

TERMS & CONDITIONS OF ISLAMIC CREDIT CARDS

Important: Before you apply for the GIB Islamic Credit Card (the "**Card**"), please carefully read these terms ("**Terms**") which, together with the Terms and Conditions you agreed to when you became a customer ("**General Terms**") and any

Additional Terms we issue from time to time, shall be our agreement with you ("**Agreement**"). Your use of your Card will constitute your acceptance of these Terms.

IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST MERCIFUL

All praise is due to Allah, the cherisher of the world, and peace and blessings be upon the prophet of Allah, on his family and all his companions.

Definitions and Interpretation

Words defined in the General Terms shall have the same meaning when used in these Terms, unless we specify otherwise. The following definitions are used in this Agreement:

"**APR**" means the annual profit rate, which is a pre-agreed profit rate that we will charge you for using the Card;

"**ATM**" means an automated teller machine at which your Card will be accepted, which may be operated by us or by someone else;

"**Card Account**" means your Credit Card account with us;

"**Cash-Back**" means cash earned based on monthly spend range and credited to the Cardholder account;

"**Charity**" means a charity that we may select under the supervision of our Shariah Supervisory Board;

"**Credit Card**" means a Credit card issued by us which allows the Cardholder to make purchases at POS or points of interaction and cash withdrawals from designated ATMs and SSTs. The term the "**Card**" shall whenever applicable include supplementary Card(s);

"Cardholder" means (a) a holder, or an applicant to become a holder, of a Credit Card issued by us or (b) a holder, or an applicant to become a holder who has agreed with us to pay all obligations arising from the issuance of a supplementary Credit Card to a designated individual. A Cardholder is the principal cardholder and must be a natural person;

"Credit Limit" has the meaning in clause 2;

"Cycle" Cash-Back cycle is a 3 month period.

"Delinquent" means a status a cardholder earns when he/she fails to pay the minimum, full or partial of credit card outstanding.

"Delinquency Flag Value" means the time period a cardholder has been Delinquent.

"Merchant" means any corporate entity, person or other establishment supplying goods and/or services who accepts a Credit Card as a mode of payment or reservation by the Cardholder;

"Notice", "Notify" or "Notification" means communications or notifications between you and us in writing or via calls to/from our contact centre, on online screens, or by any other method specified in these Terms;

"PIN" or "TPIN" means a personal identification number which allows you to access ATMs/SSTs/ASTs, telephone banking or other services provided by us;

"POS" means point of sale terminal at Merchants where bank cards are accepted for payments of goods and/or services;

"Purchase" means a transaction of Shariah compliant goods or services obtained by a Cardholder by the use of a Card;

"Reversal Transaction" means the return of amount spent on cardholder's credit card account

"SAMA" means the Saudi Arabian Monetary Agency;

"Scheme" means the Card payment scheme operated by the relevant payment services vendor;

"Total Cost of Credit" shall mean all applicable commission or profit charges and recurring non-commission or non-profit fees and charges to be paid by the Cardholder excluding any penalty charges for the credit;

"We", **"us"** and **"our"** means Gulf International Bank B.S.C. or any of its branches, subsidiaries successors or assigns; and **"You"** and **"your"** means the Cardholder.

1 Use of Card and account

- 1.1 We will maintain a Card Account in the name of the Cardholder. We will debit the Card Account for: (1) purchases of goods and services that you make, cash advances, fees and charges made by the use of the Card (**"Card Transactions"**); and (2) any other liabilities of the Cardholder arising under these Terms; and (3) any loss incurred by us arising from the use of the Card or Card number. If financial institutions charge for your use of their self-service machines, such charges will be payable by you. The Card or Card Account must not be used for business purposes, illegal purposes or non-sharia compliant activities. If the Cardholder breaches the terms of use, we reserve the right to cancel the Card and any supplemental Cards provided.
- 1.2 We may, acting in our sole discretion, issue supplementary Card(s) to any person nominated as a supplementary Cardholder by the Cardholder. These Terms shall apply to the use of any supplementary Card(s). The Cardholder shall be bound by and be liable for the use of any supplementary Card(s). In addition to our other rights and powers under this Agreement, we may cancel any supplementary Card(s) at any time and seek the return of supplementary Card(s) issued to the supplementary Cardholder. The Cardholder will be solely liable for the total outstanding balance on the principal Cards and the supplementary Card(s).
- 1.3 If the Cardholder is authorized by us to use their Card at an ATM belonging to us or any Member Bank of Visa International or any other ATM as advised to the Cardholder from time to time, the following additional Terms apply:

- 1.3.1 the Cardholder shall bear full responsibility for all transactions processed by the use of the Card at any ATM that accepts it (our record of transactions processed being conclusive and binding for all purposes) and authorizes us to debit the Cardholder's Card Account with the amount of any withdrawal or transfer made by the use of the Card with or without the Cardholder's knowledge or authority;
- 1.3.2 the Cardholder shall not be entitled to exceed the cash limit of the Card Account;
- 1.3.3 we shall not be responsible for any loss or damage arising directly or indirectly from any malfunction/failure of the Card or any ATM arising out of the Cardholder's mistake, the temporary insufficiency of funds in such machines or any other reason either within or beyond our control unless such loss or damage occurs as a direct result of our gross negligence.

Conditions related to the Card Account

- 1.4 The Cardholder will be responsible for all credit or other facilities granted by us in respect of the Card and for all related charges under this Agreement, despite the termination of this Agreement.
- 1.5 The value of all Card Transactions will be charged to the Card Account in the currency of the Card Account as advised by us. Card Transactions, which are made in currencies other than the Card Account currency, will be debited by us to the Card Account after conversion into the Card Account currency at an exchange rate determined by us, based on applicable international currency market rates, from time to time.
- 1.6 We shall not be liable for any circumstances affecting the use of the Credit Card including but not limited to:
 - 1.6.1 the failure of any Merchant to accept or honour a Credit Card;
 - 1.6.2 the manner in which the refusal to accept a Credit Card is communicated;
 - 1.6.3 any machine, data processing system or transaction link malfunction, strike or dispute relating to the transfer of funds, provision of information or the goods or services purchased; or
 - 1.6.4 The limit of funds available through an ATM or POS.

Lost or Stolen Cards

- 1.7 The loss or theft of a Card must be notified to us immediately. The Cardholder will be responsible for any unauthorized Card Transactions made before you notify us of the loss or theft. The maximum potential liability to the Cardholder as a result of lost/stolen Cards will not exceed the approved limit of the Card.

2 Credit Limit

We will assign a credit limit ("**Credit Limit**") to the Card Account. The Credit Limit is determined by us in accordance with SAMA regulations and our credit policy. The Credit Limit is subject to variation from time to time at our absolute discretion, provided that we will not increase your Credit Limit without receiving instructions from you to do so. The Cardholder may, however, apply for a review of their Credit Limit at any time.

3 Card Payments

- 3.1 A Card Account statement will be sent to the Cardholder monthly to the secured mailbox with the total amount outstanding on the Card Account including purchase transaction amounts, Cash Withdrawal and the minimum payment due, computed at a rate determined by us and Notified to the Cardholder from time to time and the date by which the payment must be made to us. The Cardholder agrees to sufficiently fund their Current Account to ensure their monthly minimum payments are paid on the due date. The minimum amount due also includes: (1) any unpaid minimum amount due from any previous statements which has not been settled; (2) any amount over the Credit Limit; and (3) any other fees stated in the Schedule of Charges. The statement will contain:

- 3.1.1 an itemized statement of account that describes each transaction and discloses each amount credited or payable by the Cardholder, including profit payable by the Cardholder to the Card Account, and the dates when those amounts were posted to the Card Account;
- 3.1.2 for transactions carried out in foreign currencies (i.e. other than Saudi Riyals), the amount in original currency and its Saudi Riyals equivalent;

- 3.1.3 the amount that the Cardholder must pay, on or before a specified due date, in order to have the benefit of a grace period; and
- 3.1.4 The sum for payments and the sum for purchases, credit advances and commission and non-commission charges.
- 3.2 The Cardholder gives us irrevocable standing instructions to enter into Murabaha transactions based on the Murabaha model approved by our Shariah Supervisory Board (where we sell to the Cardholder a commodity on a deferred payment basis and as agent of the Cardholder and then sell the commodity on a cash basis to a third party at the then prevailing market price) no later than three (3) Business Days after each due date to offset the outstanding amount due. Your standing instruction is valid for as long as this Card Agreement is in effect. Each Murabaha transaction will be deemed to be completed unless you notify us that you do not wish to proceed with the Murabaha by calling our call centre no later than the relevant due date for payment. Such notification from you may result in the cancellation of the Card, following which the entire amount outstanding on the Card will be immediately due and payable. This is without prejudice to our general rights under clause 4 (Cancelling this Agreement) of the Terms.
- 3.3 If the Cardholder pays the full outstanding balance on or before the due date, no Murabaha shall take place.
- 3.4 Should you settle less than the total amount due on or before the due date, we shall: (1) carry out Murabaha transactions by selling certain commodities owned by us to the Cardholder for the remaining balance of the total amount due by one instalment for one month starting as of the due date; and (2) settle the Card dues from the proceeds of selling the said commodities on your behalf.
- 3.5 Murabaha transactions will appear in your next Card statement. The Cardholder will be deemed to have accepted a Card statement if we have not received Notice of an objection to any Murabaha transaction within thirty Calendar (30) days from the date the Card statement was issued.
- 3.6 If we receive Notice of the Cardholder's objection to a Murabaha transaction within the thirty calendar (30) days period from the date of the issue of the Card Account statement, we shall review the request of the Cardholder and if we agree with the Cardholder's objection, we shall refund the entire amount of the Murabaha and the profit of the objected transaction only. We have the right to stop the Card and claim settlement of the whole amount due from the Cardholder at any time.

- 3.7 In all of the above cases specified in this clause 3, we will only process a Murabaha transaction after expiry of the grace period and only if the Cardholder is not bankrupt.
- 3.8 Without prejudice to our rights under this Agreement if you default in payment of the outstanding amount on maturity, then we reserve the right to suspend the Card, and we may not process the Murabaha for settlement of the Card's Transactions until we have received the required payment. In addition, we shall have the right, in our sole and absolute discretion, to transfer and assign in any manner and in whole or in part, any amount outstanding from the Cardholder. We will pay late payment charges we receive to charity, after deducting our collection costs and charges for administering the Card Account.
- 3.9 If you object to any transaction after processing of Murabaha, 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 transactions and the applicable profit.
- 3.10 The Cardholder may issue a direct debit standing instruction on an account with us ("**Nominated Account**") to settle the Amount Outstanding on the Payment Due Date. For direct debit standing instructions, the following additional terms apply:
- 3.12.1 The Cardholder agrees that any amendments and cancellations to any such standing instructions should reach us at least one week before the next Payment Due Date.
- 3.11 If the Cardholder disagrees with any fee or charge listed in their monthly account statement, they should notify us within 30 Calendar days of the Card statement's issue date, failing which the account statement shall be binding.
- 3.12 Any payments made by a Cardholder will be applied by us in or towards payment of the Cardholder's liabilities to us under these Terms in such order as we may decide.
- 3.13 When you become a Credit Cardholder we will ask you to choose to either: (1) pay the minimum amount due each month; or (2) pay the full billed amount on the payment due date from your settlement Account (i.e. your One-Pack Account). We will issue monthly statements to you on your statement date stating the billed amount and the minimum amount due.

- 3.14 At the end of the payment due date, if there is a shortfall in the payment received as compared to the Credit Cardholder's selected payment option, we will immediately seek the difference from the Credit Cardholder's One-Pack Account.
- 3.15 If there is a shortfall in your settlement of the minimum amount due, we will place a lien for this shortfall on your One-Pack Account for the difference.
- 3.16 We reserve the right to block part of your salary credits and allocate them for payments that will fall due.

4 Amending or Termination of this Agreement

- 4.1 We may at any time supplement, amend, or vary these Terms. Any such change shall be effective upon thirty Calendar (30) days' from the date we issue a Notification to the Cardholder and Notice shall be by electronic message or any means determined by us. We may make available additional features to the Cards or any other existing or future Products or Service(s) subject to such Additional Terms as notified to the Cardholder from time to time. We may replace, remove, amend or vary any or all of such additional features at any time. The Cardholder may terminate this Agreement within 14 calendar days of your receipt of the change to these Terms, provided that the outstanding balance on Card is paid in full.
- 4.2 The Cardholder shall be entitled to cancel the Card free of charge provided that the Bank is Notified of such cancellation within 10 (ten) days of the Cardholder's receipt of the Card, unless the Card is activated by the Cardholder in which case, any fees incurred would be charged.
- 4.3 We may terminate this Agreement with the Cardholder at any time by cancelling the Card with or without prior Notice and with or without assigning any reason, or refusing to renew the Card. The Cardholder may terminate this Agreement at any time by contacting our contact center.
- 4.4 The whole Amount Outstanding on the Cardholder's Card Account shall become due and payable to us on the termination of this Agreement. The Cardholder agrees that we shall have the right to retain any funds placed in the Cardholder's Current/Savings or any other Account or deposits with us or deposits

as security for the issuance of a Card and/or supplementary Card(s) for a period of up to forty five (45) days after the Card and any supplementary Card(s) have been physically returned to us and to set-off against any such funds without Notice to the Cardholder.

- 4.5 In the event that the Cardholder loses their residency status in the Kingdom of Saudi Arabia, we have the right to cancel their Card and request the Cardholder to pay all outstanding amounts due to us.
- 4.6 The Card remains our property at all times and shall be promptly returned to us upon our request, together with any supplementary Card(s) for which the Cardholder is liable.
- 4.7 Where this Agreement relates to the use of a supplementary Card, the Cardholder may terminate this Agreement (in so far as it relates to the use of the supplementary Card) In all circumstances, this Agreement will remain in force until full payment of Card Transactions and all amounts due under these Terms made by the use of the supplementary Card have been received by us. Unless and until such termination takes place, we will provide a renewal supplementary Card to the Cardholder from time to time.

5 General

- 5.1 The Cardholder authorizes us to disclose information concerning the Cardholder and supplementary Cardholder or the Cardholder's and supplementary Cardholder's Card Account to SAMA, banks and competent authorities. The Cardholder also authorizes us to collect from and or disclose to SIMAH or any appropriate third parties approved by SAMA such information as we may require, at our discretion, to establish, review and or administer the Accounts with us.
- 5.2 The Cardholder irrevocably agrees that we may subcontract the provision of the services provided to the Cardholder or any part of those services to any third party, whether or not that third party operates in another jurisdiction or territory. We shall remain liable to the Cardholder for any recoverable loss or damage incurred and shall ensure that the third party will maintain the confidentiality of any such information to the same extent as us.
- 5.3 We may assign the processing of information related to the Cardholder in any jurisdiction within GIB KSA.

- 5.4 Telephone calls made by Cardholders may be recorded and retained by us and such recordings shall be our sole property.
- 5.5 The Cardholder hereby authorizes us to, without Notice, combine or consolidate the Amount Outstanding on the Cardholder's Card Account with any other Account, which the Cardholder maintains with us, and set-off or transfer any monies standing to the credit of the Cardholder's other Accounts in or towards satisfaction of the Cardholder's liability to us under these Terms.
- 5.6 If Credit advice is required on banking products and services, the customer should contact the contact center for credit advisory and consultation
- 5.7 The Cardholder will continue to be liable for the charges, if for any reason we are unable to produce or send the Cardholder a statement of Account.
- 5.8 You are encouraged to tell us first about any complaints you may have about our products and services at any time. Our objective is to ensure that all complaints are handled and resolved in a timely and professional manner. You can submit your complaints or suggestion to www.meem.sa or Q@meem.sa or call 920026336 inside KSA or +96692006336 outside KSA.
- 5.9 If the matter cannot be amicably resolved, you may bring legal proceedings before the SAMA committee for the Settlement of Banking Disputes. If you fail to commence such proceedings within twelve (12) months after the disputed truncation occurred, you shall be conclusively deemed to have waived any rights to bring such proceedings.
- 5.10 This Agreement shall be construed and governed by the laws of KSA and in accordance with the principles of Shariah.

6 Foreign Currency Transactions

- 6.1 All foreign currency Credit Card Transactions will attract a currency conversion charge (to be determined by us) of the value of each transaction at the time of converting the same into Saudi Riyals.

6.2 The following example illustrates the method applied when converting a foreign currency into Saudi Riyals :

Transaction Currency	X
Transaction Amount – (A)	100
Conversion Rate from Currency X to Saudi Riyals – (B)	4.00
SAR Amount: (100×4.00) (A) * (B)	SAR 400
Currency Conversion Charge: $(SAR 400 \times 1.3\%)$	SAR 5.2
Total amount charged to the Card $(SAR 400 + SAR 5.2)$	SAR 405.2

Note: We settle transactions made in foreign currencies. All transactions are converted to Saudi Riyals before they are posted to your Credit Card Account. Regardless of the currency of the original transaction, any foreign currency transaction(s) made using a Credit Card is first converted to US Dollars (if it is not already in US Dollars) and then converted to Saudi Riyals. The conversions from foreign currencies to Saudi Riyals are carried out by the respective Scheme as per their prevailing rate/s of the day. We are not liable for differences in the currency rate conversions. The Cardholder shall abide by all rules and regulations applicable to transactions or money trading of the country in which the transaction takes place.

7 Cash-Back Program

7.1 The Cash-Back shall be calculated as follows:

Monthly Spend Range	Cash Back Earned
Less than (excluding) 2,000 SAR	0%.
Between (including) 2,000 and 4,999 SAR	1%
Between (including) 5,000 and 9,999 SAR	2%
Greater than (including) 10,000 SAR	3%

The Maximum Cash-Back amount a cardholder can earn a month is 500 SAR, regardless of the amount spent provided that we shall have the right in our sole and absolute discretion, to change this amount, spend ranges and amount of Cash Back earned from time to time.

7.2 You can accumulate Cash-Back by using the card for

V, ٢, ١ domestic and online retail purchases, online transactions, POS transactions, mail-order and telephone order transactions.

7.3 Minimum Spend amount to start earning Cash-Back is 2,000 SAR

7.4 The Cardholder cannot accumulate Cash-Back for the following transactions:

7.4.1 Cash Advancement: Cash withdrawal and cash transfer.

7.4.2 Dispute, refund and Reversal Transactions.

7.4.3 SADAD, government and charity payments.

7.4.4 Fees (Annual fee, late payment fee, cash advancement fee, card replacement fee, dispute transactions fee, account balance enquiry on ATM fee, retail and cash Murabaha fees)

7.5 In case of international transactions, amounts spent shall be converted to SAR before applying the calculation.

7.6 Accumulation of Cash-Back starts on the 8th day of the month and ends on the 7th day of the following month.

7.7 Accumulation of Cash-Back occurs at the end of each Cycle.

7.8 Cash-Back is credited against Card Account's outstanding balance on the 5th of (May, August, November and February) for the preceding 3-month period.

7.9 If the Card Account's outstanding balance is zero or less than the Cash-Back amount, the Cash-Back amount will still be credited to the Card Account.

7.10 Each month's Cash-Back amount is calculated separately from the following or the previous month

7.11 If a Cardholder chooses to close his Card Account before the Cash-Back is credited to the Card Account, Cash-Back amounts accumulated during the Cycle will be forfeited.

7.12 A Delinquent Card Holder who has been delinquent for up to 59 Days will not be eligible for accumulating Cash-Back for that specific month.

7.13 A Delinquent Card Account, which has remained Delinquent for 60 days or more, will not be eligible for accumulating Cash-Back for the entire Cycle.

- 7.14 Any abuse or fraud relating to the earning and/or redemption of Cash-Back may result in the cancellation and forfeiture of the Cash-Back amount and may also result in termination of the Card Account.
- 7.15 In the event that the primary Cardholder closes the Card Account or the Card Account is blocked, the Cardholder will forfeit all Cash-Back amounts.
- 7.16 If there is a discrepancy between Cash-Back amount earned shown in statement and amount displayed in Bank's website, amount shown in the statement prevails