
**STANDARD TERMS AND CONDITIONS FOR UNSECURED LOANS FOR
ZAMBIA NATIONAL BUILDING SOCIETY**

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Agreement: means these Standard Terms and Conditions

Business Day: means each day Monday through Friday (days inclusive), other than a day which is a statutory holiday in Zambia;

Borrower: means the person to whom monies have been advanced by the Society;

“Debt” means the total amount of all loans and any interest, fees and costs in respect of the loan which are owed by the Borrower to the Society from time to time and the total amounts including any interest, fees and costs which are owed by the Borrower to the Society in respect of any other clause, from time to time, including in respect of any indemnity given by the Borrower in favour of the Society in respect of the Borrower’s indebtedness under the loan agreement from time to time;

Loan: means any amount which the Society has lent or agreed to lend to the Borrower upon draw down under the loan agreement, on the terms and conditions set out in the loan agreement;

Society: means the Zambia National Building Society

1.2 Headings

The headings herein are inserted for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.3 Governing Law

This Agreement will be governed by, and construed in accordance with, the laws of Zambia.

2. LOAN ADVANCES

2.1 Loan Advances

The Loan will be advanced and applied in such a manner as specified by the Borrower on the loan application and as approved by the Society.

Unless the Borrower otherwise provides in writing to the Zambia National Building Society, all advances of the Loan may be deposited in an account which the borrower holds with the Society.

Initial: Customer

Witness

Date

The Zambia National Building Society may deduct from the Loan or may charge to the Account the following, as applicable: the legal fees, appraisal fees, interest adjustment, prepayment penalties, and Other Amounts.

2.2 Conditions Precedent to Advance

The obligation of the Zambia National Building Society to advance the Loan is subject to the fulfilment of the following conditions to the satisfaction of the Zambia National Building Society:

- i). Acceptance of the offer by signing the facility letter, terms and conditions, and statement of fees (BOZ annex).
- ii). Satisfying any specified approval condition

3. CREDIT REFERENCE BUERUA AND NOTIFICATION OF ADVERSE ACTION

The borrower hereby gives his/her irrevocable consent to Zambia National Building Society to collect, receive, compile and retain his/her personal information and all such information relating to his/her credit worthiness or history and to submit all or any such information to the registered Credit Reporting Agency in Zambia.

In the event that Zambia National Building Society takes any adverse action against the borrower on the basis of a credit report obtained from a Credit Reporting Agency, he/she shall be notified within 60 days of taking such action.

Further, should the borrower's account be in default, Zambia National Building Society shall give to him/her within 30 days from the date of default a written reminder stating that unless the amount in default is fully repaid before the expiry of 60 days from the date of the default, the person shall be liable to have his/her account data retained by the Credit Reporting Agency in Zambia until the expiry of 7 years from the date of final settlement of the amount in default or 7 years from the date of the person's discharge from bankruptcy.

4. POSITIVE COVENANTS

The Borrower covenants with the Zambia National Building Society as follows:

- (a) Repayment of loan

To repay the loan whether of the principal amount, interest, fees, costs, charges or otherwise, in accordance with the loan agreement and without set off. The Society reserves the right to transfer to your account any amount from any other account which you hold in all cases of default.

- (c) Insurance

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The Society requires all loans to have adequate loan protection cover. The Society will effect the cover in order to secure the loan in event of your death or permanent disability, until such time as the loan is settled in full.

(d) Interest

Consent to pay interest calculated on the basis of a 365-days per year for the loan denominated in Kwacha. The Society reserves the right to vary the rate of interest payable on a loan in line with market conditions or if in our opinion the conduct on your account increases our risk regarding the debt, provided that this amended rate does not exceed the legal maximum permissible rate, where applicable. If we elect to do so, written advice of the amendment and its effective date will be sent to you in compliance with the law.

(e) Maintain a Savings/Salary Account

The Borrower undertakes to maintain a savings/salary account with the Society into which your monthly salary will be deposited and irrevocably authorise the Society to debit the account with the monthly instalments referred to in the repayment schedule as may be amended from time to time and in the loan agreement together with any monthly bank fees and charges incidental thereto. Such instructions will remain standing for the term of the loan until the Society authorises cancellation.

(e) Costs Caused By Default

If the Borrower defaults in any covenant to be performed by him/her hereunder, the Society may perform any covenant of the Borrower capable of being performed by the Society, and if the Society is put to any costs, charges, expenses or outlays to perform any such covenant, the Borrower will indemnify the Society for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays incurred by it.

(d) Court Costs

In any judicial proceedings taken to enforce this Agreement and the covenants of the Borrower hereunder or to enforce or redeem the Securities or to foreclose the interest of the Borrower in any property subject thereto, the Society will be entitled to costs.

5. NEGATIVE COVENANTS

The Borrower covenants with the Zambia National Building Society that the Borrower will not, without the consent in writing of the Society first had and obtained:

(a) Contra Payment Instructions

During the term of this loan, the borrower undertakes not to issue any contra payment instructions without our prior written consent of the Society.

(b) False Information

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Witness

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Deliberately give any false representation or warranty made in connection with your loan or any documents supplied by you.

6. GENERAL TERMS

(a) Recalling of Account

If a default occurs then, the full amount of your loan and any other facilities accorded to you by us, then outstanding, and all charges accrued thereon, together with additional interest as defined under this loan and these attached general terms and conditions will immediately become due and payable.

(b) Set-off and Realisation

In the event of default, the Society may at any time without further notice to you, and notwithstanding any settlement of amounts or other matter whatsoever, consolidate or combine all or any of your existing accounts with us, including those held in our name or yours alone, or jointly with others wherever situated (whether current, deposit, loan or any other accounts of any nature whatsoever whether subject to notice or not) and set off or transfer any sum standing to the credit of any one or more accounts in or toward satisfaction of any obligations or indebtedness to us, whether those liabilities be present, future, actual, contingent, security, joint or several. You waive any rights of set off that you may have, so far as is permitted by law.

(c) Variation

The Society may, at our discretion, vary any of the terms and conditions from time to time on written notice to you. No such variation and no agreement inconsistent therewith will be of any force or effect unless it is recorded in writing and signed by both you and us.

(d) Force Majeure (Events Beyond Our Control)

The Society will not be liable for any failure to perform our obligations herein caused by reasons beyond its control or resulting directly or indirectly from the action or inaction of the government, any government authority, riot, strike, boycott, blockade, act of God, revolution, civil strike, change in legislation or extreme change in market conditions.

(e) Assignment

You will not be entitled to assign all or any part of your rights, obligations or benefits hereunder without our prior written consent, which will not be unreasonably withheld.

(f) Address and Notices

The postal address you supply on your application form for an account will be regarded as your chosen address where notices may be given and documents in legal proceedings may be served.

Initial: Customer

Witness

Date

You must notify the Bank in writing or e-mail immediately if your chosen address changes/has changed.

The Society will use, for all purposes in connection with the banking products, the address provided in the application form (unless communicated to in writing). The Society shall change address within reasonable time after it receives written notification from you.

Any notice or communication requiring to be served on you may be served on you by any of the Society's officers personally by hand delivery, by electronic mail, post or by advertisement in a newspaper with national circulation published in the Republic of Zambia.

(g) Statements

The Society will provide you with a statement of account periodically and in the frequency and medium selected by you during your application for the loan. The statement will show your outstanding balance and, where applicable, the minimum repayment owing to us and the date by which it is to be made.

(h) Tenure of loan

The tenure of the loan shall be as indicated in the facility letter. However, the Society reserves the right to extend the tenure of the loan until full repayment.

7. DEFAULT

7.1 The Borrower shall be deemed to be in default on the happening of the, but not limited to the following:

(a) Payment of Dues

The Borrower fails to pay the Loan or any of the fee, charges or costs in the manner herein contained, or any other amount due hereunder remains unpaid for the period of 15 days from the date on which it becomes due.

(b) Dishonour of any payment mechanism.

If the agreed repayment is not made through the agreed payment mode on the date thereof.

8. TERMINATION

Termination of Agreement

This Agreement will continue in full force and effect until the outstanding balance of Term Loan (including principal, interest and all Other Amounts) has been paid in full.

Initial: Customer

Witness

Date

The borrower hereby consent to the said terms and conditions:

Borrower's Names:**Signature:** **Date:**.../.../.....

WITNESS:

Society Staff:**Signature:**..... **Date:**.../...../.....

Initial: Customer

Witness

Date