

## Customer Care Center Lease Finance Products Benefits and Risks

### Benefits of Lease Finance

- Salary transfer is not mandatory
- Available to Saudi Nationals and residents within the Kingdom of Saudi Arabia
- It is not required to have a debtor guarantor
- Immediate initial approval from the first visit
- Easy and flexible approval process
- Comprehensive car insurance coverage for the entire rental period
- Multiple options to terminate the contract or own the car during the contract period or at the end of the contract
- Specialized centers for the service of lease financing clients spread all over the Kingdom
- Comprehensive insurance covering all accidents, thefts and natural disasters
- The owner of the asset gives you the right to use the asset for periodic payments
- Provide the burden of large one-time cash payments and multi-year cash flow
- Determining monthly payments helps to budget for the future
- It gives you the latest and highest specifications that can't be bought directly
- The possibility of renting 5 cars for Saudi Nationals and a maximum of 3 cars for residents

### Risks of Lease Finance

- The customer shall not be entitled to waive if the competent authorities prove that the third party is responsible for the error rate in the accident.
- The customer shall not leave the incident location and the car until the competent authorities arrive, unless the competent authorities determine approved and clear methods to document the accident and the parties' responsibility towards accident before the competent authorities arrive to the accident location), like photographing or so. The customer shall also undertake to abide by all other controls specified by the insurance company in the insurance policy related to how to deal with accidents if they occur, and bears all losses resulting therefrom.
- The lessee may not assign this contract or transfer any of its rights and obligations arising from it to any party except after obtaining the bank's written approval.
- In the event that the customer delays returning the vehicle after the termination of the contract or its expiry without owning the vehicle and without agreeing to extend the finance lease term, and also in the event of the customer's delay in completing the vehicle's ownership procedures, you will be liable for the vehicle's ownership. The daily fare of the vehicle according to this contract using the following formula: (value of the last rent payment due / number of days of the month in which the contract was terminated) \* (number of days of delay) = value.
- Each party's obligations under the contract remain in effect (even after the expiry date of the contract) until they are fulfilled, the contract is rescinded, or one of the other parties is fired.
- Any additions, modifications or improvements to the vehicle made by the customer without the bank's permission, which the Bank may not re-acquire the vehicle without causing substantial damage to the vehicle, shall be considered part of the vehicle, and accordingly, it shall be the property of the bank in the event that the customer does not own the vehicle.
- The customer shall bear any costs, expenses, fees or fines resulting from making any modification to the vehicle. The customer is responsible for the results of violating such obligations. The bank has the right to ask the customer to make these necessary rectifications and modifications that ensure that the condition of the vehicle is safe, maintaining its value and conformity to the laws. The bank shall have the right to claim the actual costs, expenses, fees and fines incurred.
- The customer shall be responsible for the duration of the contract for the provision of operational maintenance services at his own expense (this includes periodic inspection and maintenance of the leased asset). The bank shall have the right to claim compensation from the customer for any substantial damage to the vehicle resulting from the customer's failure to carry out maintenance work, if the contract is not terminated by owning of the leased asset by the customer.
- The customer must notify the bank immediately and within a period not exceeding five (5) working days when a vehicle damage occurs which fully prevents its use. The customer shall bear the damages resulting from the loss of the vehicle, if the loss was due to his infringement or negligence. In such case, the amount borne by the customer shall be limited to the amounts not covered by the insurance and not exceeding the value of the vehicle at the time of loss. In the event that the customer causes the damage, as determined by the competent authority, and the insurance compensation is not sufficient to indemnify the bank for the value of the vehicle at the time of damage in accordance with the terms and conditions of the contract, the customer must pay the liabilities that the insurance company bears on the bank (if any).
- The settlement between the bank and the customer in case of total loss shall be made according to the controls approved by SAMA in this regard.

- In case of breach, the bank may ensure its rights under any of the guarantee documents according to the observed controls or terminate the contract by virtue of a written notice and ask the customer to return the car.
- In case the customer refused to return the leased asset, the lessor shall then have the right to require the recovery of the car in accordance with the controls of receiving the transferred assets, which were promulgated by the Minister of Justice Resolution No. ( 1448) and the date of (1440/4/4 AH) (as it is updated, modified or replaced from time to time) and the controls issued by the Saudi Central Bank in this regard. without resorting to the competent authorities.
- The customer shall indemnify the bank for any losses, costs or claims resulting from the customer's use of the vehicle after signing the ownership transfer certificate and before the ownership of the vehicle is officially transferred.
- The customer shall be responsible for all costs, expenses, fees, taxes and invoices related to his use of the vehicle, whether they are currently imposed or may be imposed in the future, except for the costs borne by the bank shall under the contract or the law.
- The customer shall abide by the instructions and recommendations of the bank and the manufacturer of the leased asset regarding the use and maintenance of the vehicle (operational maintenance).
- The customer must ensure his financial capacity and that the amount of lease payments is proportional to his monthly income.
- The customer shall bear all damages, losses, penalties and fines resulting from the use of the vehicle in violation of the laws and regulations in force in the Kingdom of Saudi Arabia or in any other place where the vehicle is used.
- If the customer makes any additions, improvements, or fundamental modifications to the vehicle without the prior written approval of the bank, and he does not wish to own the vehicle at the end of the contract, the customer shall, at his own expense and upon a request by the bank, remove these modifications or additions and restore the original condition of the vehicle, or he shall indemnify the bank for removing them and restoring the original condition of the vehicle.
- The bank shall be the owner of the leased asset for the duration of the contract, until the customer fulfills all the amounts owed by him.
- In the event of failing to pay the due amounts on time, the bank shall have the right to withhold issuing to the customer the permits necessary to use the vehicle.
- If the customer fails to receive the vehicle within 10 days of the bank's notification to the customer of the availability of the vehicle, the customer shall pay the value of the lease payments even if he has not effectively received the vehicle after the lapse of the period.
- Upon receiving the vehicle, the customer must irrefutably inspect the vehicle, with a full legal and lawful examination, prior to signing the vehicle's acceptance certificate to ensure its integrity and confirm his acceptance of it in the condition thereof. The customer shall also acknowledge, after the inspection and examination, that the vehicle and all its tools and fixtures are intact and fully fit for the purpose for which they are rented.
- The customer is considered in breach of the contract if he fails to pay three consecutive payments, or delays five separate payments for a period of seven (7) working days or more for each payment, calculated from the due date of the payment. In the event of delaying or withholding a payment, the customer will be considered in default, and a default notice shall be sent to him. If the default is not rectified within the period specified in the default notice, the bank may then consider this case a case of breach.
- The customer or sponsor fails to pay the due payments and to rectify the default within the period given in the default notice.
  - The customer fundamentally breaches the terms and conditions contained in the contract documents, and fails to rectify the breach within the period stipulated in the contract, or within thirty (30) days after notifying the customer of this breach, provided that no other period is stipulated in the contract.
  - Any promises, representations or guarantees made by the customer under the contract are proven to be fundamentally incorrect.
  - Insolvency or bankruptcy of the customer, or the appointment of a liquidator, administrative or judicial receiver, trustee, or any similar administrator for all or some of the customer's assets or business.