

# Auto Loan Terms

These Terms and Conditions govern the Auto Loan provided by Standard Chartered Bank, Bahrain (the “Bank / Lender”) and the “Borrower”. The Bank has agreed to finance the purchase of a “Vehicle” in accordance to the terms and conditions stated below:

1. In these terms and conditions, the following words shall have the following meaning:
  - a. “Agreement” means the Auto Loan Important Information Document, these terms and conditions; and any other document signed in connection with the Loan
  - b. “Dealer” means the distributor, sub-distributor or other reseller of vehicles;
  - c. “The Borrower” means the person or any legal entity in the capacity as a Borrower or a guarantor;
  - d. “Deferred Amount” means the lump sum payment, if any, to be made by the Borrower on the Deferred Repayment Date;
  - e. “Loan” means the amount stated in the Agreement to be disbursed by the Bank for the purchase of the Vehicle;
  - f. “Deferred Repayment Date” means the date stated in the Agreement for payment of the Deferred Amount;
  - g. “Repayment Amounts” means the Instalment, the Monthly Instalments and the Deferred Amount as stated in the Agreement;
  - h. “Vehicle” means the vehicle described in the Agreement and/or the application form

All terms not expressly defined herein shall have the meaning set forth in the Agreement.

2. The Agreement, any guarantee agreements and any other documentation executed by the Borrower or the Bank with respect to the Loan is expressly incorporated by reference herein and shall be considered an integral part of the Agreement.
3. In consideration of the Bank acceptance to grant the Auto Loan for the purpose of financing the purchase of the Vehicle, the Borrower undertakes to pay the Repayment Amounts on their respective due dates of payment. You authorize the Bank to debit your account with us and/or act on any other instruction in order to collect the Repayment Amounts (where applicable).
4. Interest accrues on daily basis. For loans booked after 17 July 2014, interest is calculated on the basis of 30 days per month and base days of 360 days in a year (For loans booked prior to 17 July 2014, interest is calculated on actual days per month and base days of 360 days per year).
5. The interest rate applicable to your Loan may, by giving not less than thirty (30) days’ prior notice to you, be varied from time to time in the Bank’s discretion (including but not limited to varying the basis on which the Bank shall arrive at the interest rate) and the new Prescribed Rate shall take effect as from the date stipulated by the Bank subject to prior notice to you as provided for in this clause. A change in the Prescribed Rate can be caused by various factors including but not limited to changes in the economic environment, market interest rates, etc which may in turn impact our cost of funding. In the event of any variation of the Prescribed Rate, the Bank may, in its discretion:
  - a. Vary the amount of each monthly instalment amount or such other periodic repayment amount in respect of the Loan; and/or
  - b. Vary the number of each monthly or such other period of repayments of the Loan.

6. In the event that the Borrower desires to refinance the Deferred Amount, the Borrower shall notify in writing the Bank at least one month prior to the Deferred Repayment Date to discuss refinancing options, if any, which the Bank, in its sole discretion, may choose to accept or not.
7. The Borrower hereby acknowledges that his/her obligation to pay the Deferred Amount is unrelated to and shall not be conditional upon his/her ability to (i) refinance the Vehicle from any source on or prior to the due date of payment of the Deferred Amount, (ii) cause the Dealer to repurchase the Vehicle or pay the Deferred Amount or any part thereof pursuant to any agreement that may exist between the Dealer and the Borrower or (iii) sell the Vehicle for an amount greater than the Borrower's outstanding indebtedness under the Agreement.
8. The Bank's decision whether to lend or not, is at its sole discretion and is subject to, among other things, satisfactory completion of all formalities and all documentation including the receipt by the Bank, to its satisfaction, of satisfactory documentation from the Dealer.
9. The Bank may disburse the Loan directly to the Dealer.
10. The Borrower undertakes to:
  - c. Register a mortgage on the Vehicle in favour of the Bank and keep it valid for the entire period until the loan under the Agreement is completely settled. He/she undertakes to provide the Bank with a copy of the registered mortgage.
  - d. Not to create, register, or allow any other lien, encumbrance or mortgage to be created on the Vehicle.
  - e. Keep comprehensive insurance coverage on the Vehicle from a reputable insurance company acceptable to the Bank, with the Bank named as the first beneficiary, as long as the Borrower owes money to the Bank pursuant to the Agreement and provide a copy of such insurance policy to the Bank; in the event that the Borrower fails to maintain such insurance, then the Bank shall have the right, at its sole discretion, to obtain insurance on such terms as it deems fit and the Bank shall have the right to claim the cost of such insurance from the Borrower.
  - f. Notify the Bank within seven (7) days of any loss or if the vehicle been stolen or damaged in any way.
  - g. Keep the Vehicle in good repair and condition and to undertake periodic maintenance.
  - h. Use of any money received in relation to an accident or other damage to the Vehicle or in relation to any insurance claim, to its repair or, in the event of its total loss, to pay the outstanding Repayment Amounts to the Bank.
  - i. Keep the registration of the Vehicle in his/her name and to not change the registration of the Vehicle.
  - j. Not to assign the Vehicle or transfer any interest in the Vehicle without the prior written acceptance of the Bank.
  - k. Not to move or transport the Vehicle outside Bahrain
  - l. To use the Vehicle only for its purpose; and
  - m. To inform the Bank within seven (7) days of any change in his/her address.
11. Prepayments: You may, upon giving the Bank written notice prepay the outstanding Repayment Amounts prior to their due dates of payment. The pre-payment shall be subject to additional Charges details of which can be obtained from the Bank. You should be aware that the proportion of the payment of an instalment applied towards principal as opposed to interest varies over the

term of the Agreement. As a consequence, any decision to effect early settlement may result in a high proportion of principal under the outstanding Repayment Amounts.

12. The Borrower is in default if:
  - a. The Loan is used for any purpose other than the purchase of the Vehicle; or
  - b. He/she does not pay in full any amount due under the Agreement on its due date of payment; or
  - c. He/she breaches any of the terms of the Agreement or Terms and Conditions relevant to the agreement, any security agreement or any other documentation regarding the Loan; or
  - d. If any security provided becomes invalid or if the Bank has received a notice that the pledge may become invalid or which may lead the bank to assume that the pledge might become invalid; or
  - e. He/she defaults or is unable to pay with respect to any of his/her loans or credit arrangements with any person or entity; or
  - f. He/she provides any information to the Bank that is incorrect or misleading; or
  - g. He/she become into bankruptcy or liquidation or dies; or
  - h. The Vehicle is damaged which can be considered to a total loss or otherwise becomes permanently inoperable; or
  - i. If there is any judicial attachment procedure or other seizing of the Vehicle or any of the Borrower's property is threatened; or
  - j. If the Bank has a reason to believe that the Borrower will be unable to fulfil his/her obligations under the Agreement.
13. If the Borrower is in default, the Bank shall have the right, without prior written notice to Borrower, to demand immediate payment of the outstanding Repayment Amounts whereupon:
  - a. The Borrower shall become obliged to immediately pay all the outstanding Repayment Amounts; accordingly the Borrower should immediately hand over the Vehicle to the Bank in a good condition to allow the Bank to sell it for proper price, and this clause shall be considered to be authorization by the Borrower for the Bank to take all reasonable steps to sell the Vehicle in auction through the Courts or any private auction companies.
  - b. The Bank shall have the right to attach the Vehicle, to sell it at the prevailing market price, and to setoff the sale price against amounts due from Borrower; in order to give effect to this right, the Borrower hereby appoints the Bank as the Borrower's attorney-in-fact with express authority to seize, transfer and sell the Vehicle at the cost and expense of the Borrower and demand any balance amount due under the Agreement after application of the sale proceeds of the Vehicle.
  - c. In the event any cheque/s issued by the Borrower in respect of Repayment Amounts are dishonoured; then the Bank shall have the right to file criminal case against the Borrower before the concerned police station.
14. Without prejudice to the other remedies of the Bank, the Borrower shall pay the Bank interest, fees, and charges in accordance with the Bank's Service and Price Guide for late payments, for replacement of cheques and for dishonoured cheques and be responsible for the costs relating to the repossession of the Vehicle.

15. The Bank's determination of the amount owing under the Loan shall be conclusive and binding on the Borrower. The Bank's books and records will be deemed conclusive evidence in respect to any such determination.
16. Without prejudice to any other rights and remedies which the Bank may possess, the Borrower will be liable and will indemnify the Bank against: (i) any loss or damage to the Vehicle howsoever arising; (ii) all loss, damage or expense (including any and all legal costs) incurred or sustained by the Bank as a result of any claim made or brought by any third party arising out of the use, state or condition of the Vehicle; (iii) all costs and expenses (including any and all legal costs) incurred or sustained by the Bank in enforcing the Agreement; (iv) and any and all such costs will be added to the total amount payable under the Agreement and will be subject to late payment charges in accordance with the Bank's Service and Price Guide.
17. Upon payment of all sums of money under the Agreement, the Bank shall, at the request of the Borrower, assist in the cancellation of the mortgage on the Vehicle.
18. The Borrower represents and warrants that:
  - a. The Vehicle has been examined by the Borrower and he/she is satisfied that it is in a good and proper condition and suitable for the purpose for which it is required;
  - b. No offer or proposal of any kind has been made by the Bank regarding the subject Vehicle;
  - c. The Borrower and the Guarantors shall be jointly and severally liable to pay the due amounts in accordance with the Agreement.
  - d. He/she authorizes the Bank and does hereby ratify the completion of any document signed in blank;
  - e. and
  - f. The Bank may at any time apply any credit balance to which the Borrower is entitled on any accounts with the Bank in satisfaction of the outstanding balance of the Loan. Further, any of the Borrower's accounts with any branch of the Bank shall be treated as one combined account.
  - g. He/she has never been adjudged bankrupt, no bankruptcy or insolvency proceedings are pending or are likely to be commenced against him/her or the guarantor and there are no pending cases filed in order to claim money.
19. The Borrower/Guarantor warrant that the information provided to the Bank is accurate and confirms that the Bank is authorized to make such enquiries as it deems appropriate to verify such information and to disclose such information and account performance information.
20. The guarantor acknowledges that his/her obligations stated in the Agreement cannot be cancelled or waived and he/she guarantees jointly to pay the loan amount and any other pledges subject to the Agreement.
21. The Borrower agrees that the Bank may obtain but will not be obliged to obtain on his/her behalf a life insurance cover on terms and conditions determined by the Bank at its sole discretion. The proceeds of such insurance will be paid to the Bank and shall solely be utilized for settlement of any sums owed to the Bank pursuant to the Loan.
22. The Borrower consents to the storage and processing of transactions relating to the Loan and/or to the outsourcing by the Bank of certain services relating to the Bank.
23. The Bank has the right, if the borrower is in default because of other bank transactions, to keep the mortgage on the vehicle valid till the Borrower settles all the due amounts.

24. The Borrower hereby consent to the Bank, its officers and agents disclosing information relating to the Customer's account(s) and/or dealing relationship(s) with the Bank, including but not limited to details of its facilities, any security taken, transactions undertaken and balances and positions with the Bank, to:
- a. The head office of the Bank, any of its subsidiaries or subsidiaries of its holding company, affiliates, representative and branch offices in any jurisdiction (the "Permitted Parties");
  - b. Professional advisers and service providers of the Permitted Parties who are under a duty of confidentiality to the Permitted Parties;
  - c. Any actual or potential participant or sub-participant in relation to any of the Bank's rights and/or obligations under any agreement between the Bank and the customers, or assignee, novatee or transferee (or any agent or adviser of any of the foregoing);
  - d. Any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to any Permitted Party;
  - e. Any credit bureau or such other authority having jurisdiction over the Bank
  - f. Any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority with jurisdiction over the "Permitted Parties".
25. The following general terms shall apply to the Agreement, and any security agreements or any other documentation executed by the Borrower or the Bank with respect to the Loan:
- a. Any notices or any documents to be given under the Terms and Conditions shall be in writing and shall be deemed to have been duly given if delivered by hand or sent by (i) registered post or courier service, (ii) telex, facsimile or any electronic media to a party at the address or telecommunication number designated from time to time by written notice to the other and in the case of joint Borrowers, to the first named Borrower.
  - b. All notices or documents shall be in the English language, and any notices or any documents shall be deemed to have been received by the addressee upon delivery by hand upon such delivery, three (3) business days following the date of dispatch of the notices or other documents by post or courier or simultaneously with the delivery of transmission if sent by telex or facsimile or any other electronic media;
  - c. No waiver of any right shall be effective against the other party unless it is given in writing;
  - d. Any reference to a "Borrower" herein shall constitute a reference to joint borrowers as well, all of whom shall remain jointly and severally liable hereunder;
  - e. The Borrower may not assign his/her rights or obligations under the Agreement without the prior written consent of the Bank;
  - f. The Agreement shall bind the successors-in-interest and assigns of the parties;
  - g. All payments by Borrower to the Bank under the Agreement shall be made net of any withholding taxes, fees, levies or other charges;
  - h. The invalidity of any provision of the Agreement, these Terms and Conditions and any security documents shall not affect the validity of the remaining provisions of such document;
  - i. The Bank shall have the right to set-off from any funds or assets of the Borrower in its possession or control, against any amounts owed by the Borrower to the Bank;

- j. The Bank shall have the right to vary the terms of the Agreement with thirty (30) days prior notice to the Borrower;
  - k. The Bank shall have the right to cross-sell other products to you;
  - l. The Agreement shall be governed by the laws of the Kingdom of Bahrain.
26. Kingdom of Bahrain courts shall have the jurisdiction over any execution procedures with respect to the attachment on the vehicle and its sale at public auction.
27. The Bank may at any time transfer, sell, participate in secondary debt markets, insure (with rights of subrogation) or assign all or any part of its rights, benefits and obligations under the Agreement and/or any Security Document by assigning to any other party all or any part of the Bank's rights and benefits under the Agreement and/or any Security Document without notice to you. You, on the other hand, may not transfer or assign any of your rights, benefits and obligations under the Agreement and/or any Security Document without the prior written consent of the Bank and any purported assignment without such consent shall be null and void.
28. The Borrower acknowledges that all the information provided in terms of the Agreement is true and correct and he/she understands it and by signing any document which forms part of the Agreement he/she has agreed upon all the terms and conditions aforementioned.
29. The Agreement shall be valid from the date of loan approval signed by the Bank.
30. The Bank shall be entitled (but not obliged) at any time and without notice to you to combine, consolidate or merge all or any of your accounts and liabilities with and to the Bank anywhere whether in or outside the Kingdom of Bahrain, whether singly or jointly with any other person, and may transfer or set off any sums to the credit of such accounts in or towards satisfaction of any of your liabilities (whether present or future, actual or contingent, primary or collateral) notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Bank is hereby authorised to effect any necessary conversions at the Bank's own rate of exchange then prevailing. The Bank shall not be liable for any damages and/or loss incurred by you due to the operation of this Clause.