

Current/ Cheque/ Savings Account and Fixed Deposit Terms

Contents

1	Choosing the account that is right for you	2
2	Savings accounts	2
3	Fixed deposits	2
4	Current/cheque accounts	2
5	Foreign currency	3
6	Average monthly balances	3
7	Payments into accounts	3
8	Payments out of accounts	4
9	Dormant accounts	4
10	Closing accounts	4
11	Meaning of words	4

Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *current/cheque account, fixed deposit and savings account products*. **You must read it in conjunction with our Client Terms, the tariff booklet, the product brochure and any other documents forming our banking agreement included in your Welcome Pack.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail. These terms do not apply to any existing current/cheque account, fixed deposit account or savings account products you have with us to the extent that they are subject to separate terms and conditions.

Key words

The meaning of key words *printed like* this and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To find out information (such as current fees and interest rates or if you need us to explain features or terms) in connection with our *products*, you should contact us at one of our branches, by calling our contact centre on (260) 977/966 999990 or 5247 toll free or by visiting our website www.sc.com/zm

1. Choosing the account that is right for you

We offer a variety of *current/ accounts, fixed deposits and savings accounts* designed to suit your personal banking needs. The particular types of *current/ accounts, fixed deposits and savings accounts* we offer are set out in the product brochure. If you need us to explain any of the features of, or the terms applying to, any *current/ account, fixed deposit or savings account*, please contact us (see under “How to contact us” at the front of these terms).

2. Savings accounts

Minimum or maximum age for some savings accounts

2.1. If you are required to be a certain age to apply for a *savings account*, it is set out in the *product brochure*.

No cheque facility

2.2. *Savings accounts* do not include a cheque facility.

Interest

2.3. If you have a credit balance in a *savings account* you may be entitled to receive interest depending on the type of *account* (see the *product brochure* and the *tariff booklet*). The rate of interest may be fixed or varied as we determine. We pay interest monthly or at other regular intervals we determine.

- Interest is calculated on a compound basis for a *savings account* in *Zambian Kwacha*.

Interest accrues daily and if the credit balance of your *savings account* is denominated in *Zambian Kwacha*, we calculate interest on the basis of a 365 day year (a 366 day year in the case of a leap year);

Passbook or statement

2.4. Depending on the type of *savings account*, we may offer:

- a passbook; or
- periodic statements.

Passbooks to be kept secure

2.5. You must keep your passbook secure (including keeping them in a safe place - please refer to the security procedures set out in the *Client Terms*).

ATM cards

2.6. For some *savings accounts* you are issued with an *ATM card*.

3. Fixed deposits

Interest on fixed deposits

3.1. Interest on a *fixed deposit* is paid at a rate we determine for the term of the *fixed deposit*. The applicable interest rate is available by contacting us at one of our branches or by calling our contact centre.

Withdrawals before maturity

3.2. Some types of *fixed deposits* may allow you to make a maximum number of withdrawals during the term of the *fixed deposits* without incurring any fee or affecting the interest rate. We also may allow an early withdrawal in other circumstances. However, charges may apply and we may not pay the interest accrued if you make an early withdrawal. More details on arrangements for interest payable on amounts withdrawn early are available by contacting us.

3.3. Interest accrues daily and if the credit balance of the *fixed deposits* account is denominated in:

- *Zambia kwacha, United States dollar, British pound, Euro* currency or *South African Rands*, we calculate interest on the basis of a 365 day year (a 366 day year in the case of a leap year);

Maturity of fixed deposit.

3.4. If a *fixed deposit*:

- is denominated in *Zambian Kwacha* and matures on a day which

is not a banking day in *Zambia* then the date is extended to the next banking day; or

- is denominated in any other currency and matures on a day on which banks are not open for general banking business in *Zambia* and any other city we specify for that currency, then the date is extended to the next such day.

3.5. You must instruct us in writing (or any other way we agree to accept) before the maturity date (and in the case of *foreign currency deposits*, at least two banking days before the maturity date) whether you want:

- to renew the *fixed deposit*; or
- us to pay you the principal and interest on the maturity date.

If you do not instruct us, we may renew the *fixed deposit* for a similar term with interest at the prevailing interest rate for the term. However, we have no obligation to do so.

3.6. Interest ceases to be payable after the maturity date unless the *fixed deposit* is renewed.

4. Current / cheque accounts

Current accounts are accounts with a cheque facility.

Interest

4.1. Interest is not payable on a *current account* unless specified in the *product brochure* for the particular type of *current account*.

Cheque books

4.2. When you open a *current account* we issue you with a cheque book. You must keep cheque books secure (including keeping them in a safe place - please refer to the security procedures set out in the *Client Terms*).

4.3. If you need a new cheque book it can be ordered by either filling out the application form in the cheque book or by any other process we offer. We may refuse to issue a new cheque book. We need not give you a reason for doing so.

4.4. When you receive your cheque book you should check that the account number and name are correct.

Writing cheques

4.5. You or an *authorised person* must be careful when writing cheques to prevent fraud by forgery. For example, when writing cheques, you or an *authorised person* must:

- only use cheques in the form we have issued;
- write in non-erasable ink or ballpoint pen;
- write the words and figure of the amount as close as possible to each other and to the left-hand margin in order to prevent space for insertions;
- add the word ‘only’ after the amount stated in words;
- never pre-sign a cheque in blank;
- not alter the cheque (including deleting the words ‘or bearer’) unless confirmed by their full signature;
- not use correction fluid.

We may dishonour and return any cheque that is not completed in accordance with these procedures, post-dated or out of date or otherwise not in a form acceptable to us.

If the words ‘or bearer’ are not deleted the cheque is a ‘bearer cheque’ and may be deposited by anyone holding the cheque.

You can protect yourself by crossing a cheque with two parallel lines as the cheque must then be paid into the payee’s account rather than ‘on demand’.

Fees & charges

- 4.6. Fees and charges apply to cheques including stop fees, dishonour fees and fees if a cheque is returned to us for any reason (see the *tariff booklet*).
- 4.7. Interest accrues daily and if your *current account* is denominated in:
- Zambian Kwacha, Pound Sterling, United States Dollars, Euro currency or South African Rand, we calculate interest on the basis of a 365 day year (a 366 day year in the case of a leap year);

5. Foreign currency

Deposits of foreign currency are generally made into a form of *Current/savings account or time deposit*. For more information, contact us at one of our branches or by using phone banking.

Terms of deposit

- 5.1. We accept *foreign currency* deposits in currencies acceptable to us and on the conditions (including term, interest rate and minimum deposit amount) available at our branches, on our website, and as set out in the *product brochure*,

Deposit methods

- 5.2. We may accept and deposit (as agent for collection) foreign currency drafts, cheques or travellers' cheques for good value after clearance. We deduct from the proceeds our fees and charges (the details of which are in the *tariff booklet* and are available by contacting us at one of our branches, contact centre and any fees and charges that may be imposed by third parties.

However, we may:

- refuse to accept for collection drafts, cheques or travellers' cheques drawn in favour of third parties or if the payee's name is not identical to your name in our records;
- need to see the purchase agreement of any travellers' cheques presented for deposit.

We return dishonoured cheques, drafts or travellers' cheques to your last notified address at your risk and cost.

- 5.3. If you have an existing foreign currency *fixed deposit* and we receive additional foreign currency funds with no specific instructions, we may place them in any type of *account* we determine for a minimum of one month. However, if the additional funds are below our minimum deposit amounts, we may place them in an existing *account* in the same currency and with the interest rate and the earliest maturity date we determine.

Withdrawal

- 5.4. A *foreign currency deposit* which is a fixed deposit may not be withdrawn before the maturity date. However, we may allow withdrawal before the maturity date subject to any conditions we may impose (including a period of notice, reduced or nil interest, fees and other charges).
- 5.5. If you make a withdrawal of a *foreign currency deposit* and the *foreign currency deposit* is denominated in:
- British Pounds or US Dollars, we may (but not need to) make available to you the proceeds of your withdrawal on the same day as your withdrawal;
 - any other foreign currency, you must notify us of your intention to make the withdrawal at least two banking days before you make the withdrawal.
- 5.6. We may make the proceeds of any *foreign currency deposit* available to you in any currency we choose (including Zambian Kwacha or US Dollars) despite the deposit being made in a different currency.
- 5.7. Proceeds of withdrawal may be available in foreign currency notes subject to availability. You must pay the applicable fees. Details of fees are available by contacting us.

Interest on foreign currency deposits

- 5.8. Interest on a *foreign currency deposit* is paid at a rate we determine. The applicable interest rate is available by contacting us.

Commission

- 5.9. We may charge commission on a deposit or withdrawal made in cash, cheques, drafts, payment orders or other monetary instruments in the currency of the account for the *foreign currency deposit*. Please refer to the *tariff booklet* or elsewhere in our banking agreement for details or contact us if you require further information.

Foreign exchange controls

- 5.10. *Foreign currency deposits*, and all transactions in connection with them, are subject to any applicable exchange control laws.

Exchange risk

- 5.11. You acknowledge that:

- you are aware of the risk of interest rate and exchange rate fluctuations and the effect that such fluctuations may have on the credit balances in an *account*;
- adverse exchange rate movements could result in the credit balance (even after interest is credited) being less than the amount you deposit.

6. Average monthly balances

- 6.1. If a minimum balance applies to an *account* and the balance of the *account* falls below the minimum you must pay any applicable fees (the details of which are available by contacting us at one of our branches or by using phone banking).

7. Payments into accounts

We may accept or refuse payment

- 7.1. We may accept or refuse to accept any deposit whether in cash or by cheque or other instrument or set minimum or maximum amounts on deposits. We need not give any reason for doing so.
- 7.2. Any cheque or other instrument is received by us as agent for collection on your behalf.

Your responsibility

- 7.3. You accept that any deposit through an *ATM* with the use of a *card* is at your risk and is subject to us verifying and processing. You must check that your instructions have been processed accurately. If you do not notify us within 72 hours of the time the transaction is processed, our records of the transaction are taken to be correct.

Foreign cheques or instruments

- 7.4. If we agree to accept cheques or other instruments drawn on financial institutions located outside Zambia, you acknowledge that:
- clearance depends on the law and practice of the location of the financial institution;
 - we are not responsible for the value given by the financial instrument or any other *loss* incurred in connection with the cheque or instrument.

Receipts

- 7.5. Receipt of a deposit is evidenced by our usual practice, depending on how you make the deposit. A person making a deposit should keep their copy of the receipt.
- 7.6. A deposit slip is only valid if endorsed by our machine print (if deposited at a self service machine) or by our stamp and signature of a bank employee or officer authorised by us (if deposited at a branch).
- 7.7. Any receipt we issue cannot be used as evidence of your title to a deposit.

Third party cheques

- 7.8. If a cheque or other instrument is presented which is payable to a third party or it appears to belong or to have belonged to someone

else (called a “third party cheque”), we may refuse to accept it for deposit or refuse to cash it. If we agree to accept or cash a third party cheque we may require you or an *authorised person* to comply with additional conditions.

Cheque collection box deposits

7.9. You must not deposit cash or bearer cheques into the cheque collection boxes. If you make a deposit in this way, you do so at your own risk and we are not liable for any *loss* incurred as a result of your action.

Clearance of payments

7.10. We do our best to process all cheques and other instruments within a reasonable period of time. However, if they are deposited after any cut off time we specify, they may not be processed until the following banking day. Clearance times may vary.

7.11. The proceeds of cheques and other payment instruments deposited, or funds transferred electronically cannot normally be withdrawn until cleared. If we allow withdrawal of the proceeds before clearance occurs, you must repay or we may debit that amount if the cheque, payment instrument or transfer is dishonoured.

Regular payments to an account

7.12. If you ask, we may establish a regular payment arrangement to an *account*. We may cancel or stop the regular payment arrangement if:

- you instruct us to do so in writing; or
- the *account* does not have sufficient funds to satisfy a regular payment; or
- the payment arrangement no longer complies with the terms of the payment authority signed by you; or
- required by law.

Dishonoured cheques

7.13. We give you details of any cheque deposited into an *account* which is dishonoured as soon as practicable.

8. Payments out of accounts

Withdrawals

8.1. Withdrawals from an *account* are subject to conditions (including notice requirements) we impose.

8.2. You may withdraw your deposits only at the country where the product is located. However, we may from time to time allow withdrawals of deposits from your account to be made in other countries subject to conditions we may impose, and you agree that we may withdraw any such permission at any time without notice. You agree that such withdrawals are subject to market conditions and the laws and regulations governing the location of the product, and the location of the withdrawal.

Authority to debit and payment

8.3. You authorise us to debit all cheques and other instruments drawn by you to a *current/cheque account*.

8.4. We may determine the order of priority for payment of cheques.

Third party withdrawals

8.5. We may, but need not, accept instructions allowing third parties to withdraw from an *account*.

Stopping payment of cheques

8.6. You or an *authorised person* may request us in writing to stop payment of a cheque drawn on a

9. Dormant accounts

What is a dormant account?

9.1. If no withdrawal, deposit, fund transfer or use of *electronic banking*

services is made on a *savings account* for 24 consecutive months or on a *current account* for 12 consecutive months or such other period that we notify to you, we classify the *account* as dormant. We need not pay interest on a dormant *account*.

Fees for dormant accounts

9.2. We may debit the dormant account fee set out in the *tariff booklet* or as notified by us until the balance of the *account* is zero. We then close the dormant *account*, unless prohibited by law.

10. Closing accounts

Early closure

10.1. If you close a *savings account* or *current account* within **six** months (or such other period that we may notify to you) after you open it, you must pay the early account closure fee set out in the *tariff booklet* or as notified by us.

When we may close accounts

10.2. We may close a *savings account*, *fixed deposit* or a *current/cheque account* at any time. We need not give a reason for doing so. If we do so, we pay you any credit balance in the *account* in the manner we determine.

Return of cheque books

10.3. If a *current/cheque account* is closed, you must ensure that any unused cheque books are returned to us.

Closure of Zero balance account

10.4. If the account has zero balance for 3 consecutive months we will close the account without giving you notice.

11. Meaning of words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Customer Terms, the definition in these terms applies for the purposes of current accounts, fixed deposits, foreign currency deposits and savings accounts.

current account means any account of the type referred to in clause 4.

fixed deposit means any time, term or fixed deposit described in clause 3.

foreign currency deposit means any deposit of foreign currency described in clause 5.

savings account means any account of the type described in clause 2.