

## Risks related to the Auto Lease

S	Vehicle leasing risks	Action to avoid these risks
1	Personal Responsibility	<ul style="list-style-type: none"> <li>The lessee must choose the appropriate vehicle that he wishes to rent and then own it, which is compatible with his income and obligations.</li> <li>The lessee must disclose the correct basic expenses in the basic expenses statement form (according to the responsible financing policies) in order for the appropriate credit study to be carried out for financing by the bank.</li> <li>The lessee must disclose information (personal, current job and financial ability) correctly in the financing application form and update the data in the event of any change to his information with the bank such as the national address or job information and other data and that it is not misleading.</li> <li>The lessee must answer correctly all the questions in the finance application form.</li> <li>The tenant must submit the required documents and ensure their validity.</li> <li>Signing contracts for Lease vehicle financing and its accessories is the personal responsibility of the lessee, so the contracts must be carefully read and understood, and ensure the completeness and correctness of the data mentioned in the contract.</li> <li>The lessee shall receive a signed copy of the contract and its annexes, and keep it after the completion of the financing procedures.</li> <li>The lessee must read the undertakings and declarations that are binding and valid throughout the term of the contract (pg. 11)</li> </ul>
2	Late Payment and Default	<ul style="list-style-type: none"> <li>The lessee shall be obligated to pay regularly and not be late or default in payment so that his credit record is not affected and reflected negatively on him in the event he wishes to obtain one of the credit products.</li> <li>The lessee must communicate with the bank to request credit advice in case he encounters any difficulties in paying his obligations towards the bank in order to offer him the available options commensurate with his financial situation, with the bank retaining all its rights.</li> <li>The lessee must commit to pay regularly, and in the event of non-payment of three consecutive installments or delay in paying five separate installments for a period of (7) working days or more, the customer will be considered defaulting and the landlord will have the right to start taking legal procedures with the competent judicial authorities.</li> <li>In the event of the tenant defaulting, the lessor has the right to withhold or deduct end-of-service benefits only by a court ruling.</li> <li>In the event of default by the lessee, the lessor has the right to seize the accounts or balances of the lessee only by a court</li> </ul>
3	Death or Total Disability	<ul style="list-style-type: none"> <li>The lessee must answer correctly the health status declaration in the finance application form in order to obtain insurance coverage (exemption) in the event of death or total disability, God forbid.</li> <li>The lessee or his family must visit the bank in case of death or total disability, God forbid, with the required documents mentioned in the (insurance policy) to benefit from the insurance coverage within the time period specified by the insurance company.</li> </ul>

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4	Expenses that may be incurred by the Customer are non-refundable	<ul style="list-style-type: none"> <li>The lessee shall bear all costs, expenses, fees and bills related to his use of the leased asset.</li> <li>The lessee is responsible for any future taxes and fees.</li> <li>The lessee shall bear the costs of litigation in the event of his default and failure to pay, and the collection procedures have been exhausted with him and a court ruling has been issued against him.</li> <li>The fees for government procedures that are paid by the lessee are not entitled to ask the lessor to recover them after signing the receipt of the leased asset.</li> <li>The lessee shall be bound by the fines and violations due on the leased asset for the period of the lessee's use of it.</li> </ul>
5	Insurance	<ul style="list-style-type: none"> <li>The lessee shall avoid doing any act that affects the validity or effectiveness of the insurance coverage.</li> <li>The lessee must answer correctly the health status acknowledgment questions in the finance application form to be able to benefit from the insurance coverage.</li> <li>The lessee shall bear the bearing rate that the insurance company bears on the lessor, in the event that the amount of compensation is insufficient, if the lessee is the one who caused the damage.</li> <li>The lessee is not entitled to waive the percentage of error (in the event of accidents caused by third parties).</li> <li>The lessee must abide by the accident site and not leave it and wait for the arrival of the competent authority.</li> </ul>
6	Early Repayment	<ul style="list-style-type: none"> <li>The lessee must submit an early ownership application within a period not exceeding (10) working days before the date of the leasing payment, in order to avoid canceling the payment request.</li> <li>The customer must pay the value of the early ownership within (7) working days from the date of being notified of the amount of the early ownership.</li> </ul>
7	Guarantees	<ul style="list-style-type: none"> <li>The lessee shall maintain the continuity and validity of all the guarantees provided to the lessor and not do anything that cancels the value of the guarantees provided or affects the rights of the lessor arising therefrom.</li> </ul>
8	Maintenance	<ul style="list-style-type: none"> <li>Operational maintenance is the responsibility of the lessee, so he has an obligation to maintain the integrity of the leased asset.</li> <li>The lessor has the right to demand the lessee to compensate for any substantial damage caused to the leased asset as a result of the lessee's failure to perform maintenance works throughout the term of the contract.</li> </ul>

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9	Breach and Termination of Contract	<ul style="list-style-type: none"> <li>The lessee must avoid the cases in which the lessor has the right to terminate the financing contract and obliges the customer to pay the Lease payments due until the date of termination of the contract for any of the cases requiring termination, which are:</li> <li>Failure of the tenant to pay the due installments and failure to correct the default within the period agreed upon by the lessor</li> <li>The tenant's breach of the terms and conditions contained in the financing contract documents and failure to correct that.</li> <li>The lessee's breach of the validity of any information, pledges, declarations or guarantees that he provided under the financing contract.</li> <li>In the event of a breach of all of the above, the lessor has the right to fulfill his rights through any of the guarantees in the financing contract or termination of the contract and request the lessee to return the leased asset.</li> <li>The customer is obligated to the cost of recovering the value of the leased asset (from the termination of the contract to the restoration of the leased asset) according to this equation (the value of the last Lease payment / the number of days of the month in which the contract was rescinded x the number of days of delay = the value of the leased vehicle.</li> </ul>
10	Receipt of The Leased Asset	<ul style="list-style-type: none"> <li>The lessee must receive the leased asset before signing the certificate of acceptance of the leased asset.</li> <li>The lessee must inspect the leased asset before signing the certificate of acceptance of the leased asset, a complete and undisputed inspection.</li> <li>The lessee must receive the leased asset within a maximum period of (10) working days from the date the lessor informs the lessee of receipt in order to calculate the lease payments, whether the lessee has received or not.</li> <li>The lessee is obligated to return the leased asset to what it was before any modifications, if any, in the event that he does not wish to own the leased asset.</li> <li>The lessee shall inform the lessor within a period not exceeding (5) working days when damage occurs to the leased asset that prevents the use of it completely.</li> </ul>

In order to get more information and advices on the risks associated with the Auto Lease product, do not hesitate contacting Bank AlJazira : 8002449999 or via the following e-mail: [autolease@bankaljazeera.com](mailto:autolease@bankaljazeera.com)

Department of Awareness and Education – Customer Experience and Protection