

## *Mashreq Al Islami Credit Card Terms and Conditions*

### *Cardholder Agreement ('Agreement')*

Mashreq Al Islami Credit Card is based on the Tawarruq in compliance with and as approved by the Internal Shariah Supervision Committee (ISSC).

The issuance and use of Islamic Credit Card from Mashreq shall be governed by the Shari'ah Supervisory Board of Mashreq Al Islami, Islamic Banking Division of Mashreq Bank psc ('SSB'), it is subject to the following terms and conditions and the Additional Terms and Conditions applicable across all Islamic products:

#### *1. Definitions and Interpretations*

- 1.1. Save as otherwise required by the context, the following terms shall have the meaning assigned to them below:

'Additional Component' mean an amount added to the Murabahah Profit Amount to recover any costs or expenses incurred by the Cardholder in relation to the Credit Card.

'ATM' means the Automated Teller Machine.

'Bank' or 'Mashreq' means Mashreq Al Islami, the Islamic 'Banking Division of Mashreqbank psc, and its successors and assignees.

'Billed Profit' has the meaning ascribed to it in Clause 11.5.

'Billing Cycle' means the time period between the dates of issuing two consecutive 'Statements of Account'.

'Card' means the new, renewed or replaced Mashreq Al Islami Credit Card issued by the 'Bank'.

'Card Account' means the account opened by the 'Bank' in the name of the Principal Cardholder for the purpose of debiting all Card Transactions generated as a result of using the 'Card', together with fees and any other charges, as well as crediting refunds due, as made by the 'Cardholder', principal and/or supplementary.

'Card Transaction' means the purchase of goods, services, receipt of benefits, reservation, and/or receipt of a Cash Advance made by the 'Cardholder' against and by the use of the 'Card', the card number, and/or the 'PIN' including mail, telephone, and/or facsimile orders.

'Cardholder/Customer' means the person for whose use and in whose name the Bank, issues a 'Card', including the 'Principal Cardholder' and/or the Supplementary.

'Cash Advance' means cash provided by the 'Bank' to the 'Cardholder' against the 'Card', usage, either through an electronic device or in a face-to-face transaction.

'Cash Advance Fee' means the fee charged to the 'Card Account' by the 'Bank' as a result of the Cardholder obtaining a 'Cash Advance'. The fixed service fee is charged at the time of each Cash Advance and is independent of the Cash Advance.

'Credit Limit' means the maximum line of credit, permitted by the 'Bank' to a 'Card' Account which is not to be exceeded and can be accessed by the 'Principal Cardholder' as well as the Supplementary 'Cardholder' through using the 'Card'.

'Grace Period' means the time period between the Statement Date and the Payment Due Date.

'Late Payment Fee' means the fee charged to the 'Card Account' when payment is not received, recorded and posted to the 'Card Account', or received and recorded and posted to the 'Card Account' after the Payment Due Date and/or if the payment is less than the amount of the Minimum Payment Due. The Late Payment Fee will be transferred to an Islamic charity fund, maintained by the 'Bank' and a portion of it will be retained as administrative charges.

'Maturity' means the period, ending on the 120<sup>th</sup> month from the month of card issuance, for which Murabahah Profit Amount has been agreed.

'Merchant' means any, but not limited to, person, shop, company, establishment, organization, or online entity which accepts the 'Card' or the Card number as a method of payment for the goods, benefits, reservations, or services offered by it which are compliant with Shari'ah.

'Minimum Payment Due' means the minimum payment amount specified in the 'Statement of Account', required to be paid by the 'Principal Cardholder' on/or before the Payment Due Date in order to keep the 'Card Account' active. The Minimum Payment Due is computed by the Bank as a fraction of the Utilization Amount at a percentage notified to the Cardholder from time to time. Any Past Due Amount from the previous Billing Cycle will be included in addition to any amount over the Credit Limit and any fees stated in the Card Schedule of Charges.

'Murabahah' means a cost-plus profit sale, whereby the profit margin is known by the customer.

'Murabahah Cost' mean the amount equal to twice of the approved Card Limit. The Bank will communicate the Murabahah Cost through the offer sent to the Cardholder on the registered email address.

'Murabahah Profit Amount' mean an amount of profit agreed between the Bank and the Cardholder. The Murabahah Profit will be arrived at as:  $(A \times B \times C) + D$ , where;

A is the Murabahah Cost;

B is the Murabahah Profit Rate per month;

C is the tenure in number of months which will be 120 months unless otherwise communicated; and

D is the Additional Component.

'Murabahah Profit Rate' mean the Tawarruq Profit Rate multiplied by two.

'New Balance' means total balance due for payment by the 'Principal Cardholder' to the 'Bank' based on the 'Bank's' records on the date of issuing the 'Statement of Account'. It may include 'Previous Balance', from previous 'Billing Cycles', as well as new balances which may comprise 'New Cash Advance' and/or 'New Retail Purchase'.

'New Cash Advance' means cash provided by the 'Bank' to the 'Cardholder' during the current Billing Cycle.

'New Retail Purchase' means the balance generated from using the 'Card' for the purchase of goods, services, and receipt of benefits, or reservations during the current Billing Cycle.

'Over limit Fee' means the fee charged to the 'Card Account' if the 'New Balance' exceeds the 'Credit Limit' at any time during the month.

'Past Due Amount' means the 'Minimum Payment' of the 'Previous Balance' which was due for payment at the previous 'Billing Cycle' and is unpaid and still due.

'Payment Due Date' means the date specified in the 'Statement of Account' by which date the 'Minimum Payment Due', full payment, or a part of the 'New Balance' greater than the 'Minimum Payment Due', is to be made by the 'Cardholder' to the 'Bank'. If the 'Payment Due Date' is a public holiday, then the last business day before the public holiday will be considered as the 'Payment Due Date'. The payment must be received/recorded and posted to the 'Card' Account on/or before the 'Payment Due Date'.

'PIN' means the Personal Identification Number provided by the 'Bank' to the 'Cardholder' for use with the 'Card' where and when required.

'Posting Date' means the date specified in the Statement of Account on which date the 'Card' Transaction was received by the 'Bank' from the location at which the 'Card' was used and posted to the 'Card Account'.

'Previous Balance' means the total outstanding balance due for payment carried from the previous 'Billing Cycle' which may consist of 'Retail Purchase', 'Cash Advance', 'Other Charges' and/or fees.

‘Principal Cardholder’ means the person who applies to the ‘Bank’ for issuing one ‘Card’ or more, and in whose name the ‘Card Account’ was first opened and maintained. Under this ‘Agreement’, the ‘Principal Cardholder’ is liable to pay to the ‘Bank’ all the amounts debited to the ‘Card Account’, even if generated by the Supplementary ‘Cardholder’.

‘Retail Purchase’ means any purchase of goods, services, receipt of benefits, or reservations made against the ‘Card’.

‘Rewards’ means any additional incentives given by the ‘Bank’ in the form of promotional products, points, coupons or discounts.

‘Revolvers’ means ‘Cardholders’ who make the ‘Minimum Payment’ specified in the ‘Statement of Account’.

‘Mashreq Al Islami Credit Card’ means the Master Card/Visa Credit Card issued pursuant to and governed by the terms and conditions herein in compliance with the principles of Shari’ah.

‘Statement Date’ means the date specified in the Statement of Account on which the statement is generated and printed at the end of each Billing Cycle.

‘Statement of Account’ means the monthly statement sent by ordinary mail or email to the ‘Principal Cardholder’ showing the details of the ‘Card’ Transactions made by the ‘Principal Cardholder and/or the Supplementary Cardholder, during the previous Billing Cycle and the payment due by the ‘Cardholder’ to the ‘Bank’.

‘Supplementary/Teenage Cardholder’ means the person nominated by the ‘Principal Cardholder’ to use the ‘Card’ Account’ and in whose name the ‘Bank’ issues a supplementary Card.

‘Tawarruq’ means the transaction whereby ‘Customer’ buys an easily saleable asset at a marked-up price, to be paid at a later date, and quickly sells the asset to raise the cash.

‘Tawarruq Profit Rate’ means the applicable markup rate that is published from time to time by the Bank for the retail purchase transactions and posted to the ‘Card Account’ for the month, when the full payment is not received, recorded, and posted to the ‘Card Account’ within the payment due date, or received, recorded, and posted to the ‘Card Account’ after the payment due date.

‘Tawarruq Cash Rate’ means the applicable ‘markup rate’ that is published from time to time by the ‘Bank’ for the Cash Advance transactions and posted to the ‘Card Account’ for the month, when the full payment is not received, recorded, and posted to the ‘Card Account’ within the ‘Payment Due Date’ or received, recorded, and posted to the Card Account after the ‘Payment Due Date’.

‘Total Sale Value’ means the total amount owed by the Cardholder to the Bank pursuant to the Tawarruq transaction.

‘Transaction Date’ means the date specified in the ‘Statement of Account’ on which the transaction took place.

‘Utilization Amount’ means the amount that the Cardholder has utilized out of the Credit Limit. This includes purchase transactions, cash withdrawals, balance transfers and cash advance transactions.

- 1.2. Words importing only the singular number shall also include the plural number.
- 1.3. Words importing the masculine gender shall include the feminine.
- 1.4. Words importing a person shall include a sole proprietor, individual partnership firm, company, corporation and/or other legal entity.
- 1.5. The headings to the terms and conditions herein shall not be taken into consideration in the interpretation or construction of this ‘Agreement’.

## 2. Issuance of the 'Card'

- 2.1. The 'Bank' shall have the right to examine and review the credit standing of an applicant of a Card, at any time the 'Bank' deems fit without reference to the applicant or assigning any reason whatsoever. The applicant acknowledges and agrees that the credit examination and/or review necessary for the processing of the 'Card' application may require the 'Bank' to disclose the applicant's address, salary, any professional and/or financial information to any other party. As a precondition for approving any application for the issuance of a 'Card', the 'Bank' may, in its sole discretion and determination, require the applicant to issue a cheque and/or pledge and/or assign a cash deposit in favour of the 'Bank' as security against the issuance of the 'Card' in an amount determined by the 'Bank'. The 'Bank' shall maintain this security as long as the 'Card' is valid and there is any unpaid 'New Balance'. If the 'New Balance' is fully settled the 'Bank' shall continue to maintain this security for a period not less than forty-five (45) days from the date of cancelling the 'Card'.
- 2.2. If the 'Bank' holds any security as collateral for the issuance of the 'Card', the 'Bank' reserves the right to retain such security for a minimum period of forty five days following the 'Card' cancellation and return to the 'Bank', whether such cancellation is determined by the 'Bank' or at the request of the 'Cardholder', provided that the New Balance is fully settled.
- 2.3. The 'Card' shall be valid for the period specified on the 'Card' and the 'Cardholder' is eligible to use the 'Card' only during such period.
- 2.4. On the first 'Statement of Account' after issuance, renewal, or replacement of the 'Card', the 'Bank' shall, at its sole discretion and determination, charge the 'Cardholder' and debit the 'Card Account' by the annual membership fee for the issuance of the 'Card', renewal fee for the renewal of the 'Card', or replacement fee for the replacement of the 'Card' and any other fees and charges determined by the 'Bank'.
- 2.5. In case the 'Card' is terminated or cancelled for any reason whatsoever, the 'Bank' shall not be obliged to refund any paid or charged fees / profit or annual membership fee.
- 2.6. The 'Card' shall at all times remain the property of the 'Bank' and should be returned by the 'Cardholder' to the 'Bank' upon the first request of the 'Bank' or its duly authorised agent. Without giving prior notice to the 'Cardholder', the 'Bank' may, at its sole discretion and determination, and without assigning any reason whatsoever cancel, suspend, refuse to reissue, renew or replace the 'Card'.
- 2.7. The 'Card' shall be non-transferable, non-pledge able and usable only by the person whose name is embossed/printed on the face of the 'Card' and whose signature appears on the reverse of the 'Card'.
- 2.8. The 'Cardholder' is fully aware that the issuance of the 'Card' constitutes a financing relationship with the 'Bank' and the 'Cardholder' has the ability to repay on the relevant 'Payment Due Date' all the amounts arising from the use of the 'Card'.
- 2.9. The 'Bank' reserves the right to change the designs of the 'Cards' at any time without prior notice.
- 2.10. The "Bank" shall have the right to decline the credit card application without assigning any reason and in such case the application and its supporting documents including Salary Certificate, Pay slip or Bank statements submitted to the Bank will become part of the Bank's records and will not be returned to the Customer.

## 3. Receipt and usage of the 'Card'

- 3.1. The 'Cardholder' may collect the 'Card' in person at any of the 'Bank's' branches or the 'Bank's' units through which he/she applied, or the 'Card' may be sent by post/courier, at the 'Cardholder's' risk, to the address mentioned on the 'Card' issuance application, or to the address made available to the 'Bank' by the 'Cardholder' in writing or through telephone.
- 3.2. The 'Cardholder' shall immediately sign the 'Card' upon receipt and exercise due diligence and care to keep the 'Card' in safe custody against loss, theft, misuse, misplacement or any other risk.

- 3.3. The 'Bank' assumes that the 'Cardholder's' signature acknowledging receipt of the 'Card' and/or first use of the 'Card' constitute binding and conclusive evidence that the 'Cardholder' has read, understood, accepted, agreed with, and is bound by the terms and conditions of this Agreement. Additionally, acknowledgement of the 'Card' and/or first use of the 'Card' implies that the 'Cardholder' is liable for payment of the annual membership fee.
- 3.4. The 'Bank' shall send by mail to the 'Cardholder', at the sole risk of the 'Cardholder', a 'PIN' for each 'Card' delivered to the 'Cardholder' for use in ATM's or other secure 'PIN' entry equipped electronic devices. The 'Cardholder' is under an obligation to exercise due diligence and care to prevent the disclosure of the related 'PIN' to any other person. The 'Cardholder' must destroy the 'PIN' printed record immediately upon receipt. The 'Cardholder' must ensure that any record of the 'PIN' must be unidentifiable and kept entirely separate and distinguishable from the 'Card'.
- 3.5. The 'Cardholder' may use the total Credit Limit provided by the 'Bank' for the purchase of goods/services. The amount of Cash Advance available against the 'Card' shall be a portion of the Credit Limit as determined by the 'Bank', at its sole and absolute discretion, from time to time.
- 3.6. The 'Cardholder' may obtain Cash Advances by any of the following methods:
  - 3.6.1. Presenting the 'Card' at any branch or unit of the 'Bank';
  - 3.6.2. At any member institution of Visa/MasterCard International together with positive internationally recognised evidence of identity
  - 3.6.3. By using the 'Card' at any 'ATM' of the 'Bank'; or
  - 3.6.4. By using the 'Card' at an 'ATM' of any other member 'Bank' of MasterCard'/Visa International and/or other franchises, or member institutions.
- 3.7. Based on the prevailing rates charged by the 'Bank', a 'Cash Advance' obtained by any of the methods sets out in Clause 3.6 will be subject to a 'Cash Advance Fee' and Tawarruq Cash Rate which will become applicable if the 'Cash Advance' is not settled in full on or before the Payment Due Date and may vary from time to time at the sole discretion and determination of the 'Bank'. The 'Cardholder' will be notified of the change prior to the implementation of any variation to the Cash Advance Service Fee and Tawarruq Cash Rate.
- 3.8. Any Cash Advance may be subject to a daily limit which the 'Cardholder' may not exceed, even if the portion of the Credit Limit available for a Cash Advance as mentioned in Clause 3.5 above is not fully utilised by the 'Cardholder'.
- 3.9. The 'Bank' may, at any time after issuing and delivering the 'Card', demand that the 'Cardholder' issue and deposit a cheque in favor of the 'Bank' as security for any amounts owed by the 'Cardholder' to the 'Bank' that may become overdue. The 'Cardholder' hereby authorises the 'Bank' to present the cheque for payment against any amount overdue to the 'Bank'. If the 'Cardholder' refuses to provide such a cheque to the 'Bank', the 'Bank' shall have the right to cancel the 'Card' and suspend the 'Card Account'.
- 3.10. All fees and charges paid by the 'Cardholder' to the 'Bank' shall remain non-refundable even if the relationship between the 'Bank' and the 'Cardholder' is terminated. In case amounts are billed but not paid, the 'Cardholder's' liability will not cease until all such amounts, fees and charges are fully paid to the 'Bank'.
- 3.11. If the 'Card' is cancelled by the 'Bank' or at the request of the 'Cardholder' or for any other reason, the 'Bank' shall have the right to take appropriate legal action for any usage of the 'Card' by the 'Cardholder' after its cancellation. Furthermore, the 'Cardholder' will be liable for settling any balance incurred as a result of such usage.
- 3.12. The 'Bank' shall bear no responsibility and/or liability towards the 'Cardholder' for any loss or damage to the 'Cardholder' arising as a result of any disruption or failure or defect in any 'ATM', electronic device, communication system, facilities, data processing system, transaction link, or any industrial, or other dispute,

or any event or cause beyond the reasonable control of the 'Bank', which prevents the 'Cardholder' from completing a 'Card' Transaction.

- 3.13. The 'Bank' shall not be responsible and/or liable for the non-acceptance of the 'Card' for any reason whatsoever by any Merchant, 'ATM', or a Bank's branch or unit. Furthermore, the 'Bank' will not be liable for any surcharge applicable by any Merchant.
- 3.14. The 'Card' must not be used for any unlawful purpose, including the purchase of goods or services prohibited by Shari'ah or any other law applicable in the 'Cardholder's' or 'Bank's' jurisdiction. It is the 'Cardholder's' responsibility to ensure that the 'Card' is used in accordance with Shari'ah and the 'Bank' has the right to investigate any purchase made by the 'Cardholder' for Shari'ah compliance. In the event that any Retail Purchase is found to be Non-Shari'ah compliant, the 'Bank' has the right to stop, suspend, terminate, and/or cancel the 'Card' as well as the 'Card Account'. Non- Shari'ah compliant purchases include, but are not limited to, retail purchases made at bars, pubs, nightclubs, casinos, massage parlors, or movie or music Merchants and/or for the purposes of gambling and/or betting.

#### 4. *Payment*

- 4.1. The 'Bank' shall maintain a Visa/MasterCard Card Account for each 'Principal Cardholder' for the debit of the amounts of the 'Card' Transaction, applicable fees and charges as well as for the purposes of crediting payments and refunds as and when received.
- 4.2. Once the 'Card' is activated, the 'Cardholder' agrees to pay the 'Bank', on a monthly basis, the applicable Billed Profit on the unpaid outstanding balance. The 'Cardholder' also agrees to pay, at the 'Bank's' request, any handling fee for issuance of a replacement 'Card'.
- 4.3. The 'Bank' may, in its sole and absolute discretion, vary the rate and/or method of calculation of Tawarruq Profit Rate, Tawarruq Cash Rate, additional charges or any other charges as well as the time period within which such fees and charges are payable. None of the fees and charges payable to the 'Bank' under this Agreement is refundable. The 'Cardholder' will be notified of any variation to the fees or charges prior to the implementation of any changes.
- 4.4. The 'Bank' shall send by ordinary mail or email to the 'Principal Cardholder' a monthly Statement of Account of the 'Card Account' at the address mentioned on the application form for issuance of the 'Card' or the address notified to the 'Bank' by the 'Cardholder' in writing. The 'Bank' shall not be liable in any manner whatsoever for any postal or other delays or the non-receipt of the Statement of Account by the 'Cardholder'.
- 4.5. All charges posted by the 'Bank' to the 'Cardholder' shall appear on the monthly 'Statement of Account'. Any objection by the 'Cardholder' against any entry, including the 'Bank's' charges, in the Statement of Account should be notified in writing to the 'Bank' by the 'Cardholder' within fourteen (14) days from the Statement Date. If no objections are received within the specified time period, the Statement of Account will be considered correct and no claim will be entertained by the 'Bank' after such time. The 'Bank' may provide the 'Cardholder', upon written request, with copies of the 'Card' Transactions and reserves the right to charge a fee for providing such copies. Disputing a charge shall not exonerate the 'Cardholder' of his liability for that Card Transaction.
- 4.6. Payment made by the 'Cardholder' to the 'Bank' may be made in cash or by way of cheque. Cheques may be mailed to the 'Bank' or hand delivered to the 'Bank's' branches. Prompt and timely payment shall be made by the 'Cardholder' whether or not the 'Cardholder' has received the Statement of Account.
- 4.7. If the 'Cardholder' is maintaining an active Current/ Savings Account with the 'Bank', the 'Cardholder' may opt for the auto payment facility. The auto payment facility may be selected either for full or 'Minimum Payment', and the Current/Savings Account will accordingly be debited, subject to availability of funds, in order to repay the 'Card Account'.

- 4.8. The 'Bank' at its sole discretion and determination may provide the 'Cardholder' a Grace Period that starts from the Transaction Date of each New Retail Purchase until the Payment Due Date, applicable to such New Retail Purchase based on the relevant Billing Cycle of such New Retail Purchase.
- 4.9. The outstanding amount payable by the Cardholder shall be adjusted against Billed Profit receivables and other obligations due by the Cardholder.
- 4.10. The outstanding New Balance appearing on the monthly Statement of Account is payable to the 'Bank' on or before the Payment Due Date.
  - 4.10.1. A full payment consisting of the outstanding 'New Balance' including fees, and other 'Bank' charges as shown on the Statement of Account will be due and payable by the 'Cardholder' on or before the Payment Due Date.
  - 4.10.2. If the full, or the 'Minimum Payment', or a part of the 'New Balance' greater than the 'Minimum Payment', is not received, recorded and posted to the 'Card Account' on or before the Payment Due Date, a Late Payment Charge shall be applied by the 'Bank' and shall likewise continue to be applied each month until the payment is received, recorded and posted to the 'Card Account', unless the Cardholder can prove to the satisfaction of the "Bank" that the payment was delayed due to insolvency. This Late Payment Charge shall be determined by the 'Bank' in its sole discretion and will be based on the prevailing rates charged by the 'Bank' which may vary from time to time. However, the 'Cardholder' will be notified of any change in the Late Payment Charges prior to applying a change.
  - 4.10.3. Late Payment charge will be transferred to an Islamic charity of choice of the 'Bank' while a portion of it will be retained by the 'Bank' as administrative charges, which is the actual cost the 'Bank' would incur to collect the late payments; and the total charges the 'Bank' can retain as administrative charges is capped at forty nine (49) percent of the due late payment. If payment is made by a cheque, the cheque will be cleared and posted to the 'Card Account' on or before the Payment Due Date. Non-receipt of the Statement of Account shall not cause waiver of the Late Payment Charge
- 4.11. The 'Cardholder' may elect to have his full 'New Balance' or the 'Minimum Payment Due' debited every month to his Current/ Savings Account if any, maintained at the 'Bank'. This debit will be effected on the 'Payment Due Date' subject to availability of funds. If the 'Cardholder' has elected to have the full 'New Balance' debited to his Current/Savings Account and sufficient funds are not available to effect such transaction, but funds are available to debit the 'Minimum Payment Due', this may be done by the 'Bank'.
- 4.12. Without prejudice to the 'Bank's' right to take any legal action against the 'Cardholder' for any remaining outstanding New Balance together with costs and other charges, the 'Bank' shall at its sole discretion and determination have the right to stop, suspend, terminate, and/or cancel the 'Card' if payment is not received for more than a month after the Statement Date. Any security, assets, valuables, or moneys held, maintained or deposited with the 'Bank' against this facility by the 'Cardholder' may be used by the 'Bank' to offset the 'Cardholder's' liability under the 'Card' without notice to the 'Cardholder'. Furthermore, any credit balance in a current account, savings account, or a fixed deposits account or any other moneys that may not be held as security by the 'Bank' for the account of the 'Cardholder', can be withheld for the same purpose.
- 4.13. In case the 'Card' is terminated by either the 'Bank' or the 'Cardholder' for any reason whatsoever, or in case of death, bankruptcy, insolvency, or incapacity of the 'Cardholder', the total outstanding New Balance appearing on the 'Card Account' together with any amount incurred due to the usage of the 'Card' but not yet charged to the 'Card Account' shall, notwithstanding anything contained in this 'Agreement' or elsewhere, become immediately due and payable to the 'Bank'. In case of death of the 'Cardholder', the heirs of the 'Cardholder' will be liable for all payments due.
- 4.14. The 'Cardholder' is bound to maintain the outstanding New Balance of the 'Card' equal to or below the prescribed Credit Limit as currently sanctioned by the 'Bank'.

- 4.15. The 'Bank' shall apply an 'Over limit Fee' if the outstanding 'New Balance' exceeds the prescribed 'Credit Limit' in the 'Card Account'. The fee shall continue to be applied by the 'Bank' each month if the outstanding 'New Balance' in the 'Card Account' exceeded the 'Credit Limit'. This fee may vary from time to time as determined by the 'Bank' at its sole discretion and determination.
- 4.16. If the outstanding 'New Balance' exceeds the Credit Limit, the Minimum Payment Due stated in the next Statement of Account will comprise of the full sum by which the Credit Limit is exceeded. The 'Cardholder' has to pay the Minimum Payment Due in full to the 'Bank' upon its first demand. If the outstanding 'New Balance' continues to exceed the Credit Limit, the 'Bank' shall have the right, without notice, to cancel the 'Card' and in this case the whole outstanding New Balance on the 'Card' Account shall immediately become due and payable to the 'Bank'.
- 4.17. All charges posted to the 'Card Account' against Card Transactions occurring in a foreign currency will be posted to the 'Cardholder' Account at the exchange rate received from the processing bank. Currency conversion may include conversion fees as applied by MasterCard/Visa International or the 'Bank'. The 'Bank' shall not be responsible and/or liable for any loss arising due to foreign exchange rates fluctuations or conversions.
- 4.18. Any refund from a Merchant shall be posted to the 'Card Account' upon receipt of the 'Card' Transaction by the 'Bank', and the 'Bank' assumes no liability for non-receipt of a refund. The refund will be posted to the 'Card Account' at the exchange rate received from the processing bank. The 'Bank' assumes no liability and/or responsibility for any loss arising due to foreign exchange rates fluctuations or conversions, independent of how close in time the refund is to the original 'Card' Transaction.
- 4.19. Without prejudice to the 'Bank's' right at any time to take the appropriate legal action, the 'Bank' may charge fees for any returned unpaid cheque drawn by the 'Cardholder' as full or partial payment of the outstanding New Balance.
- 4.20. The 'Bank' at its sole discretion may appoint an agent to collect all sums due to the 'Bank' by the 'Cardholder' pursuant to this Agreement. Any and all legal and collection costs incurred in collecting any or all moneys due to the 'Bank' under this Agreement shall be solely and fully borne by the 'Cardholder'.
- 4.21. This 'Agreement' and any amendments thereof shall be binding on the 'Cardholder' and his/her successors.

## 5. Rewards

- 5.1. Rewards once redeemed cannot be reinstated.
- 5.2. Rewards earned will be credited on repayment of the 'New Balance' by the 'Cardholder'.
- 5.3. The 'Bank' will not be liable for any service liabilities for Rewards offered or for any damage or loss incurred by the 'Cardholder' on the purchase of any goods through the redemption of Rewards. Any disputes or claims on products or services purchased through the redemption of Rewards should be addressed directly to the relevant Merchant.
- 5.4. The 'Bank' has the absolute right to change, modify or cancel any Reward programme at any time without prior notice.
- 5.5. In case of termination of any Reward programme, all Rewards given to a 'Cardholder' will immediately expire and will have no future value or reinstatement possibilities. The 'Bank' is not liable to compensate the 'Cardholder' in any way if the Reward programme is terminated or changed.
- 5.6. Rewards cannot be exchanged for cash.
- 5.7. Rewards cannot be redeemed in conjunction with any other discount or promotion. To redeem Rewards the 'Cardholder' must inform the Merchant that he would like to redeem the Rewards before the Card Transaction is completed. The 'Cardholder' may not request redemption of the Rewards after the 'Card' Transaction is completed.
- 5.8. Once expired, Rewards may not be extended.

5.9. Each Reward will have its unique set of terms and conditions which will apply to such Rewards.

#### 6. *Supplementary 'Card' including Teenage 'Card'*

- 6.1. Upon the request by the 'Principal Cardholder' the 'Bank' at its sole discretion and determination may agree to issue a Supplementary Card/Teenage Card and charge fees for such issuance. The Principal Cardholder shall remain fully responsible and liable for payment of the value of the Card Transactions made by the supplementary 'Card'.
- 6.2. All terms and conditions stated in this 'Agreement' are fully binding on and applicable to the Supplementary/ Teenage Cardholder who will be severally and jointly liable with the 'Principal Cardholder'.
- 6.3. The Credit Limit sanctioned to the 'Principal Cardholder' shall be inclusive of the Credit Limit of the Supplementary/Teenage Cardholder.
- 6.4. The validity of the Supplementary/Teenage Card shall at all times be dependent on the validity of the Principal Card. If the Principal Card is terminated or canceled, the Supplementary/Teenage Card shall automatically be terminated and cancelled, but not vice versa.

#### 7. *Loss of the 'Card'*

- 7.1. If the 'Card' is lost or stolen, or the 'PIN' is misplaced, disclosed or otherwise compromised, the 'Cardholder' must immediately and within 24 hours notify the 'Bank' in person or in writing. In case such an event occurs outside the normal Banking hours, the 'Cardholder' shall call Mashreq Bank psc Customer service number. Any such notification must be confirmed in writing to the 'Bank' immediately but in any case, within seven (7) days to the 'Bank' of the loss, theft or disclosure. The 'Cardholder' shall at all times remain liable for any use or misuse of the 'Card' and/or the 'PIN', including all Cash Advances, prior to reporting the loss, theft, misplacement, or disclosure of the 'Card' and/or 'PIN'. The 'Cardholder' must give the 'Bank' all available information as to the circumstances surrounding such loss, theft, misplacement or disclosure. The 'Bank' shall not be liable in any manner whatsoever for any loss or damage which may be incurred or which might arise directly or indirectly as a result of the loss or theft of the 'Card' or its misuse and/or misplacement or disclosure of the 'PIN'.
- 7.2. Without prejudice to clause 8.1, the 'Cardholder' will remain fully liable to the 'Bank' in respect of any use or misuse of the 'Card' after cancellation or during a period when the right to use the 'Card' has been withdrawn and/or suspended. Cancellation of the 'Card' shall not affect the 'Cardholder's' liabilities or obligations pursuant to this 'Agreement' arising prior to such cancellation.
- 7.3. The 'Bank' may at its own discretion and determination, subject to charging a fee, issue the 'Cardholder' a replacement 'Card' in substitution of the reported lost, stolen, misplaced, or otherwise compromised card in addition to a new 'PIN' at the sole risk and expense of the 'Cardholder'.
- 7.4. If the 'Cardholder' recovers the 'Card' previously reported to be lost, stolen, misplaced, or otherwise compromised, the 'Card' must not be used and the 'Cardholder' must cut the 'Card' into two halves and immediately return both halves to the 'Bank'.

#### 8. *General*

- 8.1. All fees paid pursuant to or in connection with this Agreement shall be non-refundable.
- 8.2. The 'Bank' must be promptly notified by the 'Cardholder' in writing whenever there is a change in the 'Cardholder' s' employment constitution, nature of business, office and/ or residential mailing address or telephone.
- 8.3. If the 'Cardholder' intends to leave the country where the 'Card' has been issued for a period of time exceeding thirty (30) days, the 'Cardholder' must notify the 'Bank' in writing and settle the outstanding amount in the 'Card Account' at least seven (7) days prior to the 'Cardholder's' departure.
- 8.4. If the 'Cardholder' decides to depart permanently from the country where the 'Card' has been issued, the 'Cardholder' shall cut the 'Card' in two halves and return both halves to the 'Bank' along with a written

notification, at least forty five (45) days prior to the date of departure, after fully settling the outstanding in the 'Card Account'.

- 8.5. The 'Bank' has the full unrestricted right, to examine the general credit position of the 'Cardholder' and the credit history of the 'Card Account' at any time and to disclose at its sole discretion and determination without any reference to the 'Cardholder', any information relating to creditworthiness or credit history of the 'Cardholder' to any other party at any given time. The 'Cardholder' acknowledges and agrees to such disclosure.
- 8.6. Without serving prior notice to the 'Cardholder', the 'Bank' may at any time at its sole and absolute discretion and determination, and without assigning any reason whatsoever, recall and/ or capture any or all Cards held by the 'Principal Cardholder' or the Supplementary/Teenage 'Cardholder' and terminate the use of such 'Card', and the 'Cardholder' shall be under an immediate obligation after such recall and/ or capture, to cut the 'Card'(s) into two halves and return both halves to the 'Bank' after fully settling the outstanding of the 'Card' Account'.
- 8.7. Upon death, bankruptcy, incapacity or insolvency of the 'Cardholder', the 'Bank' may at its sole discretion and determination, terminate and cancel both the Principal and Supplementary/Teenage Cards.
- 8.8. The 'Cardholder' hereby irrevocably and unconditionally authorises and permits the 'Bank' to disclose any information related to the 'Cardholder' which the 'Bank' deems fit to the 'Bank's' agents, assignees, associates, branches, legal authorities, or any other party authorised by the 'Bank' in order to enable the 'Bank' to enforce the 'Cardholder' obligations under this Agreement.
- 8.9. The terms and conditions of this Agreement are effective in conjunction with the terms stated in any other agreement, related to the 'Card' and all such agreements are binding on the 'Cardholder' in relation to the usage of the 'Card'. Notwithstanding the above, in the event there is any conflict between the provisions of such agreements and this 'Agreement', the provisions of this 'Agreement' will supersede and prevail.
- 8.10. No course of dealing between the 'Bank' and the 'Cardholder' nor any delay, omission or failure on the part of the 'Bank' to exercise any of its rights under this 'Agreement' shall be construed as a waiver of such rights or impair the rights of the 'Bank' with respect to any subsequent default of the same or different nature by the 'Cardholder'.
- 8.11. All activities pursuant to this 'Agreement' shall be carried out for the benefit of the 'Cardholder' and accordingly the 'Cardholder' shall assume all losses and liabilities relating thereto and arising there from and the 'Cardholder' hereby undertakes to protect and indemnify the 'Bank' from and against any loss, damage, claim, lawsuit, penalty, cost and expense of whatsoever nature in respect of, or arising out of the services to be rendered by the 'Bank' under this Agreement.
- 8.12. Instructions and acceptance sent by the 'Cardholder' to the 'Bank' through facsimile communication or email shall be considered valid and binding on the 'Cardholder' and the 'Bank' may act upon instructions and acceptance conveyed through this method. The 'Bank' may use copies of the facsimile transmissions or emails in any court of law.
- 8.13. The records of the 'Bank' shall be final, conclusive, incontestable and binding on the 'Cardholder'.
- 8.14. The 'Bank' may, at its sole and absolute discretion, make available to a 'Cardholder' with a current and active 'Card', various benefits. The 'Bank' reserves the right to terminate or amend any benefits available on the 'Card' at any time without giving any notification to the 'Cardholder'. The 'Bank' shall not be considered at any time to be an agent or representative of any service provider in respect of the benefits made available to the 'Cardholder'.
- 8.15. All benefits will be available only on current and active 'Card's'.
- 8.16. The 'Bank' is not liable in case of any dissatisfaction with regard to price, service, quality, of offers made on the 'Card'.

- 8.17. The bank has the right to change any or all of the terms and conditions in the product terms & condition as well as the customer contract after giving 60 days written notice.
- 8.18. The Customer hereby consents to the receipt of offers, newsletters, promotions and other marketing communications (including, but not limited to, telephonic calls, SMS messages, emails, mobile notifications, mobile “in-app” messages and any other such form of communication as used by the Bank from time to time) from the Bank. If the Customer wishes to withdraw the consent to receive such marketing communications, the Customer can do so at any time by logging on to Mashreq Online / Mashreq Mobile and going to Profile and selecting Communication.

#### 9. *Variation of this Agreement*

- 9.1. The ‘Bank’ may, from time to time at its sole and absolute discretion and determination vary, change, alter, modify, and/or amend the terms and conditions of this ‘Agreement’, which variation, change, alteration, modification and/or amendment shall immediately become binding on the ‘Cardholder’. Such variation, alteration, modification, and/or amendment shall be notified to the ‘Cardholder’ by the ‘Bank’ either in writing or by publication or by such means as the ‘Bank’ may determine and a variation, alteration, modification, and/or amendment so notified shall be binding on the ‘Cardholder’.
- 9.2. The ‘Bank’ may (subject to notifying the ‘Cardholder’) assign the whole or any part of its rights, or obligations under this ‘Agreement’.
- 9.3. The validity, legality, and enforceability of each of the terms and conditions of this Agreement are distinct and severable from one another.
- 9.4. Usage of the ‘Card’ from the effective date of any variation, change, alteration, modification and/ or amendment in this ‘Agreement’ shall constitute acceptance of such changes without any reservation whatsoever by the ‘Cardholder’.

#### 10. *Governing Law and Jurisdiction*

- 10.1. This ‘Agreement’ is governed by the federal laws of the United Arab Emirates and the Emirate of Dubai to the extent that they do not contradict the rules of Shari’ah as determined by the SSB. The ‘Cardholder’ and the ‘Bank’ submit to the non-exclusive jurisdiction of the civil courts of the United Arab Emirates. Such submission shall not restrict the ‘Bank’s’ right to bring proceedings against the ‘Cardholder’ in any other jurisdiction.

#### 11. *Tawarruq, Profit and Card Payments*

- 11.1. Upon issuance of a card, the Bank and the Cardholder shall enter into a Tawarruq as follows;
  - 11.1.1. Bank will sell certain commodities, that it owns and which maybe a share of bulk metal stock; to the Cardholder under a Murabahah contract. For the purpose of Murabahah contract, Bank will send an offer to sell certain commodities (“**Offer**”) on the Cardholder’s registered email address. This Offer shall mention the Murabahah Cost, Total Sale Value, commodity and quantity.
  - 11.1.2. Murabahah Profit Amount will be calculated at the Murabahah Profit Rate considering the full Murabahah Cost remained unpaid till the Maturity. Commodity trade will be executed
  - 11.1.3. The Cardholder will be required to accept the Offer either by responding to the same email or by sending back the Offer printed on a paper with Cardholder’s signature anywhere on the paper (“**Acceptance**”). Alternatively, the Cardholder will be given (8) eight hours, from the time the email is sent out as mentioned on the email, to refuse/object on the Offer (“**Expiry Period**”). In case the Offer is not refused/objected by the Customer, within the 8 hours, it will also be regarded as Acceptance.
  - 11.1.4. Post Acceptance, Bank will communicate the Cardholder’s offer to sell to a broker of the London Metal Exchange (“**On-Sale**”) and, once accepted by the broker, Bank will credit the proceeds of the On-Sale (received from the sale to the broker), to the Card Account.

- 11.1.5. For this Tawarruq trade, the Bank will be a messenger to communicate On-Sale offer to a broker and a facilitator to support operationally to credit the proceeds of the On-Sale to the Card Account.
- 11.1.6. The Cardholder/Customer can check the Quantity and Type of the Commodity used in the Tawarruq trade from the Bank's website.
- 11.2. The Bank reserves the right to demand any part of the Total Sale Value, including but not limited to the Additional Component, upfront in which case it shall be payable by the Cardholder as demanded.
- 11.3. Cardholder's contractual liability, towards the commodity trade, will be equal to the Total Sale Value. The Cardholder to allowance to utilize will be equal to the Card Limit. Subject to update in the Cardholder's credit profit, up to the Bank's satisfaction, the Bank may increase the Card Limit up to the Murabahah Cost.
- 11.4. Statement of Account will be sent to the Cardholder monthly; with details of the Utilization Amount, and the Minimum Payment Due and the date by which the payment must be made to the Bank.
- 11.5. Should the Customer settle only the Minimum Payment Due of the total Utilization Amount (assuming the total Utilization Amount has not already been settled) due on or before Payment Due Date; the Bank will demand part of the Murabahah Profit Amount by mentioning it in the Statement of Account ("**Billed Profit**"). The Billed Profit shall be equal to the Tawarruq Profit Rate multiplied by the unpaid Utilization Amount.
- 11.6. If the Cardholder pays the Utilization Amount on or before the Payment Due Date, the Bank may not demand Murabahah Profit Amount, in which event the statement sent to the Customer shall not reflect Billed Profit.
- 11.7. The Customer hereby gives standing instructions to the Bank to convey its offer for On-Sale (pursuant to Clause 11.1 above), to a broker at a cost price at which it was initially purchased by the Bank from another broker.
- 11.8. In the event that the Bank (acting as messenger) is considered negligent in its role as messenger, and if the Cardholder files a request against such a negligence within 7 days from the expiry of the deemed acceptance period, the Bank shall review the request of the Cardholder and subject to the Bank being proven as negligent pursuant to a final judicial decision, then the Bank shall refund the Murabahah Cost and the Cardholder shall be liable to refund the proceeds of the On-Sale. However, the Bank's liability and the Cardholder's liability may be set-off save to the extent of the unpaid Utilization and the Billed Profit. The Bank has the right to cancel the Card and claim settlement of the whole amount due immediately from the Cardholder, including the Billed Profit.
- 11.9. In all of the above cases, Tawarruq trade will be processed only after the expiry of the grace period.
- 11.10. If the Cardholder has defaulted payment of the outstanding amount on maturity for 30 consecutive days after the due payment, then the Card will be suspended, and the Bank may not process the Tawarruq trade for settlement of the Card's transactions
- 11.11. If the Cardholder objects against any transaction after processing of Tawarruq which includes the respective disputed amounts, then the amounts that will be refunded to the Card Account will only be equivalent to the value of the disputed transaction and the profit thereof.
- 11.12. If the Cardholder disagrees with any charge indicated in the Statement Account, other than Tawarruq, this should be communicated to the Bank within 30 days of the Statement Date, failing which, the Bank will not be in a position to guarantee the success of disputing the transaction with the transaction processing Bank and or the merchant.
- 11.13. Any payments made by a Cardholder will be applied by the Bank in or towards payment of the Cardholder's liabilities to the Bank under these Terms and Conditions in such order as the Bank may decide.

## 12. Credit Bureau and Customer Information

- 12.1. In order to comply with the applicable laws and regulations and for the purposes of (i) getting my /our personal information, (ii) managing my / our account(s) and the transactions entered into by me / us and (iii) executing any product or service subscribed by me / us including but not limited to finances and credit cards,

I / We hereby irrevocably and unconditionally agree, consent and authorize the Bank, its subsidiaries, agents and bank's third party service providers, and any others as the Bank may deem appropriate and at its sole and absolute discretion, to:

- 12.1.1. Collect, seek, obtain, process, confirm and keep updated all information relating to me/us including but not limited to my/our personal details, details of my/our accounts, statements, finances, current and previous credit card, banking transactions, repayment history and any default and any other personal information that I/we may share with the Bank such as name, gender, date of birth, Emirates ID number and work-related information , as necessary (the "Information"),
- 12.1.2. Disclose and exchange the Information with any government authority and/or quasi government authority and/or private entities, including but not limited to Al Etihad Credit Bureau, or any other third party.
- 12.1.3. I/We undertake to regularly provide the Bank with the requested Information and keep this Information updated as long as I/we shall remain Customer(s) of the Bank.
- 12.2. The Customer acknowledges that the Bank shall collect and process the Information of the Customer for a lawful purpose to enable the Bank to provide the Customer with the services in relation to the Account(s) and to comply with the Bank's legal obligations as a licensed financial institution of the Central Bank of the UAE.
- 12.3. The Customer acknowledges that he/she has the right to refuse to provide his/her consent to the Bank's processing of his/her Information. However, where the Bank collects Information under the terms of this Agreement or by law, and the Customer fails to consent or provide that data when requested, the Bank may not be able to perform the contract that it has or is entering into with the Customer in line with this Agreement, for example, to provide to the Customer with the Account(s). In this case, the Bank may have to cancel any services to the Customer, or the Account(s) and the Bank shall notify the Customer if this is the case at the time. The Customer acknowledges that a future withdrawal of the Customer's consent shall not affect the lawfulness of the data processing conducted by the Bank that is based on the prior consent.
- 12.4. The Customer acknowledges and understands that he/she has the right to request access and correction of his/her Information from the Bank or to limit the processing of his/her Information. The Customer can exercise his/her rights or make a complaint about the processing of his/her Information by contacting the bank in one of the following ways:
  - a) Log in to Mashreq Online / Mashreq Mobile
  - b) Contact the call center on +9714 424 4411
  - c) Visit a Mashreq branch

### 13. VAT

#### 13.1. Definitions

- 13.1.1. Value Added Tax (VAT) means any value added tax or similar tax payable to any authority in respect of transactions and includes, but without limitation, any other form of taxation that maybe applicable to this Agreement.
- 13.1.2. All amounts expressed to be payable under this Agreement by the "Cardholder" to the "Bank" constitute the consideration for any service for VAT purposes and are deemed to be exclusive of any VAT which is chargeable on that service, and accordingly if VAT is or becomes chargeable on any service provided by the "Bank" to the "Cardholder" and the "Bank" is required to account to the relevant tax authority for VAT on that service, the "Cardholder" must pay to the "Bank" an amount equal to the amount of VAT. The "Bank" must promptly provide an appropriate VAT invoice to the "Cardholder" where so required by law.
- 13.1.3. Where this Agreement requires the "Cardholder" to reimburse or indemnify the "Bank" for any cost or expense, the "Cardholder" shall reimburse or indemnify (as the case may be) the "Bank" for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent

that the “Bank” reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

13.1.4. In relation to any service provided by the “Bank” to the “Cardholder” under this Agreement, if reasonably requested by the “Cardholder”, the “Bank” must promptly provide the “Cardholder” with details of the “Bank’s” VAT registration and such other information as is reasonably requested in connection with the “Cardholder’s” VAT reporting requirements in relation to such service.

**14. WARNING - KEY OBLIGATIONS OF THE CUSTOMER & CONSEQUENCES IN CASE OF FAILURE TO MEET THE SAME**

<b>Responsibility</b>	<b>Failing which</b>
The customer must pay the total outstanding amount as per statement, or minimum due, on or before the due date.	The customer will be charged with profit, late payment fee and over limit fee if applicable as per schedule of charges.
The customer must pay by rounding up to the nearest decimal place.	Any missed/delayed payment will be reflected in credit bureau report, which may negatively impact the customers’ ability to borrow in the future.
If transferring money online from outside Mashreq, or paying through cheque, the customer must ensure that payment is done 3 working days before due date.	In case of continued nonpayment, the bank will employ all available measures to recover the due amount. This may include, and not be limited to, reaching out to the customer on the phone, over emails, by conducting physical visits to the customer’s home or place of employment, or filing a police complaint or a court case in all relevant jurisdictions. We may also sell the liability to a third party or employ a third party (directly or indirectly) to enable repayment.
Spend diligently & within your means. Always pay off the entire outstanding balance every month.	The customer will be charged profit as per schedule of charges.
In case customers are unable to pay off the balance, please consider converting transactions to Easy Payment Plans.	If the customer’s card goes over the approved limit, either due to a fee, charge, or because the customer attempted a transaction that was authorized beyond the approved limit as per Mashreq’s internal policy, the customer will be charged an over limit fee and will be liable to repay the purchase amount.
Ensure all correspondence with the bank is kept secure at all times.	The customer’s personal financial details, if compromised at their end, may be mis-used by fraudsters.
The customer must ensure to review all statements and transaction notifications promptly as received from the bank.	The customer may not be able to identify unauthorized transactions on or misuse of the card. Disputing charges long after their occurrence can be a long and cumbersome process, with high chances of the request being declined.
The customer must keep the bank informed of any changes in contact details or IDs (cell phone, email address, Emirates ID, passport, etc.). This will ensure the bank has updated information and is able to contact the you easily if needed.	Expired documents or outdated details may hamper our ability to process transactions or reach out to you in time of need.

#### 15. Cooling off Period

**Your Right to Cancel:**

In line with the Consumer Protection Standards issued by the UAE Central Bank pursuant to the Consumer Protection Regulation (Circular No. 8 – 2020), you are hereby informed that you have the right to withdraw or cancel your Credit Card Application within 5 Business Days from the date of accepting the Murabaha offer thereof (**“Cooling-Off Period”**). On the 6th Business Day (or 1 day after the expiry of the Cooling-Off Period), you must inform the Bank of your decision to cancel or withdraw the Credit Card Application otherwise, the same shall continue to apply and shall be deemed confirmed by you.

The Bank will, during the Cooling-Off Period, provide you access and utilization of the Credit Card, subject to satisfactory KYC and compliance checks and procedures of the Bank. Should you choose to waive your right to the Cooling-Off Period, you must, in writing, notify and/or confirm to the Bank such intention.

It must be noted that if you opt to cancel or withdraw consent to the Credit Card Application within the Cooling-Off Period, you shall be responsible to pay all costs and charges that you may have incurred in relation to any and all Credit Card transactions conducted during the Cooling-Off Period and before the cancellation of your Credit Card Application.