (three) months from the last day of the Adjustment Period.

5 Employee Matters

- 5.1 After Completion, the Buyer will determine in its sole discretion, whether it will continue to offer employment to the Employees and in the event that the Buyer opts to terminate or render redundant any Employee within a period of 2 (two) months from the Completion Date, the Receiver shall meet the terminal benefits payment of such Employee including indemnifying and holding the Buyer harmless against any claim by any Employee in relation to the said termination or redundancy.
- 5.2 The Receiver shall on the Completion Date issue a letter to the Employees informing them of the position indicated in clause 5.1 above.
- 5.3 The Receiver shall indemnify the Buyer against all liabilities to an Employee arising out of the employment of an Employee during the period prior to and ending on the Completion Date, including arrears of wages or salaries, overtime payments and accrued leave.

6 Completion

- 6.1 Completion shall take place on the Completion Date at the Receiver's office.
- 6.2 On the Completion Date or on any other date agreed to by the parties,
- 6.2.1 the Receiver shall:
- (a) execute, or procure execution (as the case may be) of, and deliver to the Buyer:
 - (i) assignments in respect of the Loans and Advances;
 - (ii) transfer deeds in respect of the Stocks, the Moveable Assets (as applicable) and the Properties; and
 - (iii) any other document or instrument required to complete the transactions contemplated under this Agreement.
 - (b) deliver to the Buyer:
 - (i) possession of all the Assets that are capable of physical transfer by delivery with the intent that legal and beneficial title to these assets shall pass by and upon delivery;

- (ii) original certificates of title, leases and documents relating to the Properties.;
 - (iii) original documents of title and certificates that are in the possession of the Receiver, for the lawful operation and use of, and all service documents pertaining to, the Fixed Assets and the Moveable Assets;
 - (iv) transfer deeds for the Properties and the Stocks in favour of the Buyer;
 - (v) the originals of all documents in the Receiver's possession constituting or evidencing the Transfer Contracts;
 - (vi) the credit files in relation to each of the Customers and the securities held in respect of the Loans and Advances;
 - (vii) the Customer information, records and documents maintained by CBL including identification and due diligence documents;
 - (viii) all original logbooks in the possession of the Receiver in respect of motor vehicles owned by CBL and transfers for the motor vehicles in favour of the Buyer;
 - (ix) the schedules, books and records maintained by CBL relating to the Assets, Liabilities and Employees; and
- (c) give the Buyer possession of the Properties.

6.3 Property and title in and to the Assets shall pass to the Buyer at Completion.

7 Representations and Warranties

7.1 The Receiver represents and warrants to the Buyer as follows:

- 7.1.1 the Receiver has the requisite capacity, power and authority to enter into and perform the provisions of this Agreement and to complete the transactions contemplated herein;
- 7.1.2 this Agreement and the other documents executed by the Receiver pursuant to this Agreement will, when executed, constitute binding obligations of the Receiver in accordance with their respective terms; and
- 7.1.3 it is in possession of all the title deeds to the Properties and there are no Encumbrances in relation to those Properties.

7.2 The Buyer represents and warrants to the Receiver as follows:

- 7.2.1 that the Buyer has the requisite power and authority to enter into and perform its obligations under this Agreement;
- 7.2.2 that this Agreement and the other documents executed by the Buyer, constitute binding obligations of the Buyer in accordance with their respective terms; and

7.2.3 that the execution and delivery of, and the performance by the Buyer of its obligations under this Agreement will not result in a breach of, or constitute a default under, any instrument to which the Buyer is a party or by which the Buyer is bound.

8 Further Warranty/Branches

- 8.1 The Receiver specifically warrants to the Buyer in relation to those Properties in which the CBL branches are located, that were previously registered in the names of CBL but were subsequently the subject of conversions to freehold tenure and transferred to Meera Investments Limited ("MIL") with CBL being granted leases thereon (the "MIL Properties"), that the Buyer will enjoy quiet possession of the MIL Properties as lessee, free from interference of the reversioner.
- 8.2 The Properties are sold and assigned herein subject to the rents reserved by and the covenants on the part of the lessee and all the other provisions contained in the relevant leases.
- 8.3 The Receiver shall file legal action for recovery of the said reversion.
- 8.4 The parties hereby agree that the Buyer shall not be required to pay to MIL, as the lessor, the ground rent sum reserved in the respective leases for any of the MIL Properties and that the Receiver will take responsibility for these rental payments until such time as the Receiver recovers the reversionary interest from MIL.
- 8.5 On the Receiver recovering the reversionary interest for the MIL Properties, the Buyer shall have the first option to purchase the said reversion. The sale price on the Buyer exercising its option to purchase shall be determined by each of the Receiver and the Buyer appointing a registered property valuer and both jointly agreeing the market value of the reversionary interest of the MIL Properties.
- 8.6 The Buyer shall, on exercising the option to purchase, pay to the Receiver the sum agreed by the valuers jointly as the market value of the reversionary interest in the MIL Properties whereupon, the Receiver shall transfer the freehold titles in respect of the MIL Properties to the Buyer or a nominee of the Buyer.
- 8.7 It is hereby agreed that the recovery of the reversionary interest of the MIL Properties by the Receiver shall be completed within 24 (twenty four) months of the Completion Date. In the event that this recovery is not achieved within the time stipulated, the Buyer shall have the option of rescinding the purchase of the MIL Properties.
- 8.8 In the event that the Buyer exercises its option to rescind (the date of which shall be referred to as the "Rescission Date"), the Buyer shall return to the Receiver the certificates of title for the MIL Properties duly retransferred into the names of CBL and deliver up to the Receiver vacant possession of the MIL Properties whereupon the Receiver shall pay to the Buyer the net book value of the MIL Properties included in Note 2.3.11 of the PwC Assets and Inventory compilation (as at 20th October 2016) under "Land and Buildings",

subject to further depreciation in relation to the period from the said 20th October 2016 to the Rescission Date and less the amount of ground rent that would have been payable by the Buyer for the MIL Properties occupied by the Buyer from the Completion Date up to the Rescission Date.

9 Indemnities

9.1 From and after the Completion Date the Receiver shall indemnify, hold harmless and defend the Buyer from and against all claims, costs, expenses, legal cases, losses, liabilities, demands and obligations, which the Buyer may incur or suffer arising out of the Excluded Liabilities or in relation to the Properties in the period between the Completion Date and the transfer of the Properties to the Buyer.

9.2 Without prejudice to the generality of the above, the Receiver shall indemnify the Buyer, hold harmless and defend the Buyer from all losses, claims and legal cases and the Buyer shall be entitled to take out third party notice against the Receiver where liability, losses, demands, claims and/or obligations arise against the Buyer after the Asset Purchase, in any matter in which the transfer of any of the Assets or Liabilities is challenged;

PROVIDED that in any such case, the Buyer shall inform the Receiver as soon as any adverse claim is brought, and the Receiver shall have the authority at its expense, to conduct the defence of the claim whether in its or in the Buyer's name

AND PROVIDED FURTHER that this subparagraph shall not apply to any claim, which could have been enforced against the Buyer had the Buyer not purchased the Assets and Liabilities. In seeking an indemnification under this clause, it shall be immaterial that such claim as aforementioned should have been originally brought against the Receiver.

9.3 The Buyer shall have no right of indemnity where its loss or damage or the action against it arises from its own breach of this Agreement.

10 Further Assurance

10.1 Each party shall at its own cost, from time to time on request, do or procure the doing of all acts and/or execute or procure the execution of all documents in a form satisfactory to the other party which the other party may consider necessary for giving full effect to this Agreement and securing to the other party the full benefit of the rights, powers and remedies conferred upon the other party in this Agreement and any document to which it refers.

10.2 The Receiver shall at the request of the Buyer give to the Buyer all reasonable assistance to enable the Buyer to enforce each of the Transfer Contracts against the other contracting party or parties.

10.3 With specific respect to Crane Bank Rwanda, one of the Assets, the Receiver acknowledges that the Buyer does not intend to own or manage the Crane Bank Rwanda operations and will immediately seek to cede that asset to the National Bank of Rwanda. Accordingly, the Receiver agrees to assist the

Buyer with the process of disposing of Crane Bank Rwanda including making necessary introductions to the National Bank of Rwanda until such a time as Crane Bank Rwanda is disposed of.

11 Announcements

11.1 No announcement concerning this Agreement or the Asset Purchase contemplated by this Agreement or any ancillary matter shall be made by either party without the prior written approval of the other party.

11.2 Notwithstanding Clause 11.1,

11.2.1 the Receiver shall as Regulator be entitled to issue such notifications as are required or mandated by law;

11.2.2 the parties shall forthwith upon the signing of this Agreement make or procure to be made a press announcement as well as announcements to the Employees and to the Customers about the Asset Purchase in agreed terms.

11.3 The Buyer shall be entitled to send a circular to its shareholders about the Asset Purchase.

12 Confidentiality

12.1 The provisions of this Clause shall not apply to any Confidential Information that:

12.1.1 is or becomes generally available to the public (other than as a result of its disclosure by the receiving party or its representatives in breach of this Clause);

12.1.2 was available to the receiving party on a non-confidential basis before disclosure by the disclosing party;

12.1.3 was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party;

12.1.4 the parties agree in writing is not confidential or may be disclosed;

12.1.5 is disclosed pursuant to existing contractual obligations;

12.1.6 is disclosed to a party's professional advisers, auditors and bankers provided they have a duty to keep such information confidential;

12.1.7 is disclosed for the purposes of vesting the full benefit of this Agreement in that party;

12.1.8 is developed by or for the receiving party independently of the information disclosed by the disclosing party.

- 12.2 Each of the parties shall both before and after Completion keep the contents of this Agreement strictly private and confidential and shall not without the prior written consent of the other party disclose any of the terms of this Agreement to any person or make any other announcement relating to the transaction hereby agreed upon except the extent required by law and except that the parties shall be entitled to make references to the transactions hereby agreed upon in their respective annual reports and financial statements.
- 12.3 Each party shall keep the other party's Confidential Information confidential and shall not:
- 12.3.1 use such Confidential Information except for the purpose of exercising or performing its rights and obligations under or in connection with this Agreement (Permitted Purpose); or
 - 12.3.2 disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this Clause 12.
- 12.4 A party may disclose the other party's Confidential Information to those of its representatives who need to know such Confidential Information for the Permitted Purpose, provided that:
- 12.4.1 it informs such representatives of the confidential nature of the Confidential Information before disclosure; and
 - 12.4.2 at all times, it is responsible for such representatives' compliance with the confidentiality obligations set out in this Clause 12.
- 12.5 A party may disclose Confidential Information to the extent such Confidential Information is required to be disclosed by applicable law, by any competent governmental or regulatory authority having jurisdiction over the party (including, without limitation, *any relevant securities exchanges*) or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the other party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this Clause 12.5, it takes into account the reasonable requests of the other party in relation to the content of such disclosure.
- 12.6 Each party reserves all rights in its Confidential Information. No rights or obligations in respect of a party's Confidential Information other than those expressly stated in this Agreement are granted to the other party, or to be implied from this Agreement.
- 12.7 Except as expressly stated in this Agreement, no party makes any express or implied warranty or representation concerning its Confidential Information.

13 Rights of Third Parties

Save as expressly provided in Clause 1.5, the parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts Act, 2010 by any person not a party to it.

14 Entire Agreement

- 14.1 This Agreement together with all documents entered into or to be entered into pursuant to its provisions constitutes the entire agreement between the parties in relation to its subject matter and supersedes and extinguishes all previous agreements, discussions, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to the subject matter of this Agreement and the transaction and the agreements referred to in or contemplated under this Agreement.
- 14.2 Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently and whether written or oral) that is not expressly set out in this Agreement.
- 14.3 Each party agrees that it shall have no claim for innocent misrepresentation or misstatement based on any statement in this Agreement.
- 14.4 Nothing in this Clause shall limit or exclude any liability for fraud.

15 Notices

- 15.1 All notices or other communications to be given under this Agreement shall be made in writing, and sent by letter, facsimile transmission (save as otherwise stated).
- 15.2 Any notice or communication given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly received as follows:
 - 15.2.1 in the case of personal delivery, when delivered;
 - 15.2.2 in the case of post, five (5) Business Days after being deposited in the post, postage prepaid by registered mail if available to such party at its address specified in Clause 15.3, or at such other address as such party may hereafter specify for such purpose to the other by, notice in accordance with this Clause 15.
- 15.3 The addresses referred to in Clause 15.2 are:

Name of party	Address
Bank of Uganda	Plot 37/45 Kampala Road, P.O. Box 7120 Kampala Attn: Executive Director, Supervision
DFCU Bank Limited	Plot 26 Kyadondo Road P.O. Box 70, Kampala Uganda Attn: Managing Director

15.4 A notice or other communication received on a day other than a Business Day, or after business hours, in the place of receipt shall be deemed to be given on the next following Business Day in such place.

15.5 A party may notify the other party of a change to its address for the purposes of Clause 15.3 provided that such notification shall only be effective on:

15.5.1 the date specified in the notification as the date on which the change is to take place; or

15.5.2 if no date is specified or the date specified is less than ten (10) Business Days after the date on which notice is received or deemed received, the date falling fifteen (15) Business Days after notice of any such change has been received or deemed received.

16 Variation

No variation or amendment of this Agreement shall be effective unless it is in writing and is duly signed by each party (or its authorised representatives).

17 Remedies and Waiver

17.1 A waiver of any right, power or remedy under this Agreement or by law is only effective if it is given in writing and is duly signed by the person waiving such right, power or remedy. Any such waiver shall apply only to the breach or default for which it is given and shall not be deemed a waiver of any subsequent breach or default.

17.2 The rights and remedies of a party in respect of this Agreement shall not be diminished, waived or extinguished by the granting of any indulgence, forbearance or extension of time by a party to another.

17.3 A failure, omission or delay by a party to ascertain or exercise any right, power or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right, power or remedy, nor shall it prevent or restrict any further exercise of that or any other right, power or remedy. No single or partial exercise of any right, power or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right, power or remedy.

17.4 The rights and remedies in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

18 Provisions surviving Completion

In so far as the provisions of this Agreement shall not have been performed at Completion, they shall remain in full force and effect notwithstanding Completion.

19 Assignment

This Agreement is personal to the parties and neither party shall assign, transfer, declare a trust over or deal in any other like manner with any of its

rights and obligations under this Agreement without the prior written consent of the other party.

20 Costs and Expenses

Each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement.

21 Severability

21.1 The provisions of this Agreement are severable and distinct from one another and, if at any time any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions shall not in any way be affected or impaired thereby and such provision or part-provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause shall not affect the validity and enforceability of the rest of this Agreement.

21.2 If one party gives notice to the other of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

22 No partnership

22.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

22.2 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

23 Governing law

This Agreement shall be governed by and construed in accordance with the laws of Uganda.

24 Dispute resolution

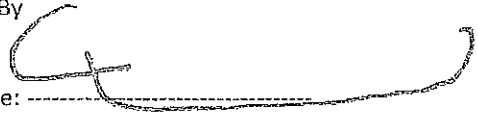
24.1 The parties shall use their best efforts to settle amicably any dispute arising out of or in connection with this Agreement or the interpretation thereof.

24.2 Any dispute or difference between the parties as to the interpretation of this Agreement or in respect of any matter of thing arising under, out of or in connection with this Agreement or its cancellation or termination shall be settled by arbitration in accordance with UNICITRAL arbitration rules as at present in force and any amendments thereof. The venue for any arbitration conducted pursuant to this clause 24.2 shall be Kampala, Uganda.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties the day and year first hereinbefore written.

BANK OF UGANDA (AS THE RECEIVER)

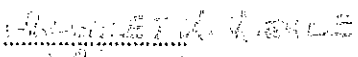
SIGNED By

Signature: 

Name: E. TUMUSIIME- MUTEBILE (PROF)

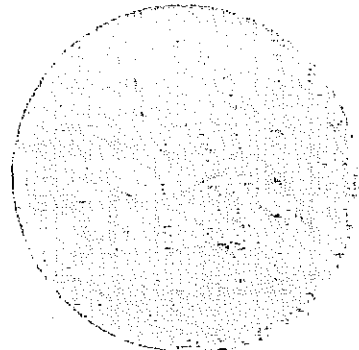
Title: GOVERNOR- BOU

WITNESSED By

Name: 

Signature: 

Title: BANK SECRETARY- BOU



THE BUYER

The Common Seal of]

DFCU BANK LIMITED]

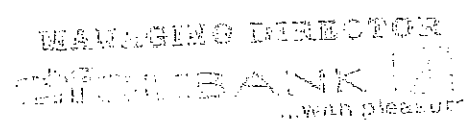
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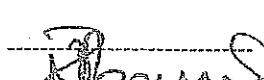
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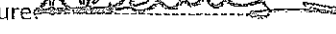
Name: 

Signature: 

Title: MANAGING DIRECTOR



Name:  William Sekabembe
EXECUTIVE DIRECTOR

Signature: 

Title: EXECUTIVE DIRECTOR

SCHEDULE 1
PROPERTIES

No.	Property Details
1.	LRV 4410 Folio 13 Plot 40, Lubas Road, Jinja
2.	LRV 4410 Folio 6 Plot 55 Main Street, Jinja
3.	LRV 4412 Folio 10 Plot 51 High Street, Mbarara
4.	LRV HQT608 Folio 23 Plot 4 Kennedy Square, Soroti
5.	LRV HQT608 Folio 22 Plot 38 Soroti Block Gweri Road, Soroti
6.	LRV 4410 Folio 5 Plots 80 & 82 Main Street, Iganga
7.	LRV HQT608 Folio 25 Plot 143, Kabale
8.	LRV HQT608 Folio 24 Plot 145, Kabale
9.	LRV 4410 Folio 8 Plot No. 1, Adumi Road, Arua
10.	LRV 4453 Folio 15 Plot No. 11, Babiiha Road, Kabarole
11.	LRV 4456 Folio 15 Plot No. 4390, Block 208 Kyadondo, Kawempe
12.	LRV 4410 Folio 21 Plot No. 20A, Kyaggwe Block, Mukono
13.	LRV 4410 Folio 22 Plot 18, Jinja Road, Mukono
14.	LRV 4412 Folio 12 Plot 22, Kampala Road, Entebbe
15.	LRV 4412 Folio 14 Plot 2, Tanga Road, Malaba, Tororo
16.	LRV 4412 Folio 15 Plot 4, Tanga Road, Malaba, Tororo
17.	LRV 4412 Plot 2A, Broadway Road, Masaka
18.	LRV 4494 Folio 10 Plot 387, Block 18, Mengo, Nateete
19.	LRV 4410 Folio 18 Plot 388, Block 18, Mengo, Natete
20.	LRV 4411 Folio 16 Plot 40, Main Street, Hoima
21.	LRV 4411 Folio 25 Plot 1B, Ntinda Road, Ntinda
22.	LRV 4410 Folio 9 Plot No. 52 Nyabushozi, Block No. 68, Rushere
23.	LRV 4420 Folio 15 Plot 5, Block 76, Kabula, Masaka
24.	LRV 4410 Folio 15 Plot 93, Kibuga Block 7, Mengo,
25.	LRV 4411 Folio 18 Plot 1419, Kibuga Block 5, Mulago
26.	LRV 4411 Folio 17 Plot 1463, Kibuga Block 5, Mulago
27.	LRV 4421 Folio 3 Plots 44 & 46, Kamwengye Road, Ibanda

No.	Property Details
28.	LRV 4410 Folio 19 Plot 60, Block 333, Nabingo
29.	LRV 4410 Folio 17 Plot No. 817, Kibuga Block 10, Nakulabye
30.	LRV 4410 Folio 11 Plot 1 Fort Portal Road, Bushenyi
31.	LRV 4410 Folio 12 Plot 52, Masindi
32.	LRV 4567 Folio 24 Plot 54 Masindi Port Road, Masindi
33.	LRV 4410 Folio 7 Plot 103 Customs Road Samia Bugwe, Busia
34.	LRV 4411 Folio 19 Plot 101 Customs Road, Busia
35.	LRV 4453 Folio 14 Plot 18, Old Kabale Road, Ntungamo
36.	LRV HQT688 Folio 1 Plot 846 Block 652, Bulemezi
37.	LRV 4410 Folio 16 Plot 688, Busiro Block 438, Nkumba
38.	LRV 4410 Folio 14 Plot 893, Busiro Block 438, Nkumba
39.	LRV 4412 Folio 11 Plot 7 Luthuli Lane, Bugolobi
40.	Plot 106 Block 232 Kireka
41.	LRV 2756 Folio 12 Plot 48, Lira Avenue, Lira
42.	LRV 4339 Plot 21 Gulu Avenue, Gulu
43.	LRV 3529 Folio 9 Plot 23, Gulu Avenue, Gulu
44.	LRV 4133 Folio 1 Plot 65-75, Kisoro Road, Kisoro
45.	LRV 4409 Folio 19 Plot 54, Block 68, Rushere
46.	LRV 4410 Folio 20 Plot 61, Block 333, Nabingo
47.	LRV HQT608 Folio 21 Plot 7 Rujumbura, Rukungiri
48.	LRV 4478 Folio 25 Plot 31 Margherita Road, Kasese
49.	LRV 4478 Folio 24 Plot Plot 33 Margherita Road, Kasese
50.	LRV HQT228 Folio 6 Plot 105, Busia
51.	Sublease from UMA Show Ground, Kampala
52.	LRV HQT608 Folio 11 Plot 99 Samia Bugwe, Busia
53.	LRV KCCA 104 Folio 2 Plot 1162, Kawempe Division Block 5, Mulago

SCHEDULE 2

SUMMARY OF EXCLUDED ASSETS

1. The rights of CBL to claim against its shareholders, directors or other third parties whether related or otherwise, in relation to wrongs done to it prior to the take over date.
2. The right of CBL to claim against its shareholders, directors or other third parties whether related or otherwise in respect of losses occasioned by irrecoverable and/or unrecovered loans advanced or managed imprudently and subsequently written off.
3. The right of CBL to recover insider loans that have been identified and amount to UGX 63,612,647,000/= (Uganda Shillings Sixty Three Billion Six Hundred Twelve Million Six Hundred Forty Seven Thousand).
4. Any credit or refund of any tax in respect of supplies made to or by CBL or profits or gains made or deemed to have been made by CBL, in each case before the Completion Date.

SCHEDULE 3

SUMMARY OF EXCLUDED LIABILITIES

1. The amount owed by CBL under the BoU facility in excess of the sum of UGX 200,000,000,000/= (Uganda Shillings Two Hundred Billion)
2. Terminal benefits and all employment dues of Employees terminated by the Buyer within 2 (two) months from the Completion Date.
3. Tax liabilities of whatsoever kind to the extent that they do not relate directly to the Assets and/or the Liabilities.
4. Liability for payment of ground rent in respect of the MIL Properties prior to the Completion Date and rent in respect of the other properties rented by CBL prior to the Completion Date.
5. Any other liabilities of CBL not known by the parties at the Completion Date.