



## Auto Lease Terms and Conditions

### 1. Promise of ownership:

[The first option: the lessor promises to transfer the ownership of the leased asset at the end of the contract to the Customer by way of sale by signing the certificate of transfer of ownership, provided that (A) the Customer shall pay all the due amounts under this contract. (B) Pay [the last payment] – [if any] [the second option: the lessor promises to transfer the ownership of the leased asset at the end of the period to the Customer by way of gift – by signing the certificate of transfer of ownership – after paying all the due amounts by the Customer under this contract <sup>10</sup>].

### 2. Ownership of the leased asset:

The lessor is the owner of the leased asset throughout the duration of the contract until the Customer has fulfilled all the due amounts. With the exception of what was stated in this contract of the cases of the Customer's entitlement to the value of the right to property and what was stated in Article (10) (promise of ownership), the Customer has no right or interest in the leased asset other than being its customer.

### 3. Lessor' delivery to the leased asset:

**12-1** The lessor shall be obliged to deliver the leased asset to the Customer or enable the Customer to the leased asset on the date of the leased asset's availability and at the place of delivery upon which they agreed, and in any case no more than (10) working days from the date of the leased asset's availability unless there is a reason beyond the lessor's will that prevents the delivery of the leased asset to the Customer or enabling the Customer from the leased asset at the said date.

**12-2** In the event that the period referred to in paragraph (12-1) above is exceeded for a reason beyond the control of the lessor that prevents him from handing over the leased asset to the Customer or enabling the Customer from the leased asset, then the lessor shall be granted a period of (10) additional working days to deliver the leased asset to the Customer or enabling the Customer from it. If the period has expired, the Customer shall make a choice between canceling the contract and recovering the full amounts that he paid (including the amount of the advance lease payment, administrative fees and so on) or giving the lessor a new specific period of time to deliver the leased asset.

**12.3** The lessor shall be obliged to issue the necessary authorizations in order to enable the Customer to use the leased asset unless the Customer is late in paying the due payments in accordance with (provisions of late payment) (which includes, but are not limited to, the authorization to use the leased asset, authorization to add another driver, authorization related to travel permission of the leased asset or reform' authorization and others) without any additional costs (excluding the additional government and insurance costs and expenses resulting therefrom).

### 4. Customer' receipt of the leased asset:

**13.1** Without prejudice to the provisions of Article (12) (lessor's delivery to the leased asset), the Customer shall be obliged to receive the leased asset on the date of the leased asset's availability or within ten (10) working days from the date of informing him, by the lessor, with the readiness of the leased asset to be received (in case the lessor delayed from the date of the availability of the leased asset). The Customer shall be obliged to pay the value of the specified lease payments even if he has not actually received the leased asset after the end of the period referred to in this article.

**13-2** Upon the receipt of the leased asset, the Customer shall be obliged to confirm his acceptance to the leased asset by signing the "certificate of acceptance of the leased asset", which is a definite proof



that the Customer receives the leased asset on the date of signing it and his acceptance of the leased asset.

**13-3** The Customer shall acknowledge his due diligence examination of the leased asset that is subject to this contract before signing (the certificate of acceptance of the leased asset) to ensure its validity and his acceptance to the leased asset in its current condition. He shall also acknowledge, after inspection and examination, that the leased asset and all its tools and equipment are completely valid and fit for the purpose for which it was rented.

**13-4** Subject to what is stated in Article (25) (maintenance of the leased asset) and Article (26) (total and partial loss of the leased asset), the signing of the Customer on (the acceptance certificate of the leased asset) does not affect on his right to claim the first owner of the asset from which the lessor purchased the leased asset or the agent to compensate him for the technical or structural defects apparent or hidden in the leased asset. The lessor shall be obliged to provide all the required documents and authorizations and the necessary support; so that the Customer can directly submit his claim to the first owner of the asset or to the agent.

**13-5** The declarations, guarantees, acts or actions of the agent or his representative shall not be binding to the lessor unless authorized, permitted or endorsed explicitly or implicitly by the lessor.

<sup>10</sup> the lessor has the right to submit another version to the Agency if he so desires.

## 5. Lease payment provisions:

**14.1** The Customer shall be obliged to pay the lessor the lease payments regularly, in accordance with appendix No (1) (schedule of lease payments) and without the need to submit a claim for payment by the lessor, provided that the lessor may, based on the Customer's authorization, deduct the amount of the relevant lease payment on the due date shown in appendix No (1) (schedule of lease payments). Deduction or reservation of the lease payment' value on a date before its due date shall be prohibited. The due date shall be determined in accordance with the date of depositing the monthly salary of the Customer in the account referred to in Article (4-10).

**14-2** Without prejudice to the provision of Article (14-1) above, the lessor shall remind the Customer with the approaching of the payment' date of the lease payment at least once before its due date in accordance with appendix No (1) (schedule of lease payments) five (5) days by text messages or other communication means in order to remind him to pay, in addition to a second reminder after the payment is due.

**14.3** If any amount is due on the Customer under this contract on a non-working day, the Customer may pay this amount on the working day immediately following it <sup>11</sup>.

**14.4** The lessor shall be prohibited from withholding or deducting end of service's entitlements of the Customer (if he is a Saudi national) unless there is a judicial ruling or decision.

**14-5** The lessor shall be prohibited from seizing the Customer's accounts or balances even temporarily and he shall be prohibited from not enabling the Customer to benefit from the amounts available in the accounts, without a judicial decision or ruling.

**14.6** In the event that the lessor fails to perform the deduction on the agreed date, he shall be obliged to add a similar period at the end of the financing period without calculating any term' costs or additional fees, with notifying the Customer with that through reliable means of communication.

## 6. Provisions of late payment:

**15.1** A Customer shall be deemed to be in breach of the contract if he fails to pay three consecutive payments or is late in the payment of five separate payments for a period of seven (7) working days or more for each payment from its due date.



**15-2** In the event that the Customer is seven (7) working days late for paying any due payment from its due date in whole or in part, then the lessor shall send the notice of the delay to the Customer (and to the sponsor, if any) stating the Customer's delay in payment, while notifying him with the necessity of the immediate payment.

**15.3** In the event that the Customer or (the sponsor) fails to pay the due payments according to the two paragraphs above, then the lessor has the right to consider the Customer as defaulting and to send him a notice of default.

**15.4** In the event that the Customer (or the sponsor, if any) does not correct the default during the period granted in the notice of default, then the lessor may consider this case as a violation of a transaction in accordance with Article (28) (breach and termination of the contract).

**15-5** In the event of submitting an objection from the Customer to the lessor on the claimed amounts, the lessor shall document this objection and record the complaint in accordance with the instructions of the Agency in this regard and inform the Customer with the expected period for handling the complaint, provided that the period shall not exceed the period stipulated in Article (36-3). In addition, he shall not communicate with the Customer to remind him with the existence of default or start any executive procedures against him regarding the amounts subject to the objection until his complaint is addressed. In the event that the Customer is not satisfied with the result of the complaint' addressing, the lessor shall provide him with the mechanism for escalation.

**15.6** The Customer shall communicate with the lessor to seek advice in the event of financial difficulties and in the event, he is unable to bear his obligations in accordance with the contract. The lessor shall discuss the options available to him in a manner commensurate with his financial situation in accordance with the relevant laws and regulations.

## 7. Provisions of early partial payment:

**16-1** Without prejudice to the provisions of Article (14) (lease payments provisions), the Customer may make early partial payment at any time in no less than two payments in accordance with appendix No (1) (schedule of lease payments) for once every twenty-four (24) months.

**16.2** In the event that the early partially paid payments reach (6) six payments or more, then the lessor may not charge the Customer the term' cost for these payments. The lessor may obtain compensation for the cost of the reinvestment, not to exceed the term' cost for the three months following the payment, calculated on the basis of the declining balance. In addition to what the lessor pays of expenses stipulated in the contract to a third party because of the finance contract in case the expenses are not recoverable, this for the period that was paid.

**16-3** The lease payments due on the Customer are deducted according to the payments paid early, while remaining the contract' period the same. The early partially paid payments are considered resulting to the subsequent payments for the last payment paid before the partial payment in accordance with appendix No (1) (schedule of lease payments).

## 8. Provisions of early ownership:

**17-1** Without prejudice to the provisions of Article (14) (lease payments provisions), the Customer may, at any time, submit an application for early ownership within a period not less than ten (10) days before the due date of the lease payment in accordance with the provisions of Article (35) (notifications).

**17.2** The lessor has the right to claim the Customer with the following amounts in order to enable him of the early ownership of the leased asset. These amounts will be referred to later as the "early ownership value":

- A. Due and unpaid lease payments.
- B. The remaining amount of the financing amount.



- C. The cost of reinvestment, not exceed the term' cost for the payments of the three months following the last lease payment that due before the Customer submitted the application for early ownership in accordance with appendix No (1) (schedule of lease payments).
- D. The non-refundable expenses that the lessor pays to a third party because of the contract <sup>12</sup>.

17-3 The Customer shall be obliged to pay the value of early ownership within seven (7) working days from the date of informing him of the due value of the early ownership. The lessor shall be obliged to sign the certificate of transfer of ownership within five (5) working days from the date of payment of the value of early ownership, issuing a clearance letter to the Customer and updating his credit registry in the credit information company within a period not exceeding seven (7) working days from the date of payment.

<sup>11</sup> In the event that the Customer authorizes the lessor to deduct directly from the account, the deduction may be made on a day other than a working day. This article also applies to cases in which the Customer pays the amount by himself and not by deduction.

## 9. Provisions and procedures of transfer ownership of the leased asset:

**18.1** The ownership of the leased asset shall be transferred from the lessor to the Customer by signing the lessor and Customer on the certificate of the transfer of ownership.

**18-2** The lessor signs the certificate of the transfer of ownership within five (5) working days following the Customer's fulfillment of all his obligations under the contract.

**18-3** The ownership of the leased asset shall be transferred in accordance with the certificate of transfer of ownership without any declarations or guarantees from the lessor regarding the quality, condition or suitability of the purpose of the leased asset. After signing the certificate of the transfer of ownership, the Customer shall not be entitled to any claims or rights towards the lessor regarding the condition of the leased asset.

**18-4** The lessor shall not be entitled to any right, interest or benefit in the leased asset after signing the certificate of the transfer of ownership.

**18-5** The Customer shall be obliged to compensate the lessor for any losses, costs or claims resulting from the Customer' use of the leased asset after signing the certificate of transfer of ownership and before formally transferring the ownership of the leased asset.

**18.6** The Customer, after signing the certificate of transfer of ownership from both parties, at his own expense, shall extract all approvals and pay the payments, government requirements and invoices to be paid in order to complete the transfer of the ownership.

**18-7** The lessor shall formally transfer the ownership of the leased asset to the Customer and take all the legal measures necessary to register the Customer's ownership within ten (10) working days from the date of signing the certificate of transfer of ownership unless there is a reason beyond his control prevents the transfer of the ownership of the leased asset formally during the period referred to.

## 10. Costs, expenses, fees and taxes:

**19.1** The Customer shall be responsible for paying all costs, expenses, fees, taxes and bills related to his use of the leased asset whether it is currently imposed or may be imposed in the future.

**19-2** The lessor has the right to claim the Customer with the actual cost of all costs and expenses that he incurs to third parties and relate to the Customer's use of the leased asset. It shall include any fees, taxes or costs arising from maintaining his rights under the contract' documents, provided that he shall provide all the documents proving that he incurred these costs and the expenses for the Customer.



**19.3** The Customer shall bear the actual cost of all costs and expenses, as well as fees and taxes, that the lessor bears to third parties and relate to the Customer's use of the leased asset or those arising from maintaining the lessor's rights under the contract' documents.

**19-4** As an exception to the above provisions, the lessor shall bear the costs, expenses, non-governmental fees and taxes for which the contract stipulated his responsibility or the law provides for the lessor to bear them.

**19-5** In the event that the Customer is not convinced with the non-governmental costs, expenses and fees required by the lessor, the Customer shall be entitled to file an objection to the lessor regarding these amounts. The lessor shall document this objection and register the complaint in accordance with the Agency' instructions in this regard and inform the Customer with the expected period for handling the complaint, provided that the period shall not exceed the period stipulated in Article (36-3), in addition not to communicate with the Customer to remind him with the existence of defaults or start any executive procedures against him regarding the amounts subject to objection until his complaint is addressed. In the event that the Customer is not satisfied with the result of the complaint' addressing, the lessor shall provide him with the mechanism for escalation.

**19-6** In the event that the Customer files an objection to the judicial authority with regard to costs and expenses and the lessor has been formally notified, the lessor shall not be entitled to take any other executive measures against him regarding these amounts in any way until the competent judicial authority decides on the dispute between them.

## **11. Customer' pledges and representations:**

The Customer shall undertake and acknowledge to the lessor with the following:

**20-1** Use of the leased asset: The Customer shall be obliged to follow the instructions of the lessor and the manufacturer of the leased asset and its recommendations regarding how to use and maintain the leased asset (operational maintenance). The Customer may use the leased asset for his own personal purposes or any other legitimate purposes, including the use of the asset for the purpose of providing transportation services through applications, subject to the compliance with the regulations, rules and legal procedures, provided that the Customer shall bear any additional expenses or additional insurance' costs in this regard. The lessor shall issue the necessary permits in order to enable the Customer to do so.

**20-2** Lack of misleading information: The information, documents or documentation provided by the Customer for the purpose of conducting any searches, investigations or evaluations in order to enter into the contract' documents are valid and not misleading.

**20-3** Compliance with obligations: The Customer' obligations contained in each lease document constitute valid obligations binding for the Customer and the Customer shall undertake to abide by them.

**20-4** Guarantees: The Customer shall promise to the continuity and enforcement of all the guarantees that he provided to the lessor in order to fulfill all his obligations in accordance with the contract. The Customer also shall undertake, in the event that he performs what is fundamentally impairing the value of the guarantees provided by him or that affects the lessor's rights resulting therefrom, to provide alternative guarantees that the lessor accepts, provided that he shall take into account the payments that the Customer paid until the time of the impairing of the guarantees' value.

<sup>12</sup> The insurance' cost (included in the rent) shall not exceed the value of the insurance' policy of the leased asset until the end of the relevant lease year, provided that the insurance coverage shall continue until the end of that year. In the event that the lessor is unable to cancel the coverage, he shall endorse it (or endorse the insurance' compensation) in favor of the Customer after the transfer of the ownership.





**20-5 Financial capacity:** The Customer shall acknowledge that his financial liability is free from any obligations or claims (not disclosed to the lessor upon his request) that may directly and substantially affect his ability to fulfill his financial obligations arising from this contract. He also shall acknowledge that the value of the rental payments commensurate with his monthly income and shall undertake to notify the lessor of any future change that may substantially affect his financial ability to fulfill his obligations in accordance with the contract.

**20-6 Insolvency:** The Customer shall acknowledge that he has not taken any action to declare his bankruptcy or insolvency, in addition to no systematic measures have been taken against him to declare his bankruptcy or insolvency.

**20-7 Notice of a potential breach:** The Customer shall be obliged to notify the lessor as soon as he becomes aware of any circumstances that may lead to a breach of this contract substantially or its cancellation, as well as the steps taken to correct the situation.

**20-8 Follow the applicable regulations:** The Customer shall be obliged not to use the leased asset in violation of the laws and regulations in effect in the Kingdom of Saudi Arabia or any other place in which the leased asset is used. He also shall declare that if he commits any violation of these rules and regulations, he alone shall bear all damages, losses, penalties and fines resulting from that.

**20-9 Approvals:** The Customer shall be obliged to obtain, on his own expense, all registration' procedures, licenses, permits and approvals necessary to use and maintain the leased asset.

**20-10 Previous declarations and pledges are valid throughout the duration of the contract and the Customer may not plea by being it limited to the time of signing the contract.**

## 12. Lessor' pledges and representations:

The lessor shall submit to the Customer the following pledges and declarations:

**21-1 Benefit of the leased asset:** The lessor shall be obliged not to interfere in the usual use of the Customer and his benefit from the leased asset during the duration of this contract, unless this interference is stipulated in the contract. The lessor shall also be obliged to notify the Customer, upon concluding this contract, with all that might hinder or delay the Customer from using the leased asset.

**21-2 The condition of the leased asset:** The lessor shall acknowledge that he has verified the validity of the ownership of the leased asset and that it is free from in-kind and personal obligations. He shall also admit to disclose all the apparent and hidden fundamental defects that are known to him and related to the leased asset to the Customer.

**21.3 Compliance with obligations:** The lessor's obligations contained in each lease document constitute valid obligations binding for the lessor and the lessor shall undertake to abide by them.

**21-4 Insolvency:** The lessor declares that he has not taken any action to declare his bankruptcy or insolvency, in addition to no systematic measures have been taken against him to declare his bankruptcy or insolvency.

**21-5 Justice, fairness and compliance with the regulations:** the lessor shall affirm his fair treatment, honesty and fairness with the Customer in all stages of the relationship between them and the fulfillment of the obligations under the financing laws and its executive regulations and other relevant instructions issued by the Agency (which includes for example the Financial Lease Law and its executive regulations and the Finance Companies' Control Law and its executive regulations or Banking Control Law (as the case may be) and the principles of protecting customers of finance companies or the principles of protecting bank customers (as the case may be). He shall also confirm his application of the best practices used to preserve Customer' rights and applicable laws and regulations related to collecting and executing on the Customer, in addition to obligate any of the contracting parties with this pledge and the clauses of this contract.



**21-6** Disclosure and transparency: The lessor shall affirm his commitment to the principles of disclosure and transparency contained in the relevant regulations. He shall also affirm his commitment of the clear information provided to the Customer, its abbreviation, ease of understanding it and its accuracy as required by the relevant regulations.

**21-7** Protection of the privacy of information: The lessor shall be obliged to protect the Customer's financial and personal information and to preserve his privacy and to use it only for the specific and professional purposes after taking the Customer's approval, except for what the Customer discloses to the competent government agencies or the authorized non-governmental agencies, to the extent necessary to fulfill his right according to the relevant regulations and controls.

**21-8** The previous declarations and pledges are valid throughout the duration of the contract and the Customer may not plea by being it limited to the time of signing the contract.

### 13. Inspection of the leased asset:

**22.1** The lessor (or his representative) may inspect the leased asset once during each year of the contract, during the usual working hours on working days, provided that the Customer shall be notified in writing with this inspection at least fifteen (15) days before the date of the inspection in accordance with Article (35) (notifications).

**22-2** The lessor may request to be provided with operational maintenance reports, periodic inspection reports and periodic maintenance reports of the leased asset in order to ascertain the condition of the leased asset in accordance with Article (35) (notifications). The Customer shall be obliged to provide the lessor with these reports upon request.

### 14. Amendment to the leased asset:

**23.1** The Customer may not make any substantial additions, improvements or modifications to the leased asset, without obtaining the prior written consent of the lessor.

**23-2** If the Customer makes any substantial additions, improvements or modifications to the leased asset without the prior written consent of the lessor, then in the event he does not want to own the leased asset at the expiry of the contract, he shall, at his own expense and upon the lessor's request, remove those modifications or additions and return the leased asset to its original condition or compensate the lessor for its removal and return the leased asset to its original condition.

**23-3** Any additions, changes or improvements are made to the leased asset by the Customer without the lessor's permission and he can only re-acquire it by causing substantial damage to the leased asset shall be part of the leased asset. Accordingly, it shall be owned by the lessor in the event that the Customer does not own the leased asset.

**23.4** The Customer shall be obliged to bear any costs, expenses, fees or fines that result from making any modification to the leased asset. The Customer shall be responsible for what results from its breach of these obligations. The lessor shall be entitled to ask the Customer to make the necessary corrections and amendments that guarantee the safety, value and systematic condition of the leased asset. The lessor shall be entitled to recourse against the Customer for the actual costs, expenses, fees and fines he incurred.

### 15. Insurance:<sup>13</sup>

**24-1** The lessor shall be obliged to make a comprehensive insurance on the leased asset for the duration of the contract.

**24-2** The lessor shall be obliged to insure the risks of death or disability of the Customer. The lessor may charge it to the Customer.



**24-3** The lessor shall deserve the insurance compensation due in the event of loss in accordance with Article (26) (total and partial loss of the leased asset) or in the event of the death of the Customer or his disability in accordance with Article (32) (Customer's death or disability).

**24-4** The comprehensive insurance on the leased asset shall be in accordance with the typical version of the comprehensive insurance' policy, on the finance lease vehicles for individuals, approved by the Agency upon its approval.

**24-5** The lessor shall be obliged to transfer the insurance to the Customer if he owns the leased asset.

## 16. Maintenance of the leased asset:

**25.1** The Customer shall be obliged to maintain and protect the leased asset in a reasonable manner that does not damage it.

**25-2** The Customer shall be responsible, throughout the duration of the contract, for carrying out the operational maintenance' services at his own expense (this includes conducting periodic checks and periodic maintenance to the leased asset). The lessor shall be entitled to recourse against the Customer and claim with compensation for any substantial damage to the leased asset resulting from the Customer's failure to undertake maintenance work if the contract does not be terminated by owning the Customer to the leased asset.

**25.3** Subject to what is stated in Article (25-2) above, the lessor shall be responsible, throughout the duration of the contract, for providing basic maintenance and repair work for the leased asset that did not arise from the Customer's use for the leased asset or a defect or flaw disclosed by the lessor, agent or the first owner of the leased asset. The lessor shall be obliged to provide accessible ways for the Customer in order to submit the applications of the basic maintenance. The basic maintenance work shall be treated as a partial loss. The provisions and periods mentioned in Article (26-2) (partial loss) shall be applied to it in case it affects the benefit of the leased asset.

## 17. Total and partial loss of the leased asset:

### 26-1 Total loss:

**26-1-1** The Customer shall be obliged to inform the lessor immediately and within a period not exceeding five (5) working days when damage to the leased asset prevents the use of it entirely (the date of the damage shall be referred to as the "**total loss' date**"). The contract shall be terminated immediately upon the evaluation of the competent authorities that the damage to the leased asset is a total loss (this date shall be referred to as the "**valuation' date**"). The Customer shall not be obliged to pay the lease payments subsequent to the date of the total loss.

**26-1-2** The lessor shall bear the loss resulting from the total loss of the leased asset if the total loss is due to a reason not due to an encroachment or negligence on the part of the Customer. The Customer shall provide all the necessary documents and support to enable the lessor to claim the insurance company with the insurance compensation, provided that the lessor shall issue the clearance letter to the Customer and updating his credit registry in the credit information company within a period not exceeding seven (7) working days from the date of evaluation.

**26-1-3** The Customer shall bear the losses resulting from the loss of the leased asset if the loss is due to an encroachment or negligence on his part. In this case the Customer's responsibility shall be limited to the amounts that were not covered by the insurance coverage and not exceeding the value of the leased asset upon the loss, provided that the lessor shall issue the clearance letter to the Customer and updating his credit registry in the credit information company within a period not exceeding seven (7) working days from the date of payment.

**26-1-4** The settlement between the lessor and the Customer shall take place, in the event of total loss, in accordance with the controls approved by the Agency in this regard.





**26-1-5** Deductible value: The Customer shall be obliged to pay the deductible value charged by the insurance company to the lessor (if any) in the event that the amount of the insurance compensation is insufficient to compensate the lessor for the value of the leased asset at the time of damage in accordance with Article (26-1-3) above, on the condition that the Customer caused damage according to the report of the competent authority.

**26-2 Partial loss:**

Partial damage cases are dealt with as follows: <sup>14</sup>

**26-2-1** The Customer shall be responsible for dealing with cases of loss that prevent the partial use of the leased asset and that resulted from his use (including traffic accidents), or in case of damage that the lessor disclosed to the Customer before the beginning of the contract. The lessor shall urgently grant the Customer all the necessary authorizations and the full procedural support to the Customer in order to enable him to claim the insurance company with the insurance compensation and repair the damage. In addition, the lessor shall give the Customer the full amount of the insurance compensation received if any. <sup>15</sup> This article shall be considered as an exception from the provisions of Articles (26-2-2) and (26-2-8).

**26-2-2** The lessor shall be responsible for dealing with cases of loss that prevent the partial use of the leased asset and that did not result from the Customer's use of the leased asset. The Customer shall inform the lessor immediately and within a period not exceeding five (5) working days upon occurring damage to the leased asset prevents the partial use of it. The Customer shall submit the application of repair to the agent in accordance with the factory warranty – if any – after granting all the necessary authorizations and permissions to him by the lessor or the Customer shall submit the application of repair to the lessor in case the factory warranty is not covered.

<sup>13</sup> The lessor shall ensure that the insurance coverage is valid, noting that he shall bear the resulting risks if he fails to renew it.

<sup>14</sup> The lessor shall include the appropriate period for him, taking into consideration what has been mentioned in Article (26-2-6).

<sup>15</sup> The lessor shall grant the Customer the full amount of compensation, regardless of the amount that the Customer paid in order to repair the asset.

**26-2-3** In the event that the Customer submits an application of repair to the agent, the Customer shall be obliged to notify the lessor with the agent's response to his application of repair and the expected periods to complete the repair. In addition, the Customer shall notify the lessor in the event that the agent is late for these periods or for the period referred to in Article (26-2-6).

**26-2-4** The lessor shall be obliged to find a specialized department to receive repair's applications that are not covered by the agent's guarantee and to respond to them or to follow up the status of the agent's repair of the leased asset. In the event that the Customer submits application of repair to the lessor, the lessor (or the maintenance company designated by him) shall be obliged to respond to the application within a period not exceeding five (5) working days from the date of receiving the repair' application (this period shall be referred to as the "**response' period**").

**26-2-5** The lessor (or the maintenance company designated by him) shall, within a period not exceeding five (5) working days from the response to the Customer or from the end of the response period – whichever comes first – (this period shall be referred to as the "**date determination' period**") fix a date to start repairing the leased asset (this date shall be referred to as the "**appointment**"), provided that that appointment shall not exceed a period of five (5) days starting from the end of the date of fixing the appointment, and that the repair' work shall be completed within a period not exceeding [...] days <sup>16</sup> from the appointment, unless for a reason beyond the capacity of the lessor or the maintenance company designated by him.



**26-2-6** In the event that the repair period exceeds a period of forty five (45) days, from the expiry of the response period or from the date of submitting the application of maintenance to the agent until the date of completion of the repair (this period shall be referred to as the "**repair period**"), the Customer may request termination of the contract and refund the value of the right to property unless the lessor (or his representative) or the agent returns the leased asset to its proper condition or replaces the leased asset with a similar alternative asset that is accepted by the Customer.

**26-2-7** During the repair period, the Customer may stop paying the lease payments (or deduct it from future lease payments in the event that he pays them) unless he is compensated with a temporary alternative asset that satisfies him within a period not exceeding five (5) working days from the end of the response period.

**26-2-8** In the event that the period of repair ends without returning the leased asset to the proper condition on which it was before the loss or replacing the asset with a similar alternative asset that satisfies the Customer. In the event that the Customer wants to complete the contract, the two parties may agree to continue the contract with a modification of the rent in a manner that is commensurate with the partial loss of the leased asset or with the difference between the value of the leased asset and the alternative asset.

**26-2-9** Deductible value: The Customer shall be obliged to pay the deductible value charged by the insurance company to the lessor (if any) in the event of asset' damage that prevents the partial use of it for a reason due to the Customer according to the report of the competent authority.

### **26-3 Accidents:**

Fire, theft and traffic accidents shall be dealt with according to what is decided by the competent authorities from time to time, according to the following conditions:

**26-3-1** The estimation of error and deduction rates in accidents shall be the responsibility of the competent official authorities or of the evaluation bodies approved by the official authorities.

**26-3-2** The Customer shall not be entitled to waive if the competent authorities prove that third parties bear a rate of error in the accident.

**26.3.3** The Customer shall obtain, as far as possible, the names and addresses of the persons involved in the accident, in addition to the names and addresses of witnesses at the site of the accident.

**26-3-4** The Customer shall be obliged not to leave the accident' site and the leased asset until the presence of the competent authorities, unless approved and clear methods are established for the documentation of the accident and the responsibilities of the parties responsible for it before the competent authorities attend to the accident' site (such as photographing or so on).

**26-3-5** The Customer shall undertake to abide by all other regulations specified by the insurance company in the insurance policy related to how to deal with accidents in the event of accidents' occurrence. The Customer shall undertake to bear all losses resulting from his failure to comply with these regulations.

**26-3-6** The accident shall be dealt with according to Article (26-1) in the event of damage that prevents the full use of the leased asset or according to Article (26-2) in the event of damage that prevents the partial use of the leased asset.

## **18. Assignment of contract:**

**18.1** The Customer may assign this contract or transfer any of its rights and obligations arising therefrom to any party after obtaining the lessor's written consent. In the event that the lessor agrees to the assignment, the Customer shall - as far as possible - document that consent in the contracts' registry within ten (10) working days at most from the date of consent. The lessor shall be obliged to consider the application of assignment without oppression, provided that the application of assignment shall be responded to within a period not exceeding ten (10) working days from the date of submitting the



application of assignment. The lessor's refusal, in case of the application of assignment is rejected, shall be on grounds.

**18.2** The lessor may assign this contract or any of its rights and obligations arising from it or transfer any of its rights and obligations arising from it to others in the secondary market by selling, securitization or others without the need to obtain approval from the Customer, provided that this shall be on condition of (A) It shall not cause damage to the Customer. (B) It shall be recorded in the contracts' registry. (C) The lessor shall not be exempted from his obligations under the contract. (D) The entity that receives the lease payments shall not be changed or no change in the provided guarantees shall result from it. (E) If the lessor sold the leased asset to others, the ownership of the asset shall be transferred with the rights and obligations stipulated in the contract.

**18.3** The Customer shall be obliged to provide the necessary procedural support in order to complete the operations referred to in Article (27-2) above in the event that all the conditions referred to are fulfilled, unless that requires what is beyond the scope of the customary accepted support.

<sup>16</sup> The lessor shall include the appropriate period for him.

## 19. Breach and termination of contract:

**19.1** The Customer shall be deemed to be in breach of his obligations under this contract in any of the following cases, each of which is referred to as a "**case of breach**":

**19-1-1** When the Customer or the sponsor fails to pay the due payments and correct the default during the period granted in the default' notice in accordance with Article (15) (provisions of late payment).

**19-1-2** When the Customer violates the terms and conditions contained in the contract' documents in a fundamental way and that breach is not corrected during the period stipulated in this contract or within thirty (30) days from the date the lessor notifies the Customer with this breach in the event that no other period is stipulated in this contract.

**19-1-3** When any pledges, representations or guarantees submitted under this contract are substantively incorrect.

**19-1-4** When the Customer declares his insolvency or bankruptcy or when appointing a liquidator, administrative or judicial custody, bankruptcy trustee or any similar official on all or some of the Customer's assets or business.

**19.2** When a breach occurs, the lessor may:

**19-2-1** Discuss the Customer and amend the contract' period or some of its clauses or payment dates or the amount of payments or other, if necessary, in order to give the Customer the opportunity to correct his situation in the event of the lessor's conviction of the Customer's ability to correct his situation and his seriousness in that, in accordance with the relevant legal regulations and rules.

**19-2-2** Or agree that the Customer shall submit the application of early ownership of the leased asset in accordance with Article (17) (provisions of early ownership).

**19-3** When a breach occurs and when the lessor and the Customer cannot agree on what is stated in Article (28-2) above, the lessor may:

**19-3-1** Fulfill his rights under any of the guarantee's documents in accordance with the established regulations.



**19-3-2** Or cancel the contract under a written notice and claim the Customer to return the leased asset. In the event that the Customer does not return the leased asset, the lessor shall be entitled to demand the recovery of the leased asset in accordance with the rules for receiving the movable assets issued by the resolution of the minister of justice No (1448) dated on (4/4/1440 AH) (as it is updated, modified, or replaced from time to time) and the rules issued by the Agency in this regard or by the competent judicial authority unless the parties agree, in writing after the failure' occurrence and contract' cancellation, upon the recovery of the leased asset and the disposal of the lessor in it without resorting to the competent authorities. The lessor shall not be entitled to compel the Customer to retrieve the leased asset in ways other than that.

**19.4** The lessor shall be entitled to, in case of the cancellation of the contract because of a breach, claim the Customer with the following <sup>17</sup>:

**19-4-1** Lease payments due and unpaid until the date of cancellation, in addition to the fines and penalties due on the leased asset during the period of the Customer's use of the leased asset.

**19-4-2** The cost of recovery the value of the leased asset for the use of the leased asset from the time of the cancellation of the contract until the time of recovery of the leased asset in accordance with the equation stated in Article (31) (Customer' delay in returning the leased asset).

**19.4.3** The value of repairing any substantial damage, to the leased asset, arising from the failure of the Customer to maintain the leased asset. <sup>18</sup>

**19-4-4** The value of the use of the leased asset from the time of the cancellation of the contract until the time of recovery of the leased asset in accordance with the equation stated in Article (31) (Customer' delay in returning the leased asset).

**19-4-5** The amount of early ownership from the price obtained from the sale of the leased asset in accordance with Article (28-5) and calculated from the date of recovery of the leased asset by the lessor.

**19-4-6** In the event that the price obtained from the sale of the leased asset is insufficient to pay the full amount of early ownership due to the lessor in accordance with Article (28-5-4), the Customer shall be obliged to compensate the lessor for the difference between the price obtained from the sale of the leased asset and the amount of early ownership due to the lessor.

**19.5** Without prejudice to the rules of the lessor's recovery of the movable assets in the finance lease contracts issued by the Agency, the lessor shall, upon recovery of the leased asset, sell it at the fair price of the leased asset according to an evaluation approved by the competent evaluation authorities. If this is not possible, he shall sell it at a price of at least 10% of the fair price.

**19.6** The Customer shall deserve the value of the right to property (as defined) after the cancellation of the contract due to a breach' case. <sup>19</sup>

## 20. Customer' withdrawal from the contract:

This contract is a contract binding on its parties and neither party shall be entitled to withdraw from the contract without the written consent of the other party or if the other party does not commit an act that justifies to him to withdraw from the contract in accordance with the terms and conditions of the contract. In the event that the Customer desires to withdraw from the contract and the lessor agrees in writing to this, the lessor shall be entitled to claim the Customer to fulfill all his obligations up to the date of cancellation. In addition, he shall be entitled to claim compensation for this withdrawal by applying the provisions of Articles (28-4) (28-5) (28-6).



## 21. Expiration of the contract without the Customer owning the leased asset:

The Customer shall undertake, upon the cancellation of the contract without owning the leased asset and without agreeing to extend the duration of the finance lease contract for a period to be agreed upon timely, to return the leased asset in a proper condition to the lessor and to pay the due amounts according to a delivery record signed by both parties.

<sup>17</sup> The lessor has the right not to claim some of the matters mentioned in this list if he does not want to.

<sup>18</sup> The lessor shall be obliged to repair the leased asset and perform the maintenance's work that he charged its value to the Customer in order to ensure that he gets the highest possible value of the leased asset when selling it. The lessor shall not default or go easy in obtaining a fair price for the leased asset when selling it.

<sup>19</sup> The right to property shall include the unamortized amount of the first payment plus the remaining of the sale amount of the leased asset, which exceeds the amount of early ownership.

## 22. Customer' delay in returning the leased asset and in completing ownership procedures:

In the event that the Customer delays in returning the leased asset after the cancellation of the contract without owning the leased asset and without agreeing to extend the duration of the finance lease contract, also in the case of delaying the Customer in completing the procedures of owning the leased asset, the lessor is entitled to require the Customer to compensate for each day of delay in returning the leased asset, the lessor has the right to claim the Customer to pay a compensation for each day of delay in returning the leased asset by paying the daily rent' value of the leased asset in accordance with this contract using the following equation: ((The value of the last due lease payment / Number of days of the month in which the contract was cancelled) \* Number of delay's days = The value of the rent.

## 23. Customer's death or disability:

### 23-1 The death of the Customer and his total disability:

**23-1-1** The Customer shall be exempted in the event of death or total disability in accordance with the rules and procedures of collection for individual customers issued by the Agency.

**23-1-2** The lessor shall be obliged to update the Customer's credit registry and transfer the ownership of the leased asset in accordance with the provisions of Article (18) <sup>20</sup>.

**23-1-3** In the event that the death or total disability is excluded from the exemption in accordance with the collection rules and procedures for individual customers issued by the Agency and the incapable beneficiary or his heirs, in the event of his death, does not wish to complete the contract or the parties have not reached an agreement to implement the provisions of Article (28-2), then this contract shall be terminated and dealing with this case according to what is stated in Articles (28-3) (28-4) (28-5) (28-6).

### 23.2 Customer' partial disability:

**23-2-1** The Customer's partial disability does not affect his obligations and rights in accordance with the contract unless this leads to his failure or delay in paying the payments. At his failure or delay in paying the payments, this case shall be addressed according to Article (15) (provisions of late payment), Article (24) (insurance) and Article (28) (breach and termination of contract).

**23-2-2** In the event that there is insurance coverage that guarantees the compensation of the lessor for no less than the value of early ownership, then the lessor shall sign the certificate of transfer of ownership and shall transfer the ownership of the leased asset to the incapable Customer.

## 24. Contract' amendment:

It is not permissible to amend any article of this contract.





## 25. Contract' registration:

The lessor shall be obliged to register this contract and the amendments made to it in the contracts' registry in accordance with the regulations in force within ten (10) working days from the date of the conclusion or amendment of this contract. In addition, he shall be obliged to record all actions affecting the contractual rights of both the lessor and the Customer in the registry.

## 26. Notifications:

**26-1** All notices sent from the lessor to the Customer shall be in writing. These notices may be sent to the national address indicated in the contact addresses or via text messages or email, or it shall be sent to an alternate address as the parties notify each other from time to time. Each party shall immediately notify the other of any changes to its contact addresses.

**26-2** Subject to what is stated in Article (35-3) below, it is assumed that the notices sent from the lessor are received and its content known by the addressee (the Customer or the sponsor), provided that these notices shall fulfill two of the communication methods shown below and two working days pass on the date of the last of them being sent:

**26-2-1** To be sent via text messages to the mobile phone indicated in the contact addresses.

**26-2-2** To be sent to the e-mail indicated in the contact addresses.

**26-2-3** To be sent in the form of letters to the national address indicated in the contact addresses.

**26-2-4** To be sent by means of judicial notices.

**26-3** With regard to notice of delay and notice of default, it is not assumed that it arrives nor assumed that the person to whom it was sent knows its content; except by fulfilling at least two methods of communication set forth in Article (35-2) above and two working days pass on the date of the last of them being sent and on condition that it shall be sent to the sponsor - if any.

**35.4** It is assumed that notices sent from the Customer or the sponsor received and its content known by the lessor immediately, provided that these notices shall be sent by one of the following methods:

**26-4-1** To be sent via the lessor's phone number indicated in the contact addresses.

**26-4-2** To be sent via lessor's e-mail indicated in the contact addresses.

**26-4-3** To be sent by going to the lessor's branch indicated in the contact addresses.

**26-4-4** To be sent via the judicial notices.

**26-5** An exception from the provisions of Article (35-4) above, if the e-mail is sent on a non-business day or after (17:00) o'clock of a working day, then it is assumed that it is received by the lessor and the lessor is aware of its contents on the next working day.

**26.6** The party that fails or neglects to notify the other party with the change of the addresses of his communication or one of them may not be excused for not being aware of the notice or not receiving it.

<sup>20</sup> The heirs or their representatives, upon the death of the Customer, shall act as the Customer in any obligation stipulated in Article (18) of the provisions and procedures of transfer ownership of the leased asset.