

1. Definitions

Save otherwise required by the context, the following words shall bear the meaning given to them.

- 1.01 "Account Branch" means the Bank Branch where the principal Cardholder, maintains the card account.
- 1.02 "ATM" means the Automated Teller Machine.
- 1.03 "Bank" means QNB and its successors and assigns.
- 1.04 "Billing Cycle" means the time period between the dates of issuing two consecutive "Statements of Account".
- 1.05 "Card" means the new, renewed or replaced QNB Visa/MasterCard Credit Card issued by the "Bank" to a Cardholder.
- 1.06 "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 the interest, fees and any other charges as well as crediting refunds due.
- 1.07 "Card due Amount" means the total amount due to the Bank through the use of the Card which includes amounts already debited/ pending debit to the Card Account, together with other fees and charges payable thereon.
- 1.08 "Card Transaction" means the Retail purchase made or a cash advance obtains by the Cardholder.
- 1.09 "Cardholder" means the person who has the right of using the card and in whose name the Bank has issued a primary or supplementary card.
- 1.10 "Card Number" means the 16 – digit number appearing on the face of the Card is not to be exceeded and can be utilized by the "Principal Cardholder" as well as the "Supplementary Cardholder" through using the "Card".
- 1.11 "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.
- 1.12 "Cash Advance Fee" means the fee charged to the "Card Account" by the "Bank" upon the cardholder obtaining a "Cash Advance", Computed as a percentage of the "cash advance" amount and according to the list of fees & commissions approved by Central Bank of Kuwait.
- 1.13 "Cash advance Limit" means the portion of the credit limit that may be withdrawn by the Cardholder as a cash advance as determined by the Bank from time to time.
- 1.14 "Credit Limit" means the maximum limit of credit permitted by the "Bank" in a "Card Account" which is not to be exceeded and can be utilized by the "Principal Cardholder" as well as the "Supplementary Cardholder" through using the "Card".
- 1.15 "CSC" means the card Security code appearing on the reverse of the card, to be used with the card where and when required. This is also known as card verification value (CVV) or card validation code (CVC).
- 1.16 "Email" means the electronic mails exchanged via the interest using appropriate equipment.
- 1.17 "Finance Charges" means the interest charged by the "Bank" to the "Card Account" on the outstanding balance, not settled in full on or before the payment due date. In case of part-settlement, interest will be charged on the outstanding amount: Finance Charge" will be calculated from the transaction Date and may be subject to a minimum amount as decided by the Central Bank of Kuwait and the rate of interest will be as determined by the Central Bank of Kuwait shall not exceed the contractual interest rate declared for KD lending transactions whose term does not exceed. One year.
- 1.18 "Funding Account" means the QNB account designated by the principal cardholder to the Bank, for the recovery of amounts falling due for payment in the Card Account.
- 1.19 "Grace Period" means the period during which no "Finance Charge" may be incurred on the "New Retail Purchase transactions, as offered and defined by the Bank from time to time. Grace period will not be available for cash advances and such other card transaction and determined by the Bank from time to time
- 1.20 "Late Payment Fee" means the fee charged to the "Card Account" when payment is not received/recorded and posted to the "Card

Account", and/or the payment is received/recorded and posted to the "Card Account" after the "Payment Due Date", and/or the payment is less than the "Minimum Payment Due".

- 1.21 "Merchant" means the business or other establishment authorised to accept payments by card.
- 1.22 "Minimum Payment Due" means the least 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. "Past Due Amount" from previous "Billing Cycle" will form part of the "Minimum Payment Due".
- 1.23 "Outstanding balance" means the total of card transactions due for payment: including (but not limited to) retail purchases past the grace period, cash advances.
- 1.24 "Past Due Amount" means the "Minimum Payment" of the "Previous Balance" which was due for payment at previous "Billing Cycle and is unpaid and still due.
- 1.25 "Payment Due Date" means the date specified in the "Statement of Account" by which the "Minimum Payment", full payment, or any payment greater than the "Minimum Payment" is to be made by the "Cardholder" to the "Card Account".
- 1.26 "PIN" means the Personal Identification Number provided by the "Bank" to the "Cardholder" to be used with the "Card" where and when required.
- 1.27 "POS" means the points of sales provided at merchant establishments of effecting payment by card.
- 1.28 "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.
- 1.29 "Retail Purchase" means the purchase of goods or services (including recurring payments), receipt of benefits, reservations as made the cardholder by the use of the card in a face to face transaction or by the other means including mail, email, telephone and/or facsimile orders.
- 1.30 "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".
- 1.31 "Statement of Account" means the complete record of activity in the Card Account during the Billing Cycle.
- 1.32 "Supplementary Cardholder" means the person nominated by the "Principal Cardholder" to the Bank to be issued with supplementary card and be authorised to use the Card Account
- 1.33 "Terms & Conditions" means these terms and conditions governing the issuance and management of Cards by the Bank.
- 1.34 "Transaction Date" means the date specified in the "Statement of Account" on which the transaction took place.

2. Issuance of the Card

- 2.01 As a pre-condition for approving any application to issue a Card, the Bank may, at its sole discretion and determination, require the applicant to pledge and/or assign cash deposit in favour of the Bank for any amount determined by
The Bank. The Bank shall maintain this security so long as the Card is valid And there is any outstanding balance in the Card Account. If the Card Account Balance is fully settled, the Bank shall continue to maintain this security for a Period not less than 45 (forty five) days from the date of cancelling the Card.
- 2.02 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 45 (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 Card Account balance is fully settled.
- 2.03 The "Card" shall be valid for the period specified on the "Card" and the "Cardholder" is eligible to use the "Card" only within the same period.
- 2.04 In the first Billing Cycle 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 as determined by the Bank.

- 2.05 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 or renew or replace the Card.
- 2.06 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".
- 2.07 The "Cardholder" is fully aware that issuance of the "Card" constitutes a borrowing relationship with the "Bank", and that the "Cardholder" has the ability to repay all the amounts due out of using the "Card" on the due dates.
- 2.08 The "Bank" reserves the right to change the designs of the "Card" at any time without prior notice.

3. Receipt and Usage of the Card

- 3.01 The "Cardholder" may collect the "Card" in person at any of the "Banks" branches or the "Banks" units through which he/she applied, or the "Card" may be sent by post/courier, at the "Cardholders" 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.
- 3.02 Upon receipt of the Card, the Cardholder shall immediately sign the Card on the reverse in the space provided and exercise due diligence and care to keep the Card in safe custody against loss/theft/misuse/misplacement, or any other risk
- 3.03 Upon receipt of the PIN mailer, the Cardholder shall promptly memorize the PIN and arrange to destroy the PIN mailer; and ensure to avoid any action which could lead to its secrecy being compromised.
- 3.04 The "Cardholder" may use the total "Credit Limit" provided by the "Bank" for Retails purchase Cash Advances will be restricted to the Cash Advance Limit available against the Card.
- 3.05 If the "Card" is cancelled by the "Bank" or at the request of the "Cardholder", or for whatever 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. Further, the "Cardholder" will be liable for setting any balance incurred as a result of such usage.
- 3.06 The "Bank" shall bear no responsibility/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 anything, or cause, whether beyond the control of the "Bank", or otherwise. That prevents the "Cardholder" from completing a "Card Transaction".
- 3.07 The "Bank" shall not be responsible/liable for any non-acceptance of the "Card" for any reason whatsoever by any "Merchant", "ATM", or a bank's branch or unit. Additionally, the "Bank" will not be liable for merchant surcharge, levied by a merchant.
- 3.08 Card must not be used for any unlawful purpose, including the purchase of goods or services, prohibited by local law applicable in the jurisdiction of the Bank or the Cardholder or the Merchant.
- 3.09 The Bank may refuse to authorise a Card Transaction if the Bank has reason to believe that the Card Transaction is not carried out by the Cardholder.

4. Principal Cardholder

- 4.01 The amount of any Card Transaction in a currency other than Kuwaiti Dinars will be converted at a rate of exchange determined by Visa/MasterCard International and the "Bank", which may also include commission.
- 4.02 The monthly Statement of Account will be dispatched by the Bank by mail or encrypted e-mail to the address provided by the Principal Cardholder; and in case of non-receipt within 10 days from the Statement Date, the Principal Cardholder shall contact the Bank's Customer Care Centre or the Account Branch to obtain a duplicate Statement of Account.
- 4.03 on or before the Payment Due Date. Non-receipt of the Statement of Account shall not be construed as a reason for non-settlement of Card dues.
- 4.04 Where the Cardholder maintains a Funding Account, it will be debited with the Minimum Payment Due on the Payment Due Date. Other Cardholders will arrange to settle the dues by cash deposit or cheque deposit or electronic funds transfer or direct debit or such other payment method acceptable to the Bank. Proceeds of cheques will be subject to realization.
- 4.05 For any other liabilities of the Cardholder and any loss incurred by the Bank arising from the use of the Cards, Bank may require settlement immediately from the Cardholder.
- 4.06 The Bank shall have the right to immediately recover the total amount due in the Card Account, if the Cardholder exceeds the Credit Limit granted by the Bank.
- 4.07 The Card Due Amount shall become immediately payable in full on the bankruptcy (subject to any laws applicable thereto) or on the

death of the Principal Cardholder or at the Bank's discretion if there is any breach of the Terms and Conditions by the Cardholder.

- 4.08 The Principal Cardholder is liable to pay to the Bank all amounts debited to the Card Account even if generated by a Supplementary Cardholder.
- 4.09 The Bank shall be entitled to initiate criminal or civil proceedings against the Principal Cardholder in the event of failure to settle the Bank's claims on demand.

5. Interest and Charges

- 5.01 Finance Charges will be applicable on Card Transactions which remain unpaid fully or in part, after the expiry of the Grace Period. Grace Period will be applicable only if the Principal Cardholder settles the entire Minimum Payment Due amount by the Payment Due Date. Finance Charges will be levied wherever partial payments and/or delayed payments are made.
- 5.02 The Cash Advance Fee will be charged to the Card Account at the time of each cash advance
- 5.03 Part payment of Minimum Payment Due will be subject to an Overdue Fee and Finance Charges as applicable.
- 5.04 Delayed settlement of Minimum Payment Due will be subject to a Late Payment fee over and above the Overdue Fee where applicable.
- 5.05 An over Limit Fee will be applicable where the Card Account outstanding exceeds the Card Limit, due to unsettled fees or charges or other reason.
- 5.06 The Bank shall have the right to levy the following fees as determined from time to time:
 - 5.06.1 Card Annual Fee, debited to the Card Account annually on account of Principal and/or Supplementary Card.
 - 5.06.2 Card Re-issuance Fee applicable on Cards re-issued due to damage or other applicable reason.
 - 5.06.3 Card Replacement Fee applicable on Cards reported as lost or stolen by the Cardholder and replaced by the Bank.
- 5.07 The above tariff of charges shall be levied by the Bank at the current rates applicable according to the list of fees & commissions approved by the Central Bank of Kuwait. Such changes will be considered notified to Cardholder when conveyed by general notice displayed at the Bank's branches or Bank's website and/or by notification to Principal Cardholder at the latest postal address, e-mail address or mobile phone number as recorded by the Bank.

6. Terminations and Cancellation

- 6.01 The Bank may immediately terminate the Card facility if the Cardholder is found to have made false or misleading statement/s when applying for the Card, or has violated any of the agreed Terms and Conditions. Notwithstanding such cancellation, the Cardholder remains fully liable for all transactions carried out using the Card until the Card is returned to the Bank for cancellation.
- 6.02 The Principal Cardholder may terminate the Card facility by a written notice to the Bank; however, such termination shall be effective only upon the return of all Cards issued by the Bank to the Principal Cardholder and the Supplementary Cardholder.
- 6.03 Unless and until such termination occurs, the Bank will re-issue Cards from time to time, at its discretion, for use in accordance with the Terms and Conditions and the fees for renewed Cards will be automatically debited to the Card Account.
- 6.04 The Principal Cardholder will be accountable for all liabilities and dues incurred by the Principal or Supplementary Cardholder arising from the usage of Cards.
- 6.05 Upon cancellation of Cards, the liability of the Principal Cardholder shall be discharged only after the full settlement of the Card Due Amount arising from the use of cancelled Cards and the lapse of at least 90 (ninety) days from the actual return of the cancelled Cards to the Bank.
- 6.06 The Bank may, at any time and without notice, cancel or suspend the right to use the Card entirely or in respect of specific facilities or refuse to reissue a new or replacement Card without in any way affecting the Cardholder's obligations to the Bank and notify any bank card network of same. The Bank incurs no liability in relation to such cancellation, suspension, non-issuance or notification.

7. Safekeeping the Card and PIN/CSC

- 7.01 The Cardholder will exercise all possible care to ensure the safety of the Card and will prevent the PIN from becoming known to any person in order to prevent misuse.
- 7.02 The Cardholder will not disclose the Card number to any third party except for the purpose of a Card Transaction (or) when reporting the actual loss (or) theft of the Card.
- 7.03 If the Card and/or the PIN or CSC is lost (or) stolen (or) for any other reason liable to misuse (or) the PIN or CSC is disclosed in breach of the Terms and conditions, the Cardholder must immediately notify the Banks Customer Care Centre, or nearest Bank Branch, verbal intimation must be following up by written notification within 7 days.
- 7.04 If the Cardholder recovers a Card previously reported as lost or stolen, the Card must not be used, but cut in half and returned to the Bank's Card Centre.

8. Refund and Claims

- 8.01 The Principal Cardholder's account will only be created with a refund in respect of a Card Transaction if the Bank receives a refund voucher (or) other refund verification acceptable to the Bank. No claim by the Cardholder against a third party may be the subject of a defense or counterclaim against the Bank.
- 8.02 The Bank shall not be liable in any way if the Card is not honoured by a merchant
- 8.03 In case of any dispute regarding any transaction or financial charges, the cardholder shall inform the Bank, in writing, within 15 (fifteen) days of the statement date, as indicated in clause 4 above, otherwise, all the transactions or financial charges as indicated in the statement will be considered as correct and no claims will be entertained in future.

9. Supplementary Cards

- 9.01 The Bank may, upon application of the Principal Cardholder, issue one or more supplementary card(s). The Principal Cardholder shall be liable for the charges arising from the use of supplementary Card's which shall be debited to the Principal Cardholder's account.
- 9.02 The supplementary Cardholder(s) is (are) jointly and severally liable with the Principal Cardholder for all dues outstanding on supplementary card(s) issued to him/her. The Bank shall have held the same rights against the Supplementary Cardholder(s) as it holds against the Principal Cardholder.

10. Information and Data

- 10.01 The Principal Cardholder shall immediately notify the Bank's Customer Care Centre or the Account Branch, in writing, of any change of name, employment, postal address, mobile telephone number or e mail address of the Cardholder.
- 10.02 The Customer declares having agreed upon the obtaining of the Bank of the data mentioned on his civil card no. _____ and his work address - at any time - from the Public Authority for Civil Information without any liability on the Bank or the Authority. Moreover, the Customer declares approving and allowing to each of the Bank and the Credit Information Network Company (Ci-Net) to exchange information about him related to the consumer loans and the credit facilities associated to the sale operations on installments between the Banks and the investment companies subject to the control of the Central Bank of Kuwait and all the commercial companies and institutions that grant the credit facilities through sale by installments of the goods and, the services and participating in the data and information collection system specified by virtue of Law No. 2 of 2001 without any liability on the Credit Information Network (Ci-Net) or the Bank.
- 10.03 The Customer shall declare having taken the address mentioned in his application his legal chosen place in anything related to the card and in all disputes or legal cases that may arise before all levels of Courts, as is the case for the implementation measures. All correspondences, statement of accounts and legal and judicial announcements addressed thereto by the Bank to this address or by fax or registered or express mail are valid. Any change of this address or of the mail box number or fax shall not be valid unless

after the receipt of the Bank of a written notification of the same by virtue of a registered letter.

- 10.04 The Cardholder is solely responsible to maintain the confidentiality of the various secret numbers, including, but not limited to, the PIN and CSC provided by the Bank to facilitate Card Transactions. In the event any of these secret numbers becomes known to any other person by whatever means, the Cardholder undertakes to notify the Bank immediately in writing or to promptly confirm in writing any such notification made verbally. Until such time such notification is received by the Bank, the Bank shall bear no responsibility whatsoever for any unauthorised use of the Card.
- 10.05 The Cardholder acknowledges that important information may, from time to time, be conveyed to him/her by the Bank via mail or ATM screen or mobile telephone text messages or e-mail.
- 10.06 The Cardholder acknowledges and agrees that he/she will be deemed to have received and read all messages sent by the Bank to the Cardholder's latest mobile telephone number or e-mail address as recorded by the Bank.

11. General

- 11.01 The Card remains the property of the Bank at all times and must be returned by the Cardholder immediately when requested by the Bank.
- 11.02 The Cardholder undertakes not to abuse the Card, as the abuse of credit cards may constitute an offence punishable by law.
- 11.03 It will be the duty of the Principal Cardholder to ensure that the funds used in the settlement of Card dues have originated from legitimate sources and are not related to any money laundering and/ or terrorism financing activities.
- 11.04 The Bank shall not be liable if it is unable to perform its obligations under the Terms and Conditions due (directly or indirectly) to the failure of any machine, data processing system or transmission link or industrial dispute or anything beyond the control of the Bank or its agents.
- 11.05 The Bank may amend the Terms and Conditions at any time, at its discretion, and notify the Cardholder by specific notice sent to the Cardholder by mail or e-mail or mobile phone text message; and/or general notice displayed at the Bank's branches or Bank's website, and such amendments shall be binding on the Cardholder unless objected to in writing by the Cardholder not later than 15 (fifteen) days from the date such notice was dispatched or published by the Bank.
- 11.06 The terms and conditions not mentioned therein shall be subject to the conditions of the Kuwaiti Law and the jurisdiction of the Kuwaiti Courts and the local jurisdiction of the Courts of the State of Kuwait shall be acceptable for any dispute that may result there from.
- 11.07 Should there be any discrepancy between the Arabic and English texts of the Terms and Conditions, the Arabic text will prevail.
- 11.08 Each of these Terms and Conditions is severable and the invalidity, Unenforceability or illegality of any one or more of these shall not affect the Remaining Terms and Conditions which shall remain in full force and effect on the basis of individual clauses or as a whole.
- 11.09 If the Cardholder has a claim against the Bank or a third party, the Cardholder then cannot set-off such claim against the Card Due Amount.