

CREDIT CARD TERMS AND CONDITIONS

Effective from 1st July 2021.

PART - A INTRODUCTION

1. PARTIES

These Credit Card Terms and Conditions govern the transactions between Abu Dhabi Commercial Bank PJSC – Islamic Banking Division, a company incorporated under the laws of the United Arab Emirates and having its registered address at P.O. Box 939, Abu Dhabi (the Bank) and a Customer using a Credit Card. These Credit Card Terms and Conditions apply in addition to the Islamic Banking Consumer Terms and Conditions. To the extent of any conflict between these Credit Card Terms and Conditions and the Islamic Banking Consumer Terms and Conditions in relation to the Credit Card, these Credit Card Terms and Conditions shall prevail.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

Terms defined in the Islamic Banking Consumer Terms and Conditions, General Terms and Conditions, the Investment Agency Terms and Conditions, the Murabaha Terms and Conditions shall bear the same meaning when used in these Credit Card Terms and Conditions. In these Credit Card Terms and Conditions, the following terms shall have the meanings given to them below:

“Credit Card Terms and Conditions” means each of this Part A, the General Terms and Conditions, the Investment Agency Terms and Conditions, the Murabaha Terms and Conditions, and the Islamic Banking Consumer Terms and Conditions.

“Islamic Banking Consumer Terms and Conditions” means the Islamic Banking Consumer Terms and Conditions made available on the Bank’s website from time to time.

“General Terms and Conditions” means the terms and conditions set out in Part B (General Terms and Conditions) of these Credit Card Terms and Conditions (including Part A (Introduction) of these Credit Card Terms and Conditions).

“Investment Agency Terms and Conditions” means the General Terms and Conditions, each Investment Agency Agreement and the terms and conditions set out in Part D (Investment Agency Terms and Conditions) of these Credit Card Terms and Conditions .

“Murabaha Terms and Conditions” means the General Terms and Conditions, each Murabaha Contract and the terms and conditions set out in Part C (Murabaha Terms and Conditions) of these Credit Card Terms and Conditions.

2.2 Interpretation

- (a) The headings and background in these Additional Credit Terms and Conditions are for convenience only and do not affect its interpretation.
- (b) Where two or more persons constitute the expression the Customer, all covenants, agreements, undertakings, stipulations, obligations, conditions and other provisions hereof and their liability herein shall be deemed to be made by and be binding and applicable respectively on them jointly and each of them severally and shall also be binding on and applicable to his/its personal representatives, successors and/or assigns jointly and severally.
- (c) Except where the context otherwise requires, words denoting the singular shall include the plural and vice versa, words denoting a gender shall include every gender and reference to persons shall include bodies corporate and unincorporated.
- (d) References in these General Terms and Conditions, the Investment Agency Terms and Conditions, the Murabaha Terms and Conditions, the Islamic Consumer Banking Terms and Conditions and any other agreements and documents

shall be construed as a reference to such agreements or documents as amended, supplemented or restated, novated or replaced from time to time which the Bank may make available through its website, or through any other electronic or printed format.

- (e) Except otherwise stated, references to times shall mean references to UAE time.

3. USING A CREDIT CARD

In order to use a Credit Card, the Bank and the Customer may from time to time:

- 3.1 enter into and conclude one or more Murabaha Contracts in respect of the Customer’s purchase of certain Commodities from the Bank in accordance with and subject to the terms and conditions of the Murabaha Terms and Conditions;
- 3.2 in respect of any Commodities purchased by the Customer under a Murabaha Contract, the Customer may sell the purchased Commodities by himself/herself or appoint a third party to undertake the sale of the Commodities and obtain the sale proceeds pursuant to the terms of on-sale agency agreement/terms and conditions; and
- 3.3 in respect of the Investment Amount, enter into an Investment Agency Agreement in accordance with and subject to the Investment Agency Terms and Conditions.

4. AGREEMENT TO THE CREDIT CARD TERMS AND CONDITIONS

- 4.1 The Murabaha Terms and Conditions, and the Investment Agency Terms and Conditions shall be treated as distinct and separate contractual arrangements.
- 4.2 These Credit Card Terms and Conditions apply from the date printed on page 1. Even if the Customer applied for a Credit Card before that date, these Credit Card Terms and Conditions will apply to you from the date printed on page 1. These Credit Card Terms and Conditions supersede and replace any past terms and conditions between the Bank and a Customer governing Credit Card transactions.
- 4.3 It is important that you read and understand these Credit Card Terms and Conditions in their entirety before accepting them in accordance with this Clause 4. Upon your acceptance, these Covered Terms and Conditions will create a legally binding agreement between you and the Bank.
- 4.4 A Customer can accept these Credit Card Terms and Conditions (including, for avoidance of doubt, the Islamic Consumer Banking Terms and Conditions), by taking any step prescribed by the Bank from time to time (which includes, but is not limited to, the completion of any Application Form, accepting any Offer or activating a Credit Card), which amounts to:
 - (i) acceptance of; and
 - (ii) confirmation that the Customer has read, understood and agreed to be bound by, these Credit Card Terms and Conditions .
- 4.5 Any electronic or other method of acceptance of these Credit Card Terms and Conditions prescribed by the Bank from time to time will constitute the Customer’s acceptance to be bound by these Credit Card Terms and Conditions as if accepted and agreed in writing.
- 4.6 These Credit Card Terms and Conditions will be binding on the heirs, successors, assigns of the Customer in relation to any aspect of any transaction between the Bank and the Customer in relation to the Credit Card.

PART - B

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

Part A (Introduction) of these Credit Card Terms and Conditions shall apply to and are incorporated into these General Terms and Conditions (*mutatis mutandis*).

In these General Terms and Conditions, unless the context otherwise requires, the following words shall have the following meanings:

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

2. INDEMNITY

2.1 The Customer undertakes to indemnify and hold harmless the Bank against:

(a) any actual cost, claim, expenses (including legal fees) or liability together with any Tax thereon (excluding any opportunity cost and cost of funds), which it may sustain or incur as a consequence of the occurrence of any Event of Default or any default by the Customer in the performance of any of the obligations expressed to be assumed by it in these Credit Card Terms and Conditions; and

(b) any actual loss, claim, cost it may suffer (excluding any opportunity cost and cost of funds) as a result of its entering into any arrangement governed by these Credit Card Terms and Conditions or any transaction proposed in accordance with these Credit Card Terms and Conditions but is not made by reason of the operation of any one or more of the provisions of the Credit Card Terms and Conditions.

(c) any actual loss, claim, cost it may sustain or incur (excluding any opportunity cost and cost of funds) as a consequence of undertaking cash withdrawals/advances from unauthorized channels such as merchants or using the card for any Shari'a impermissible activities.

2.2 The Customer shall hold harmless and indemnify the Bank, its officers, employees and/or agents, against any actual loss, cost, damage, expense or liability (excluding any opportunity cost and cost of funds) which they or any of them may incur (direct or indirect) as a result of the Bank or any such officer employee or agent acting on, delaying or refraining from acting on instructions of the Customer or purporting to be from the Customer or which the Bank believes to have been issued by or for the Customer.

3. NOTICES

All demands, notices and any other communication under the Credit Card Terms and Conditions may be delivered personally or sent by ordinary post to the last known billing or other address or sent by an e-mail to the last known e-mail address of the Customer registered with the Bank or sent by a facsimile to the last known facsimile number of the Customer registered with the Bank or, in the case of an Acceptance by the Customer, by a text message from the last known mobile number of the Customer registered with the Bank to the number provided by the Bank in the Offer for the Acceptance and such communication shall be deemed to have been served on the Customer on the day of delivery if delivered by hand, on the next business day after posting, if sent by post, on the same business day, if sent by e-mail, text message or facsimile. The Customer will bear all risk of harm, loss, transmission errors, telecommunications systems failure, communications networks problems or damage in connection with demands, notices or any other communication through any of the modes of communication mentioned above. The Bank may use copies, printouts or electronic versions of facsimiles, text message, e-mail, and other electronic transmissions and data in any court, arbitral or other legal proceedings.

4. SET OFF

The Customer hereby authorizes the Bank to apply any credit balance (including credit balances in the Investment Account) to which the Customer is entitled or any amount which is payable by the Bank to the Customer at any time in or towards partial or

total satisfaction of any payment obligation which may be due or payable by the Customer to the Bank in accordance with these Credit Card Terms and Conditions. In cases where an obligation is unliquidated, the Bank may set-off in an amount estimated by it in good faith to be the amount of that obligation. If obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

5. JOINT CUSTOMERS

5.1 If there is more than one Customer, the terms of these Credit Card Terms and Conditions apply to each one of them jointly and severally. Each Customer can be held liable jointly and severally for the full amounts due and owing and all other obligations arising in accordance with these Credit Card Terms and Conditions, and if any one Customer breaches any of the obligations arising in accordance with these Credit Card Terms and Conditions, the Bank may enforce any remedies that it may have on account of such breach against all or any one of the Customers. The Bank may waive, settle, release or discharge, at any time of from time to time, any Customer from any obligation arising in accordance with these Credit Card Terms and Conditions without prejudicing its rights against any other Customer in terms thereof.

5.2 Any statement, demand or notice sent to a single address in accordance with these Credit Card Terms and Conditions will be regarded as being sent and addressed to all Customers. If a Customer is not present at the same address, it will be obliged to inform the Bank specifically to which address statements, demands and notices should be sent.

6. AMENDMENT

6.1 To the extent permitted by Applicable Laws, the Bank may change, replace, supplement or delete any of these Credit Card Terms and Conditions (including but not limited to changes to its profit rates, fees and charges, and any features of the Credit Card) and any product-specific terms and conditions in its sole discretion and at any time. If there are any changes to these Credit Card Terms and Conditions, the Bank will give you notice of such changes through:

- (a) its website and/or via e-mail;
- (b) text message, secure messaging or Internet Banking; and/or
- (c) any other means of communication as deemed appropriate by the Bank.

6.2 Retention or use of the Credit Card after the effective date of such changes shall be deemed to constitute your acceptance of such changes without reservation.

6.3 If you object to the changes to these Credit Card Terms and Conditions, the Bank will have the right to terminate its relationship with you.

6.4 For the avoidance of doubt, the rebranding or renaming by the Bank of the Credit Card will not be construed as a change to these Credit Card Terms and Conditions. The Bank will have the unrestricted right to change the branding or name of the Credit Card at any time, in its sole discretion and without any obligation to notify you.

7. WAIVER

No failure by the Bank to exercise or any delay by the Bank in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

8. SEVERABILITY

If, at any time, any provisions of the Credit Card Terms and Conditions is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Credit Card Terms and Conditions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

9. THIRD PARTY RIGHTS

A person who is not a party to the Credit Card Terms and Conditions shall not have the right to enforce or to enjoy the benefit of any provision of the Credit Card Terms and Conditions.

10. ASSIGNMENT

10.1 The Credit Card Terms and Conditions shall be binding on the Parties hereto and thereto, their respective successors and permitted assigns, heirs and/or legal representatives.

10.2 The Customer may not assign or transfer any of its rights or obligations under the Credit Card Terms and Conditions without the prior written consent of the Bank.

10.3 The Bank may, at any time, transfer or assign any of its rights or obligations under the Credit Card Terms and Conditions.

10.4 The Bank may disclose to a potential assignee, transferee or to any other person who may propose entering into contractual relations with the Bank in relation to the Credit Card Terms and Conditions such information about the Customer as the Bank may consider appropriate.

11. COUNTERPARTS

Any Murabaha Contract, may be executed in any number of counterparts, which execution has the same binding effect and force as if the signatures on all the counterparts were on a single copy of such Murabaha Contract.

12. COSTS, EXPENSES, TAXATION

The Customer shall pay to the Bank on demand all costs, charges and expenses arising in connection with the Credit Card Terms and Conditions or preservation or enforcement of the Bank's rights arising in accordance with these Credit Card Terms and Conditions, and all Taxes, duties, fees and other charges of whatsoever nature levied or imposed by any authority in respect of the Customer's obligations arising in accordance with these Additional Credit Card Terms and Conditions.

13. VAT

13.1 All amounts expressed to be payable under these Credit Card Terms and Conditions due from the Customer to the Bank which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, if VAT is or becomes chargeable on any supply made by the Bank to the Customer under these Credit Card Terms and Conditions and the Bank is required to account to the relevant tax authority for the VAT, the Customer must pay to the Bank (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Bank must promptly provide an appropriate VAT invoice to the Customer).

13.2 Where the Customer has agreed to pay, repay or reimburse the costs, fees, charges or expenses of the Bank under these Credit Card Terms and Conditions, other than where it gives rise to a taxable supply by the Bank, the Customer shall also reimburse the Bank for any part of such cost, fee, charge or expense (or proportion of it) which represents VAT, save to the extent that the Bank notifies the Customer that it is satisfied that it will be entitled to credit or repayment in respect of such VAT from the relevant tax authority.

13.3 Where the consideration for any taxable supply of goods or services is subsequently adjusted including (without limitation) on a termination of a Credit Card, the Bank will make all appropriate adjustments to the VAT including the repayment of VAT, the further payment of VAT and the issue of any credit note or further VAT invoice valid for VAT purposes.

13.4 For the avoidance of doubt, it shall at all times remain the sole responsibility of the Bank to:

- (a) assess the VAT rate(s) and VAT liability arising out of or in connection with these Credit Card Terms and Conditions ; and
- (b) account for or pay any VAT (and any other Tax liability) relating to payments made to the Bank under these Credit Card Terms and Conditions to the relevant tax authority.

13.5 If the Bank is uncertain about the VAT implications of any supplies of goods or services pursuant to these Terms and Conditions or the relevant tax authority determines that the parties' treatment of VAT on such supplies is incorrect in any respect, the parties shall use all reasonable endeavours to cooperate and reach agreement with each other and with the tax authority, keeping each other fully informed, and make all appropriate adjustments.

13.6 You will promptly provide the Bank with all information it requires or requests to comply with its VAT obligations under these Credit Card Terms and Conditions.

13.7 You shall not have any recourse to the Bank in any way whatsoever for any error or failure by the Bank in relation to VAT, including without limit:

- (a) where the Bank is subject to a VAT ruling(s), determination, announcement or generally accepted practice in connection with these Credit Card Terms and Conditions;
- (b) where the Bank has assumed that it can recover input VAT and (for whatever reason) and this assumption is subsequently held to be incorrect or invalid; and/or
- (c) where the Bank's treatment of VAT in respect of any claim for payment made under these Credit Card Terms and Conditions is subsequently held to be incorrect or invalid.

14. NO INTEREST

The Bank and the Customer recognise and agree that the principle of the payment of interest is repugnant to the principles of Shari'ah and accordingly, to the extent that any provision or event would impose whether by contract or by statute any obligation to pay interest, the parties hereby irrevocably, unconditionally and expressly waive and reject any entitlement to recover interest from the other.

15. GOVERNING LAW AND JURISDICTION

15.1 The Credit Card Terms and Conditions and any non-contractual obligations arising out of or in connection with the Credit Card Terms and Conditions, is governed by the laws of the Relevant Emirate and, to the extent applicable in the Relevant Emirate, the federal laws of the UAE and to the extent that these laws are in accordance with the principles of Shari'ah as set out in the Shari'ah Standards published by the Accounting and Auditing Organization for Islamic Financial Institutions and as interpreted by the Internal Shari'ah Supervision Committee of the Bank in which case the latter shall prevail.

15.2 Subject to Clause 15.3 and Clause 15.4 hereunder, the courts of the Relevant Emirate have exclusive jurisdiction to settle any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Credit Card Terms and Conditions, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (for the purpose of this Clause 15, a Dispute), and the Customer submits to the exclusive jurisdiction of the courts of the Relevant Emirate. For the avoidance of doubt, the courts of the DIFC and ADGM are excluded expressly from the scope of this Clause 15.2;

15.3 For the purposes of this Clause 15.3, the Customer waives any objection to the courts of the Relevant Emirate on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute;

15.4 This Clause 15.4 is for the benefit of the Bank only. To the extent allowed by law, the Bank may, in respect of any Dispute, take:

- (a) proceedings in the courts of the DIFC (including without limitation any Small Claims Tribunal) and the Customer and the Bank hereby agree that any claim may be heard by the Small Claims Tribunal up to AED 1,000,000 or such higher amount falling within the jurisdiction of that tribunal from time to time;
- (b) proceedings in the courts of the ADGM;
- (c) proceedings in any other court in the world with jurisdiction (for the avoidance of doubt, this shall include any jurisdiction in which the Customer may be (or has been) registered, incorporated, resident or domiciled); and
- (d) concurrent proceedings without limitation.

- 15.5 The Customer and the Bank hereby agree that any Dispute may be heard by a Small Claims Tribunal up to the maximum monetary amount and any other limits prescribed by that Small Claims Tribunal, as may be amended from time to time.

PART - C MURABAHA TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The General Terms and Conditions shall apply to and are incorporated into these Murabaha Terms and Conditions (mutatis mutandis).

In these Murabaha Terms and Conditions, unless the context otherwise requires, the following words shall have the following meanings:

"Acceptance" means the acceptance sent by the Customer to the Bank which accepts (without revision) the terms of the Offer sent by the Bank to the Customer in accordance with the General Terms and Conditions and the Murabaha Terms and Conditions.

"Commodities" means the relevant Shari'ah compliant commodities owned by the Bank in the quantity described in the Offer.

"Cost Price" means, in relation to Commodities, all sums payable by the Bank for the purchase of such Commodities from the Commodities dealer and includes all taxes, fees, costs and expenses as described in the Offer.

"Deferred Payment Date" means the dates or date for payment of the Deferred Price as described in the Offer.

"Deferred Price" means the total sum payable by the Customer for the purchase of the relevant Commodities as described in the Offer and which, for the avoidance of doubt, means the aggregate of the relevant Cost Price and the Murabaha Profit.

"Encumbrance" means any lien, pledge, mortgage, security interest, charge or other encumbrance or arrangement having a similar effect.

"Event of Default" means this any of the events or circumstances described in Clause 6.1 (Events of Default) of the Murabaha Terms and Conditions.

"ISSC" means Internal Shari'ah Supervision Committee of the Bank.

"Material Adverse Change" means any change which may have a material and adverse effect on the business, condition (financial or otherwise) or operations of the Customer which would adversely affect the ability of the Customer to comply with its payment or other material obligations under any of the Murabaha Terms and Conditions.

"Monthly Murabaha Profit" means the portion of the Murabaha Profit which is payable by the Customer on each Profit Payment Date as described in the Offer.

"Murabaha Contract" means the Offer and the Acceptance of that Offer duly delivered and accepted in accordance with the General Terms and Conditions and the Murabaha Terms and Conditions.

"Murabaha Sale" means, as requested by a Customer by submitting an Application Form to the Bank, the purchase of Commodities for spot delivery on the transaction (or delivery) date from the Bank by the Customer on a deferred payments basis concluded through entering into a Murabaha Contract.

"Murabaha Profit" means the Deferred Price less the Cost Price as described in the Offer.

"Offer" means the offer sent by the Bank to the Customer in relation to the sale of Commodities in accordance with the General Terms and Conditions and the Murabaha Terms and Conditions.

"Payment Failure" means delay or failure to make the payment of any amount payable by the Customer on or before the relevant payment due date.

"Profit Payment Date" means the date on which a Monthly Murabaha Profit is payable as described in the Offer, with the first Profit Payment Date to occur on the date occurring one month after the Utilisation Date and thereafter on the corresponding day of each month thereafter (provided that if there is no corresponding

day, such day will be on the last day of that calendar month) with the final Profit Payment Date falling on the Deferred Payment Date.

"Utilisation Date" means the date on which a Murabaha Sale occurs.

2. SALE AND PURCHASE

2.1 The Bank may from time to time (as the owner of Commodities) sell Commodities to the Customer on a murabaha basis through the exchange of an Offer and an Acceptance in accordance with the Murabaha Terms and Conditions.

2.2 If a Murabaha Sale is requested by a Customer by submitting an Application Form to the Bank, the Bank may (at its absolute discretion), having the title to and constructive possession of the Commodities, complete and provide an Offer to the Customer.

2.3 If the Customer agrees to the terms of an Offer, the Customer may accept the terms of the Offer by providing an Acceptance to the Bank within 3 hours of the Offer and in accordance with the Murabaha Terms and Conditions. An Acceptance shall be made by the Customer using the method prescribed by the Bank in the Offer, which may include sending a prescribed message in via a text message from the last known mobile number of the Customer registered with the Bank to the number provided by the Bank in the Offer. The Bank will complete the sale of the commodities to the applicant within 3 hours from the time of the Offer sent or the applicant responds to the Offer, as detailed in the customer's card application.

2.4 Acceptance by the Customer of an Offer shall conclude a legally binding Murabaha Contract between the Customer and the Bank.

2.5 Title to, and the constructive possession of, the Commodities sold under a Murabaha Contract shall transfer to the Customer on the Utilisation Date.

3. PAYMENT OBLIGATIONS

3.1 The Customer shall pay the Deferred Price to the Bank on each Deferred Payment Date in accordance with the terms of the Murabaha Contract and these Murabaha Terms and Conditions.

3.2 The Customer shall pay each Monthly Murabaha Profit to the Bank on each Profit Payment Date.

3.3 On the final Deferred Payment Date, the Customer shall pay the remaining Deferred Price being an amount equal to the Deferred Price less all Monthly Murabaha Profit and Deferred Price already paid by the Customer to the Bank as described under Clause 3.1 of this Murabaha Terms and Conditions.

3.4 All payments required to be made by the Customer will be made in immediately available, freely transferable, cleared funds and shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of any without any deduction for or on account of any set-off or counterclaim or any withholding on account of Tax or otherwise. If the Customer is compelled by law, present or future, to make any deduction or withholding, the Customer will pay additional amounts to ensure receipt by the Bank of the full amount which the Bank would have received but for such deduction.

3.5 From the date of the Murabaha Contract, the Customer shall be absolutely and irrevocably obliged to pay all sums expressed or agreed to be payable by it hereunder, notwithstanding any defect, deficiency or loss of any of the Commodities or any other matter or thing whatsoever.

3.6 If the Customer wishes to pay any part of the Deferred Price, the Customer must notify the Bank of such payment by giving not less than fifteen (15) days prior written notice. On receipt of such notice, the Bank shall advise the Customer of the total sum due to the Bank under the Murabaha Contract including all actual costs, charges and expenses. In the case of a payment of the Deferred Price by the Customer, the Bank may (at its absolute discretion) consider granting a rebate on the Deferred Price in accordance with the Bank's financing policies in force at the relevant time.

3.7 Without prejudice to its other rights under the Murabaha Terms and Conditions, the Bank may, without being obliged to do so, defer one or more payments of all or any part of the Instalment due on each Credit Card Profit Payment Date or relevant Deferred Payment Date, as the case may be, to such later date as shall be

determined by the Bank, in its sole discretion. Nothing in this Clause shall expressly or impliedly be construed as a waiver by the Bank for the payment of the entirety of a Deferred Price by the Customer

- 3.8 When any payment would otherwise be due on a day which is not a Business Day, the payment shall be due and made on the next succeeding Business Day.
- 3.9 The Customer hereby commits and undertakes to donate an amount of AED 241.50 to charity ("Donation Commitment") through the Bank in case of a Payment Failure on part of the Customer. Unless the customer has proven beyond any doubt that the Payment Failure is because of bankruptcy and/or insolvency and not because of procrastination, the Bank shall recover the aforementioned donation amount from the customer's account and donate to a charitable institution approved by the Bank's ISSC.
- 3.10 The Customer irrevocably authorizes the Bank to debit any of the Customer's accounts with the Bank on the due dates for all amounts due and payable under the Murabaha Terms and Conditions, without notice to the Customer.
- 3.11 The Customer shall make payments under the Murabaha Terms and Conditions as follows:
- in the case of the Deferred Price, Monthly Murabaha Profit and Murabaha Profit, in the currency in which such amounts are denominated;
 - in the case of any cost, expense or tax, in the currency in which such cost, expense or tax was incurred;
 - in the case of any fee or other amount, in the currency in which such fee or other amount is expressed to be payable.
- 3.12 If any sum due from the Customer under the Murabaha Terms and Conditions ('Sum') or any order or judgment given or made in relation to a Sum has to be converted from the currency (the 'First Currency') in which the Sum is payable into another currency (the 'Second Currency') for the purpose of (i) making or filing a claim or proof against the Customer, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation hereto, the Customer shall as an independent obligation indemnify and hold harmless the Bank from and against any actual loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange at which the Bank may in the ordinary course of business purchase the First Currency with the Second Currency on receipt by it of the Sum.

4. REPRESENTATIONS AND WARRANTIES

4.1 The Customer represents that:

- the Customer has full power and authority to enter into the Credit Card Terms and Conditions;
- the Credit Card Terms and Conditions to which the Customer is or will be a party do not contravene any constitutional, contractual, legal or regulatory obligations that the Customer may have;
- except as disclosed in the relevant Application Form or otherwise in writing to the Bank, no encumbrance exists over all or any of the Customer's presents or future assets;
- all acts and conditions required to be done, fulfilled and performed in order to:
 - enable the Customer lawfully to enter into, exercise the Customer's rights under and perform and comply with the obligations expressed to be assumed by the Customer in accordance with the Credit Card Terms and Conditions; and
 - ensure that obligations expressed to be assumed by the Customer in accordance with the Credit Card Terms and Conditions are legal, valid and binding have been done, fulfilled or performed;
- no litigation, arbitration or administrative proceedings (including any which relate to bankruptcy, winding-up or dissolution, as applicable) is pending, initiated or threatened against the Customer or against any material part of its assets or revenues, before or by, any court or government authority;

- no legal proceedings have been initiated or threatened against the Customer for the Customer's bankruptcy or against any material part of the Customer's assets or revenues;
- all information supplied by the Customer to the Bank in connection with the Application Form or thereafter is true, complete and accurate in all material respects and the Customer is not aware of any material facts or circumstances that have not been disclosed to the Bank and such information can be relied on by the Bank to provide financing to the Customer;
- it confirms to the Bank that it has entered into each Murabaha Contract, and Investment Agency Agreement after having reviewed these Credit Card Terms and Conditions for the purposes of compliance with Shari'ah principles and with, to the extent it has considered this necessary, independent advice from advisors specialising in matters of Shari'ah and:
 - it is satisfied that the provisions of each Murabaha Contract, and Investment Agency Agreement and the transactions contemplated thereby do not contravene Shari'ah principles; and
 - confirms that it does not have any objection, nor will it raise any objections, as to matters of Shari'ah compliance in respect of or otherwise in relation to any of the provisions of these Credit Card Terms and Conditions;
- is not in breach of or in default under any agreement to which the Customer is a party or which is binding on the Customer or any of the Customer's assets and which breach or default could be reasonably likely to cause a Material Adverse Change; and
- the Customer is not materially overdue in the filing of any Tax returns and it is not overdue in the payment of any amount in respect of Tax (or its equivalent in any other currency) or more;
 - no claims or investigations are being, or are reasonably likely to be, made or conducted against the Customer with respect to Taxes; and
 - the Customer is resident for Tax purposes only in the United Arab Emirates].

4.2 Each of the representation and warranties constituted by Clause 4.1 of the Murabaha Terms and Conditions shall be deemed made on the date of the Murabaha Terms and Conditions and repeated on the date of the Application Form, the date of Acceptance, the date of Murabaha Sale, each Deferred Payment Date and each Profit Payment Date with reference in each case to the facts and circumstances then existing.

5. COVENANTS

The Customer shall:

- immediately provide to the Bank any information or extra documentation that may be requested by the Bank from the Customer;
- advise the Bank of any change of address of the customer within seven days of it occurring;
- immediately inform the Bank of any change or proposed change of employment or business the Customer is undertaking or conducting;
- obtain, comply with the terms of, and do all that is necessary to maintain in full force and effect all authorizations, approvals, licenses and consents required in or by the laws and regulations applicable to the Customer, and any other applicable jurisdiction to enable it lawfully to enter into and perform the Customer's obligations arising in accordance with the Credit Card Terms and Conditions;
- immediately inform the Bank of any change or proposed change of employment or business the Customer is undertaking or conducting:
 - promptly inform the Bank of the occurrence of any Event of Default stipulated hereinafter; and
 - comply in all material respects with all applicable laws.

6. EVENTS OF DEFAULT

- 6.1 The following will constitute an Event of Default:
- (a) the Customer fails to pay any amount due in accordance with the Credit Card Terms and Conditions on its due date;
 - (b) any representation, warranty or statement made in the Credit Card Terms and Conditions is incorrect or misleading in any respect;
 - (c) the Customer fails duly to perform or comply with any of the obligations expressed to be assumed by the Customer in accordance with the Credit Card Terms and Conditions;
 - (d) the Customer's employment is terminated or the Customer resigns, or any visa, approval or consent required in respect of the Customer's employment in the UAE is revoked, expires or is cancelled (unless the Bank receives, to its satisfaction, full details of the Customer's new employer or visa and the proposed salary/income the Customer will receive from this);
 - (e) the Customer is unable to pay the Customer's debts as they fall due, commences negotiations with any one or more of the Customer's creditors with a view to the general readjustment or rescheduling of the Customer's indebtedness or makes a general assignment for the benefit of or a composition with the Customer's creditors or a moratorium is declared in respect of any indebtedness of the Customer;
 - (f) any steps are taken to declare the Customer bankrupt or the Customer is incarcerated, dies or becomes mentally incapacitated;
 - (g) any security provided by the Customer is not or ceases to remain in full force and effect;
 - (h) at any time it is or becomes unlawful for the Customer to perform or comply with any or all of the Customer's obligations in accordance with the Credit Card Terms and Conditions; or
 - (i) any other event or series of events occurs which in the reasonable opinion of the Bank result in a Material Adverse Change.
- 6.2 On the occurrence of an Event of Default, the Bank may immediately or at any time thereafter, by written notice to the Customer declare and demand:
- (a) all or any amounts, including without limitation any Murabaha Monthly Profit and/or the whole or part of the Deferred Price as immediately due and payable on demand of the Bank;
 - (b) including, without limitation, all costs and expenses incurred in connection with enforcing the Credit Card Terms and Conditions and any security which has been provided as collateral for the obligations of the Customer arising in accordance with the Credit Card Terms and Conditions.

PART - D

INVESTMENT AGENCY TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

The General Terms and Conditions shall apply to and are incorporated into these Investment Agency Terms and Conditions (*mutatis mutandis*).

In these Investment Agency Terms and Conditions, the following terms shall have the meanings given to them below:

"Account Terms and Conditions" means the standard terms and conditions issued by the Bank (as amended or varied from time to time) and accepted by the Customer, governing the operation of the Investment Account.

"Agency Fee" means the fixed fee of AED100 to be paid to the Bank by the Customer in consideration for the Bank's services under the Investment Agency Agreement.

"Applicable Law" means any law, regulation, rule, executive order, decree, code or practice, circular, guidance note or information of, or made by, any Competent Authority which is binding and enforceable on or against the Customer and/the Bank (in its capacity as agent) or on this Agreement.

"Competent Authority" means a government, supranational, local government, statutory or regulatory body or any subdivision thereof and any ministerial all governmental, quasi governmental, industry or other regulatory department, body, instrumentality, agency or official court or tribunal having jurisdiction over the Customer and/or the Bank (in its capacity as agent).

"Expected Profit" means the profit, over and above the Investment Amount, that is anticipated to be generated under the Investment at the Expected Profit Rate.

"Expected Profit Rate" means such annual rate of profit as set out by the Bank.

"Incentive Payment" has the meaning in Clause 5.4 of the Investment Agency Terms and Conditions.

"Investment" means the investment of the Customer's funds in the Investment Account by the Bank with the expectation of generating an Expected Profit.

"Investment Amount" means an amount equal to the Cost Price as set out in the Application Form and deposited by the Customer with the Bank or the available / unutilized amount of the Cost Price in the Investment Account at a relevant point of time.

"Investment Date" means the date on which Customer or agent of Customer provides the Investment Amount to the Bank prior to activation of the Credit Card for the purposes of investment under Wakala.

"Investment Maturity Date" means the date on which the Credit Card will expire and Maturity proceeds / return (if any) will be paid to the Customer by the Bank.

"Investment Profit" means, in respect of the Investment Period or any specific calendar month, the actual realized profit (or loss) derived by reason of the Bank making an Investment.

"Investment Period" means the period from the Investment Date up to and including the Investment Maturity Date.

"Investment Wakala Assets" means the assets acquired by the Bank for and on behalf of the Customer under the Investment.

"Maturity Proceeds" means the amount, in respect of the Investment, which, following actual or constructive liquidation of the Investment Wakala Assets, shall be due to the Customer on the Investment Maturity Date and which shall comprise of the following: (a) the Investment Amount; and (b) realized Investment Profit (if any), after the deduction of all costs owing to the Bank, Agency Fee and Incentive Payment (if any).

2. APPOINTMENT OF AGENT

By entering into an Investment Agency Agreement, the Customer appoints the Bank as its investment agent and the Bank hereby accepts the appointment of the Customer to be the agent of the Customer for the investment of the Customer's funds through and part of the Bank's pool of depositor's funds on an unrestricted wakala basis. Under the Investment Agency Agreement, the Bank shall be authorised to invest the Investment Amount in Investment Wakala Assets and to enter into Shari'ah compliant transactions on behalf of the Customer and for the Customer's account and to do all acts as fully as the Bank could do itself with respect to such transactions.

3. IMPLEMENTATION AND PERFORMANCE OF THE INVESTMENT

- 3.1 The Investment shall be made by the Bank on acceptance of the Investment Agency Agreement by the Bank from the Customer. The Investment Agency shall only be deemed accepted by the Bank once it has been countersigned by the Bank.
- 3.2 The Customer shall complete the Application Form and pay, or procure the payment of the Investment Amount into the Investment Account for value no later than the Investment Date (unless and to the extent prohibited from making any such payment by reason of application of any Applicable Law. The obligations of the Bank under Clause 3.1 of the Investment Agency Terms and Conditions shall only be effective on the receipt by the Bank of the entire (and not part only) Investment Amount in the Investment Account.
- 3.3 The Bank shall be authorised to arrange for payment and collection of funds on behalf of the Customer and is hereby authorised to execute and deliver any instruments or transfers which are necessary in connection therewith.

- 3.4 Subject to the provisions of Clause 4.2 of the Investment Agency Terms and Conditions, the Bank undertakes to transfer the Maturity Proceeds on the Investment Maturity Date to the Investment Account, on which the Investment will be automatically terminated.
- 3.5 Subject to the Investment Agency Terms and Conditions, the Bank agrees with the Customer that it shall in performing its obligations as the agent and in accordance with the Investment Agency Terms and Conditions, look after the interests of the Customer and act dutifully and in good faith and shall administer the Investment with the same degree of care as it would exercise as if such Investment had been made and administered on its own account. Notwithstanding the above, the Bank shall not be liable to the Customer except in cases of fraud, wilful default or gross negligence by the Bank in the performance of the Bank of its duties under the Investment Agency Terms and Conditions.
- 3.6 In consideration of the Bank acting as agent of the Customer, the Bank shall be entitled to deduct from the Investment Account, whenever incurred, all actual costs, liabilities and expenses incurred by the Bank in relation to the Investment, together with the Agency Fee.

4. WITHDRAWALS

- 4.1 The Customer may effect withdrawals from the Investment Account for up to the Investment Amount at any time during the Investment Period. The Customer may re-deposit any amounts withdrawn into the Investment Account provided that the credit balance in the Investment Account does not exceed the Investment Amount as a result. For the avoidance of doubt the Customer may not make a withdrawal from the Investment Account if such withdrawal causes the Investment Account to be overdrawn. The Bank shall consider only the end of day balances standing to the credit of the Investment Account for the purposes of investments.
- 4.2 The Bank shall, on a request by the Customer for a full or partial withdrawal from the Investment Account, liquidate Investment Wakala Assets of corresponding value such that the liquidated amount shall be available for withdrawal by the Customer from the Investment Account through such means stipulated under the Account Terms and Conditions. Any withdrawal by the Customer will reduce the Investment Amount and the Maturity Proceeds accordingly and such withdrawn amounts shall cease to be considered as part of the Investment Amount.
- 4.3 Any amounts re-deposited by the Customer into the Investment Account (up to the aggregate of the Investment Amount) shall be invested by the Bank in the Investment Wakala Assets under the terms of the Investment Agency Terms and Conditions.

5. INVESTMENT PROFITS AND CALCULATION OF INCENTIVE

- 5.1 The Customer acknowledges that nothing in the Investment Agency Terms and Conditions shall be construed as being a warranty or a representation by the Bank of any guaranteed profits, or any guaranteed payment of any part or the entire portion, in respect of the Investment Amounts.
- 5.2 The Customer is aware that all deposits in the Investment Account (including the original Investment Deposit) are exposed to potential losses arising out of a loss incurred in respect of an Investment Wakala Asset and that such losses may even affect the Investment Amount deposited by the Customer in the Investment Account.
- 5.3 The Customer agrees to bear all the risks associated with such Investments unless resulting from the Bank's gross negligence, wilful misconduct or fraud.
- 5.4 If the Investment Profit realized from the investment exceeds Expected Profit, the surplus shall be given to the Bank as an incentive payment (an "Incentive Payment").

6. REPRESENTATIONS

On each day during the Investment Period, the Customer represents and warrants to the Bank that the Customer has full power and authority to enter into the Investment Agency Terms and Conditions and the exercise of the Customer's rights and performance of its obligations thereunder have been duly authorized by all necessary action, where applicable.

7. PAYMENTS

- 7.1 Payments by the Customer hereunder shall be made:
- in the case of an Investment Amount, in the currency in which such Maturity Proceeds are denominated;
 - in the case of any cost, expense or tax, in the currency in which such cost, expense or Tax was incurred;
 - in the case of any fee or other amount, in the currency in which such fee or other amount is expressed to be payable.
- 7.2 If any sum due from the Customer ('Sum') or any order or judgment given or made in relation to a Sum has to be converted from the currency (the 'First Currency') in which the Sum is payable into another currency (the 'Second Currency') for the purpose of (i) making or filing a claim or proof against the Customer, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation hereto, the Customer shall as an independent obligation indemnify and hold harmless the Bank from and against any actual loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange at which the Bank may in the ordinary course of business purchase the First Currency with the Second Currency on receipt by it of the Sum.

8. TERMINATION

- 8.1 Provided the Bank provides at least 30 days notice, the Bank has the right to terminate the Investment and its obligations without cause by sending a notice to the Customer. The Customer may not terminate the Investment before the Investment Maturity Date unless approved by the Bank.
- 8.2 On termination of the Investment and its obligations, subject to the provisions of this Clause, the rights and the obligations of the parties will terminate and be of no future effect save the obligation of the Bank to account to the Customer for the Maturity Proceeds on the Investment Maturity Date and such other provisions which expressly or by implication will survive termination.
- 8.3 Termination will not affect or prejudice any right to damages or other remedy which the terminating Party may have in respect of the event(s) giving rise to the termination or any other right to damages or other remedy which the terminating party may have in respect of any breach which existed at or before the date of termination.