

ADDITIONAL TERMS AND CONDITIONS

The following terms and conditions apply to the loan facilities granted by the Bank to its customers. The Loan facilities include business loans and personal loans. The additional terms and conditions therefore apply to the Credit, Collateral, Guarantee and Personal Loan Agreements (the "Contracts") executed between the Bank and its clients: Please read the following Terms and Conditions carefully.

By signing the Contracts, you acknowledge that you have read these Terms and Conditions and that you accept and will be bound by them, as they may be modified by AB Bank Zambia Limited (the Bank) from time to time. If you do not agree to the Terms and Conditions of use, you must not sign the Contracts.

PART A; BUSINESS LOANS

1. CREDIT AGREEMENT ADDITIONAL TERMS AND CONDITIONS

1.1 The Bank has the following rights and obligations in relation to the Credit Contract:

- i. Overdue instalments resulting from non-adherence by the Borrower(s) to the Payment Plan shall attract interest at a rate of 0.5% per day calculated on the portion of the instalment which comprises the repayment of the principal sum for each day it remains unpaid.
- ii. Any legal costs and expenses incurred by the Bank in recovering any amounts due under the Contracts resulting from failure by the Borrower(s) to comply with the payment plan and this Agreement shall be borne by the Borrower(s).
- iii. All costs, charges, and expenses incurred by the Bank arising from recovery activities due to non-payment of the loan will be borne by the Borrower/s.
- iv. Upon full repayment of the loan, the Bank will relinquish its interest on the properties and securities used as collateral. The Borrower will be responsible to effect the discharge with relevant authorities and shall bear any expenses arising from the process.
- v. In the event that the Borrower(s) makes a payment of his/her instalment in part or in whole to any person/member of staff other than the cashier at the cashbox or the designated official electronic channels, the Bank shall not be responsible for any loss suffered by the Borrower(s) resulting to non-remittance of the money collected and the Borrower(s) shall still be required by the Bank to fully settle the overdue instalment/ any unpaid portion of the loan.
- vi. Upon paying each instalment the Borrower(s) shall be issued with a receipt proving the deposit which they must keep safely as proof of the instalment until the entire amount due has been paid.
- vii. The Borrower(s) must not use the loan for a different purpose than here stipulated in this Agreement.

2. COLLATERAL CONTRACT ADDITIONAL TERMS AND CONDITIONS

2.2 Rights and obligations of the Owner of the Collateral

The Owner of the Collateral shall be obligated to:

- i. Deposit with the Bank to hold and retain all certificates or documents of title to the Collateral Assets (and any replacement collateral) to be held by the Bank until complete fulfillment of the Borrower's obligations under the Credit Agreement. Any certificates or documents of title not deposited with the Bank for any reason shall be held in trust for the Bank and kept safe and undeposited.
- ii. Ensure the safety and integrity of the Collateral Assets and protect them from damage and the possibility of claims from third parties and must not sell, assign discount, factor or otherwise dispose of any of the above listed Collateral Assets or attempt to do so without the prior written approval of the Bank.
- iii. Not pledge or permit to be pledged any Collateral Assets for any purpose without written consent of the Bank.
- iv. Immediately inform the Bank of any loss/damage to the collateral and replace it with other item(s) of the same value.
- v. Promptly inform the Bank of any matter or claim, notice or dispute relating to any Collateral Asset.

2.3 Rights and obligations of the Bank under the Collateral Agreement

The Bank has the following rights and obligations in relation to the Collateral Contract:

- i. The Bank has the unlimited right of access to the collateral throughout the duration of the Credit Agreement.
- ii. The Bank and its authorized representatives shall have the right to visit, at any time and without the need for prior notice, the business and household premises of the Borrower(s) in order to verify the existence and state of the collateral and the business. The Bank shall further have the right to enter the premises of the Owner of the Collateral to confiscate the collateral assets in the event the Borrower(s) fails to honor the terms of the Credit Agreement.
- iii. Further to the above, the Owner of the Collateral hereby consents to the Bank's entry on premises, possession,

- seizure, confiscation of the collateral assets and disposal of the same without a court order after expiry of the notice period (if any) provided under the confiscation protocol herein attached which forms an integral part of this contract.
- iv. In case of loss or damage of the collateral the Bank has the right to demand a replacement of the same value.
 - v. In the event that the Borrower fails to fulfill his/her obligations under the Credit Agreement, the Bank has the right to demand/collect/seize the collateral in order to keep it or sell the same to recover its exposure. The Bank hereby reserves the right to require that the Owner of the Collateral sells the collateral.
 - vi. As security for the repayment and the performance of each of the obligations, the Owners of the Collateral Assets hereby grant a floating charge to the Bank on all the Collateral Owner's interest in real property, including and without limitation, all fixtures, inventory, plant, equipment, machinery crops and improvements, both present and future wherever the same may be located.
 - vii. The Bank may, where the loan falls due and upon issuing ten (10) days' notice, have the right to act as Manager and Receiver of the Assets hereinbefore mentioned or appoint such receiver.
 - viii. The foregoing rights and powers shall be in addition to and not to the prejudice of any rights of the Bank under Zambian law.
 - ix. Notwithstanding the provisions under this agreement, in the event that the Borrower/s has/have provided and assigned to the Bank a Term Deposit Account under the Contracts as further/additional continuing security for the payment and discharge of their obligations under the Credit Agreement, the Bank has the right of Lien in favour of the Bank which shall be binding on the Borrower/s until full payment of the loan.

3. GUARANTOR AGREEMENT TERMS AND CONDITIONS

3.3 The Bank has the following rights and obligations in relation to the Collateral Contract:

- i. The Guarantor warrants that they have provided the Bank with complete and correct information regarding his/her financial situation and property.
- ii. Guarantor warrants to the Bank that s/he has not taken or received and undertakes not to take or receive the benefit of any security from the Borrower or any other person extending to liabilities under this guarantee. If any such security is taken or the Guarantor receives the benefit of the same, the Guarantor hereby agrees forthwith to hold the same in trust for the Bank as continuing security for the liability of the Guarantor to the Bank hereunder.
- iii. The guarantor signs the agreement on the premise that they are not involved in any legal proceedings which may adversely affect their financial situation.
- iv. The guarantee constitutes legal, valid and binding obligations on it in accordance with its terms.
- v. The Guarantor warrants to the Bank that the entry into and performance by the Guarantor of his/her obligations in terms of this guarantee and the transactions contemplated hereby do not:
 - (a) conflict with any law or regulation or any official or judicial order;
 - (b) conflict with any agreement or document to which the Guarantor is a party or which is binding upon the Guarantor or any of their assets; or
 - (c) result in the creation or imposition of (or enforceability of) any encumbrance on any of his/her assets or the provisions of any agreement or document;

4. ADDITIONAL TERMS AND CONDITIONS TO PERSONAL LOANS

- i. Any notice and other communications in connection with this Agreement shall be in writing and shall be deemed to have been properly served on the Bank if delivered by hand to the Bank at its registered office or to one of its branches, or delivered to the Borrower(s) at any address last known to the Bank, or upon receipt if sent by facsimile transmission.
- ii. Only the Bank may terminate this agreement as provided for in clause 7.4, otherwise this Agreement shall remain in force until complete fulfilment of the obligations of the Borrower(s) herein and shall only terminate thereafter.
- iii. No agreement varying, adding to, deleting from or cancelling this Agreement shall be effective unless reduced to writing and signed by or on behalf of both parties.
- iv. All rights and remedies under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.
- v. Any waiver or consent given by the Bank under the provisions of this Agreement shall be in writing. Any such waiver or consent may be given subject to any conditions the Bank deems fit and shall only be effective in the instance and for the purpose for which it is given.
- vi. In the event that any of the terms of this Agreement are found to be invalid, unlawful or unenforceable, such terms will be severable from and shall not affect the remaining terms, which will continue to be valid and enforceable.
- vii. The Borrower(s) hereby acknowledge and concede that the Bank's books and accounts shall be the sole evidence of the sum due or which the Borrower(s) is/are bound to pay in respect of the credit.
- viii. The Borrower(s) are hereby notified that the Bank may submit the applicant's data to a Credit Reference Agency (CRA), as well as a Debt Credit Agency (DCA) in the event of default.

- ix. Where the Borrower relocates from their residential premises last known to the Bank without notifying the Bank in writing, the Borrower expressly authorizes the Bank, in an event of default, to disclose the status of non-payment and to inquire into the new domicile/business premises of the Borrower from all references provided by the Borrower in any event requiring such action.
- x. This Agreement shall be governed by the Laws of Zambia and the exclusive jurisdiction of Zambian Courts
- xi. The Bank may at any time assign all or any of its rights under this Agreement to any person and no consent shall be required from the Borrower(s) to any such assignment.