



Bank for Life

☎ UAN: 111-000-622

🌐 www.mcb.com.pk

MCB
***SME*Card**
Small • Medium • Enterprise

Terms and Conditions

Definitions

MCB SME Card is a Proprietary Card under which Card Transactions are restricted to a specific Merchant only. Please make note that this card will not be accepted on any Payment Association Network such as VISA, Mastercard or China UnionPay etc.

“Application Instructions” means any request, instructions or application made by the Card Member by submission of an application on the format as prescribed by the Bank, including but not limited to facsimile message, telephone call, email, electronic message sent via cellular telephone and/or any other means of communication for issuance of the card and/or for any facility(ies)/service(s) offered by the Bank.

“POS” means a Point of Sale machine to execute/accept Card transactions.

“Card Member” means the original entity/firm/company (i.e., SMEs including but not limited to sole proprietorship, partnership or private limited company). Card will be issued in the name of the Card Member and will be used by cardholder (authorized personnel) of the Card Member including the owner and Supplementary Card Member(s) who is/are issued a Card on behalf of the Card Member.

“Cardholder” means the person nominated/authorized to use the card on behalf of the Card Member.

“Balance” means the total outstanding balance on the Card Account according to the Bank's records on the date the Statement of Account is issued including all charges and liabilities.

“Bank” means MCB Bank Limited in Pakistan, being a banking company under the Laws of Islamic Republic of Pakistan, having registered office at MCB House, 15 - D, Main Gulberg, Jail Road, Lahore; and includes its branches/departments/offices carrying on business in Pakistan.

“Card” means the applicable MCB Bank Magnetic Stripe Card issued by the Bank to the Card Member and includes supplementary and subsequently issued replacement Cards.

“Card Account” means the MCB SME Card account opened by the Bank for the purpose of entering debits incurred by or for the account of, and credits received by or for the Card Member and Supplementary Card Members, if any, under these Terms and Conditions and includes, without limitation, all debits incurred resulting from any Charges and/or Liabilities arising out of in connection with any Card Transaction or otherwise. Supplementary Card Members include partners/directors or any other employee of the Card Member authorized to transact on behalf of the Card Member (entity).

“Card Transaction” means any amount charged by the Bank or Merchant for any goods, services, benefits, or reservations obtained by the use of the Card by the Card Member and/or Supplementary Card Member.

“Charges” mean the amount of any and all purchases charged and all amounts payable by the Card Member, arising from the use of the Card by Card Member or Supplementary Card Member(s) and/or includes, without limitation, all Card Transactions and costs and disbursements in connection therewith.

“Credit Limit” means the maximum outstanding balance permitted by the Bank in the Card Account and, notified to the Card Member from time to time.

“Expiry Date” means the date of expiry specified by the Bank on the Card.

“Liabilities” means any or all amounts payable whatsoever by the Card Member(s) to the Bank pursuant hereto (other than 'Charges') including every type of fees, such as late payment fees, excise or other taxes on provision of credit or finance or otherwise and legal costs and disbursements charged or incurred in connection with application and/or enforcement hereof.

“Merchant” means any designated retail outlets that have entered into a written agreement to accept MCB SME Card(s) for the payment or reservation of goods.

“Month” means a calendar month.

“Payment Due Date” means the date specified in the Statement of Account by which date payment of the Current

Balance is to be made to the Bank. It is however, clarified that since the Bank's system does not support holidays due to sighting of moon, therefore, Payment Due Date may fall on a such a holiday, for which the Bank shall not be liable.

“Rupee” means Pakistani Rupee for the purpose of these Terms and Conditions.

“Schedule of Charges” means the document prescribing service fee(s), charges and other fee(s) applicable to including but not limited to the Card Members and the said schedule is also available at the Bank branches and website of the Bank. The Schedule of Charges shall form a part of the Terms and Conditions and may be amended or modified by the Bank from time to time at its sole discretion.

“Service Fee” means fee as determined by the Bank and prescribed in the Schedule of Charges and payable by the Card Member on the outstanding Liabilities and other amounts in relation to the Card Account. The Bank shall have a right to change the rate of the Service Fee by giving a notice to the Card Member in compliance to regulatory guidelines.

“Statement of Account” means the Bank's monthly or other periodic statement of account sent to the Card Member showing particulars of the current balance incurred by and/or for the account of the Card Member and any Supplementary Card Member and payable to the Bank.

“Supplementary Card” means the Cards issued by the Bank to the Supplementary Card Member at the request of the Card Member.

“Supplementary Card Member” means a person authorized by the Card Member and for whom a Supplementary Card has been issued by the Bank, at the request of the Card Member.

“Terms and Condition” means the Terms and Conditions stated herein (and any modifications/variations made thereto as per clause 13.1 below) and subject to which, the Card Member's application is accepted.

Understanding means the entire understanding between the Company/Customer/Card Member comprises of the Terms and Conditions, and Agreement for Financing on markup basis and this Understanding shall be construed in line with, in letter and spirit of the Guidelines of Business Conduct for Banks (Consumer Protection Department – State Bank of Pakistan – Karachi) (the “SBP Guidelines”) a copy of GBCB (CPD-SBP-KHI) is available on the website (www.sbp.org.pk).

“Validity Date” means the validity date specified by the Bank on the Card. Limit may be renewed before the expiry at the sole discretion of the bank.

1. Collection/Activation of the Card

The Card may be collected by the Card Member or couriered to the Card Member at the discretion of the Bank (pursuant to such conditions as are or may be specified by the Bank). In the event of the Card being sent by

courier, the same will be at the sole risk of the Card Member. All renewed and replaced Cards thereafter will be sent by courier to the Card Member's last intimated billing address, at the sole risk of the Card Member.

- 1.1 The Card must be signed by the Card Member(s) immediately on receipt thereof in the space provided for signature.
- 1.2 The Card Member shall ensure that each Supplementary Card Member reads, understands and accepts the Terms and Conditions hereunder (and any changes to them which will be communicated prior to commencement in line/compliance with regulatory guidelines) because the Card Member and Supplementary Card Members are liable for the use of the Card and all charges incurred thereby on the Card Account.
- 1.3 The Card Members shall be responsible for the safe custody of the Card. Any loss, or theft of the Card or handling of the Card by an unauthorized person(s) in any manner shall be the sole and exclusive responsibility of the Card Member(s) under the Terms and Conditions and the Card Member(s) shall be responsible to pay for any, and/or all Charges incurring due to the aforementioned circumstances except in cases where the Card Members have duly notified the Bank immediately after loss, theft and/or (in)advertently handing of the Card to an unauthorized person(s) and consequently upon such a notice the Card Account will be closed/blocked by the Bank.

In case of change in any of the authorized Card Holder and/or Supplementary Card Members, it is the responsibility of the Card Member(s) to notify MCB Bank in writing of any such change(s) to get such a Card

blocked/cancelled. In case of failure of the Card Member to notify the Bank of the such changes, the Card Member shall stand liable, wholly and solely for all liabilities outstanding or that may become due thereafter.

2. Restriction in Use of the Card/Card Member Particulars

- 2.1 The Card is non-transferable and no person other than Card Members and/or authorized Supplementary Card Member is permitted (and the Card Member and/or authorized Supplementary Card Member shall not permit any other person(s)) to use the Card for Charges and/or Card Transactions or for identification or for any other purpose whatsoever other than the purposes defined herein. The Card Members and/or authorized Supplementary Card Member shall not use the Card before Validity and/or after Expiry Dates as embossed on the Card.
- 2.2 The Card Member(s) shall be exclusively liable for all Charges and Liabilities and any other costs and expenses and it is agreed that the Card may only be used by the Card Member(s) and/or authorized Supplementary Card Member(s) at the said POS of an authorized Merchant:
 - a) For Card Transaction authorized by the Bank i.e.
 - Only at outlets of selected merchants on MCB POS machine
 - Not to be used over internet for e-commerce transactions

- Not to be used on ATMs
- Not to be used on any other location and any other Bank's POS machine

In case the card is used at prohibited locations and gets compromised, the Card Member shall be the sole bearer of any damages/fraudulent transactions carried out against the card;

- b) To obtain the facilities, benefits and services made available by the Bank from time to time, and
- c) Within the Credit Limit permitted by the Bank unless the Bank's prior approval is obtained.

2.3 Notwithstanding that the Card Member's Credit Limit has not been exhausted, the Bank in its absolute discretion shall have the right to withdraw or restrict the Card Member's right to use the Card or to refuse to authorize any Card Transaction at any time and without having any liability towards the Card Members or any other party. Moreover, the Bank reserves the right to reduce the credit limit sanctioned to the Card Member keeping in view the credit limit utilization of the Card Member.

2.4 The Card Member(s) shall respectively notify the Bank of any change or imminent change in any particulars stated in the Card application form or other information provided to the Bank (including any name change) and respectively agree to provide any other reasonable information or particulars if requested by the Bank; at any time.

2.5 The Card shall at all times be and remain the property of the Bank and the Card Member(s) shall forthwith surrender the same if so required by the Bank. Card Member(s) and/or authorized Supplementary Card Member(s) agree to be bound by all other Terms and Conditions governing the use of facilities or benefits which may from time to time be made available in connection with the Card, and any variations or amendments thereto which the Bank may impose from time to time at its sole discretion.

2.6 Card Transactions are required to be authorized by the Bank before they are accepted by a Merchant. The Bank may refuse authorization for any Card Transaction without cause or prior notice, even if the Card Account is not in default. The Bank will not be liable to the Card Member(s) or anyone else for any loss or damage resulting from the Bank's refusal to authorize a Card Transaction.

3. The Card Account

3.1 The Bank shall debit the Card Account all Bank Charges and Liabilities and any other costs or expenses and all relevant costs incurred by the Bank for the account of the Card Member(s) and all losses or damages incurred or sustained by the Bank arising from or relating to the issuance or use of the Card (or any indemnity herein or otherwise given) or a breach of these Terms and Conditions by the Card Member(s).

3.2 The Card Member(s) shall be exclusively liable to pay all amounts debited to the Card Account by the Bank (as particularly specified in Clauses 4 and 5).

3.3 All the account(s) opened by the Card Member(s) shall be governed by the Terms and Conditions hereof and the Schedule of Charges and any subsequent amendments thereto.

4. Payment

4.1 The Bank shall send a Statement of Account every month to the Card Member(s) and the Card Member(s) shall pay the amount due therein and ensure payment of the same by the Payment Due Date. In the event that the Bank is unable to send a Statement of Account for any reason, the obligations of the Card Member(s) under these Terms and Conditions to the Bank shall not cease and all applicable Charges and Liabilities and other costs and expenses payable under these Terms and Conditions and in accordance with the Schedule of Charges shall continue to accrue and for the purpose of calculation and establishment of the date on which the payment is due, the Bank may select a date each month as the Payment Due Date.

4.2 The Bank shall charge the Card Member(s) and debit the Card Account for any issuance/renewal Fee as per the Schedule of Charges, which may be varied by the Bank and shall be notified to the Card Member(s) prior to implementation of the revised charges to ensure compliance of regulatory guidelines. The Card

Member(s) acknowledges that the Bank may vary the applicable charges in the Schedule of Charges and notify the same to the Card Member in line with regulatory guidelines and provided that the Card Member(s) continues to use the Card after receipt of such notification, it shall be deemed that the Card Member has acknowledged/unconditionally agreed to and accepted the amended notified Schedule of Charges.

4.3 If the Card Member(s) makes full payment of the Current Balance outstanding in the Card Account on or before the Payment Due Date the Bank will not charge any service fees.

4.4 If the Card Member(s) makes payment of any amount less than the Current Balance than outstanding on or before the applicable Payment Due Date, the Card Member(s) agrees to pay a service fee of 3.25% per month on the retail balance then outstanding in the Card Account until the amount is paid in full. The rate mentioned above reflects the current rate applicable and the Bank reserves its unconditional right to change/modify this rate from time to time, which shall be notified to the Card Member(s) by the Bank.

4.5 If the Card Member(s) fails to make payment on or before the applicable Payment Due Date, in addition to outstanding amounts then due and payable, the Card Member(s) agrees to make payment of Rs. 1,000 (or amount prescribed as the Bank may specify from time to time). This will be in addition to all other charges applicable.

4.6 If the Card Member(s) fails to pay the Payment Amount in any previous Statement of Account by the Payment Due Date stated therein, then and without prejudice to the Bank's rights and remedies, the Card Member(s) shall pay late payment to the Bank, in addition to paying the applicable Amount for the Current Statement of Account, all arrears for earlier periods, and all delayed payments, or other fees relating thereto and all other applicable costs and expenses by the Payment Due Date specified in the Current Statement of Account. In the event the Card Member(s) exceeds the Credit Limit without the Bank's prior written approval, the Card Member(s) will pay, on demand such unauthorized excess over the Credit Limit together with any costs and expenses in relation thereto.

4.7 All payments to be made by the Card Member(s) shall be in Pakistani Rupee.

4.8 The Bank shall charge the Card Member(s) and debit to the Card Account a handling fee up to Rs. 750/- or such other sums as the Bank may impose from time to time, if any cheque or other payment order issued by the Card Member(s) or any other party to the Bank in order to make payments for current or other Statement of Account is not honored for payment for any reason whatsoever. However, payment of handling fee by the Card Member(s) will not discharge him/her from the liability under the law for dishonoring of the cheque issued by him/her as provided for in Clause 4.14.

4.9 All payments received by the Bank from the Card Member(s) may be applied in and towards payment of

unpaid fees, Charges, Liabilities and other costs and expenses in previous or current Statement of Account in such order of priority as the Bank may deem fit.

4.10 The Bank's right against the Card Member(s) shall not be determined, affected or prejudiced by, and all amounts payable to the Bank, actual or contingent, shall immediately become due or payable upon the death, insolvency or insanity of the principal owners/sponsors or directors of the Card Member(s) or Supplementary Card Member(s) shall immediately cease to be valid, and their heirs, executors, receivers and personal guarantor, etc., shall return to the Bank all Cards cut into half and make full payment as required by the Bank.

4.11 The Bank has, in its sole discretion, the right to enter into a legal relationship with a Customer/Company/ Card Member, only if it wishes to do so, and has the absolute right to decline/reject any application in accordance with the SBP Guidelines. The Bank shall be entitled at its absolute discretion, to demand return of the Card and/or immediate payment of all amounts outstanding under the Card Account at any time and without any liability to the Bank.

4.12 The Bank shall only credit the Card Account with a refund in respect of a Card Transaction in accordance with its usual practice. Any refund, payment or credit to the Card Account shall not be remitted to the

Card Member(s) unless otherwise decided by the Bank but shall be applied towards the reduction of the Card Member(s)' Charges or other Liabilities incurred and debited to the Card Account.

- 4.13 In the event of an attachment order over the Card Member(s)' assets being issued, insolvency or death, or upon demand by the Bank or any reason whatsoever, or in the case of breach of these conditions, the Card Member(s) shall settle its/his/her debit balances immediately. This commitment shall bind heirs and successors and personal guarantor without any objection or challenge.
- 4.14 Notwithstanding anything contained in these Terms and Conditions the following will constitute a dishonored payment:
- a) The Bank receives a cheque, draft or other payment instrument from or for the Card Member which is not honored in full; or
 - b) The Card Member(s) makes payment to the Bank through the accounts as provided in Clause 4.5 above and the said debit is not honored in full due to insufficient funds.

4.15 For each dishonored payment, the Card Member(s) must pay the Bank:

- a) The dishonored amount;
- b) Dishonored payment/return cheque fee as may be determined by the bank from time to time and notified to the Card Member(s). The payment of dishonored payment/return cheque fee by the Card Member(s) shall not discharge him/her from the liability under the law for the dishonored cheque(s) issued by him/her;
- c) The Bank's reasonable collection costs and legal fees that are reasonably incurred by the Bank, as permitted by law.

If a Card Member(s) has any query regarding any amount payable by him, as notified to the Card Member(s) by the Bank, the Card Member(s) should contact the Bank in writing immediately and preferably within 3 days of such a notification. Any such query shall be responded to by the Bank within 2 working days, from the date of receipt of the query.

4.16 The Card Member(s) acknowledges that the Bank may vary the applicable charges in the Schedule of Charges and notify the same to the Card Member(s) in any manner deemed fit and provided that the Card Member(s) and/or authorized Supplementary Card Member(s) continues to use the Card after receipt of such notification, it shall be deemed that the Card Member(s) has acknowledged, unconditionally agreed to and accepted the amended notified Schedule of Charges.

5. Security

5.1 The Card Member(s) hereby assumes full liabilities as principal debtor for all amounts due and payable to the Bank by the Supplementary Card Member(s) including all types of Charges and Liabilities and all other costs and expenses payable by the Supplementary Card Member(s) to the Bank.

5.2 The Card Member(s) authorizes the Bank to act on the verbal instructions communicated to an authorized representative of the Bank over the telephone. The Bank reserves the absolute right to verify the identity of the Card Member(s) over the telephone. The Card Member(s) will be liable for any and all transactions made after the standard verification by the Bank's authorized representative. The Card Member(s) also agrees that his entire telephone conversation with the authorized representative may be recorded at the discretion of the Bank for any particular purpose.

5.3 The Card Member(s) will provide Personal Guarantees (PGs) including but not limited to sponsors/directors/partners of the Card Member.

6. Supplementary Card

6.1 The Bank may issue a Supplementary Card to person(s) (these will be partners/directors etc. authorized to transact as per deed/resolution) nominated by the Card Member(s) and approved by the Bank. If a Card is issued to the Supplementary Card Member(s), the Card Member(s) shall be exclusively liable to the Bank as principal debtor for all Charges and Liabilities and other costs and expenses incurred or payable by the basic Card Member(s) and/or the Supplementary Card Member(s). The Credit Limit assigned to the Card Member(s) is inclusive of the Credit Limit of the Supplementary Card Member(s), and the Card Member(s) and the Supplementary Card Member(s) shall not permit the total of the Charges incurred under or through their respective cards to exceed the said Credit Limit.

6.2 Any payment made by the Card Member(s) to the Bank shall be allocated towards reduction of the debit balance in the Card Account but the Card Member(s) shall continue to remain liable for any outstanding post-payment debit balance, if any, in the Card Account.

6.3 The Card Member(s) shall ensure that each Supplementary Card Member(s) reads and understands all the charges and Terms and Conditions hereunder (and any changes to them).

7. Spend Commitment

The Card Member(s) while utilizing/opting for MCB SME Card is committing to utilize and/or spend twice (2x) the amount of its approved MCB SME Card limit in a month. The Bank reserves the right to levy commitment fee (as prescribed in SoBC) in case the Card Member is unable to adhere to this clause.

8. Becoming MCB Merchant

The Card Member(s) shall only use MCB Point of Sale (POS) machine with an authorized/approved Merchant. All settlements will be made in the current account of the Card Member(s) by MCB Bank.

9. Loss of Card/Fraudulent Transactions

9.1 If the Card is lost or stolen, the Card Member(s) shall immediately notify the loss/theft including Card numbers to the Bank in the form of a 'complaint', either by calling at our 24/7 Call Centre (111-000-622) or upon receipt in writing. After the registration of complaint with the Bank, the Bank may require the Card Member to provide further documents, including but not limited to copy of relevant police report, or any other report(s) as may be required by the Bank from time to time.

9.2 Any lost or stolen Cards subsequently recovered by the Card Member(s) shall immediately be returned to the Bank without further use.

9.3 The Bank may in its absolute discretion, issue a replacement Card for any lost or stolen Card on these Terms and Conditions or such other Terms and Conditions as the Bank may deem fit.

9.4 In case if it comes to the knowledge of the Card Member about any fraudulent/suspicious/disputed transaction(s), the Card Member must immediately inform the Bank, in the form of a 'complaint', either by calling at the Bank's 24/7 Call Centre (111-000-622) or upon receipt in writing.

9.5 The Bank's liability as per Clause 9.1 and 9.4 shall only be for Transaction(s) that may occur after the registration of a complaint by the Card Member, while the Card Member shall remain solely and wholly liable for all Transactions that may have occurred before the registration of a complaint. Provided that the Bank will always ensure that all said complaints are dealt with fairly and in a speedy manner.

9.6 In the event that a complaint relates to any fraudulent/suspicious transaction (Clause 9.4) carried out at the POS/Merchant then the Card Member shall exercise special care and notify the Bank no later than ten (10) working days of the said Transaction and the Bank will then engage with Merchant to provide/ arrange, i) details of usage of Merchant specific card provided to Card Member(s); ii) details provided to Merchant at the time of the said disputed transaction i.e., CNIC along with, iii) details of MCB SME Card i.e., receipt.

10. Insurance (Once Applicable*)

10.1 The Card Member(s) hereby agrees that once the Card Member(s) provides his/her consent to obtaining Credit Security Insurance and any other insurance policies/insurance packages (as distributed by the Bank for the relevant insurance company) after being explained by the Bank the details relating/applicable thereto, the Card Member(s) shall be bound by the terms of the insurance policies /insurance packages pertaining to them, which shall not be challenged by the Card Member(s). The Card Member(s) may be provided with a copy of the insurance policies/insurance packages at the request of the Card Member(s) by the Bank. The rates applicable to the insurance policies/insurance packages offered by the Bank (acting as a distributor) to the Card Member(s) are stipulated in the Schedule of Charges provided to the Card Member(s), which may be revised/changed/modified by the Bank from time to time and notified to the Card Member. The categories of insurance/cover which may be provided by the Bank to the Card Member(s) comprise of the following (the terms of which and the source of which may be changed/varied/modified by the Bank and notified to the Card Member(s) from time to time):

- (a) Credit Security Insurance
- (b) Common Carrier Accidental Insurance
- (c) Life Insurance
- (d) Personal Accidental Insurance

* Insurance may be offered at a later stage and will be governed by these T&Cs.

10.2 Eligibility

All MCB SME Card Member(s) whose ages are less than 60 years are eligible to be covered under the above insurance policies. However, for those enrolled prior to their 60th birthday can renew their coverage up to their 65th birthday. At age 65 years, insurance cover shall cease and no benefit will be payable. No insurance will be effective if the Card Member(s) has already attained the age of 60 years at the time of enrollment.

The Bank is entitled at any time and without prior notice or liability to the Card Member(s) to cancel the insurance coverage if the eligibility criteria, specified herein, are not met.

11. Termination

11.1 The Card Member(s) may at any time, inform the Bank of his/her intention to close the Card Account and to terminate the use of all Cards by giving prior notice in writing and returning all Cards cut in half to the Bank. The Card Account shall be closed only after the receipt by the Bank of all Cards cut in half and after full payment to the Bank of all Charges and Liabilities and all costs and expenses in relation to the Card Account.

11.2 The Card Member(s) may at any time terminate the use of any Supplementary Card by giving notice in writing and returning the relevant Supplementary Card cut into half to the Bank. In such event, the Card Member(s) shall continue to remain liable to the Bank for all Charges and Liabilities and all other costs and expenses in relation thereto in accordance with these Terms and Conditions, except for the charges and liabilities incurred by the Card Member(s) and other Supplementary Card Member(s) (if any) after the Bank's receipt of the cut Supplementary Card. All Cards issued to or collected by the Card Member(s) remains the property of the Bank at all times. The Bank may at any time, recall and cancel all or any Card(s) in accordance with SBP Guidelines. The Card Member(s) shall immediately after such recall and cancel, return such Card(s) cut in half to the Bank and make full payment of all Charges and Liabilities and all other costs and expenses in relation thereto to the Bank.

11.3 If the use of all or any Card(s) is terminated under Clause 12.1 or Clause 12.2 all charges and liabilities of the Card Members whether actual or contingent shall become immediately due and payable to the Bank. The Card Member(s) shall be fully liable to the Bank for all charges and liabilities until the Bank's receipt of all Card(s) cut in half and full payment from the Card Member(s) for all outstanding charges and liabilities and other costs and expenses in connection therewith. The Bank shall not be liable to refund the annual membership fees or any part thereof to the Card Member(s) in the event of the termination of use of the Card(s) and the relevant Card Account(s).

11.4 The Card Member(s) shall terminate the Card and Card Account according to the provisions of this Clause 12 in case he/she does not agree to any of the Terms and Conditions subject to the condition that all amounts accrued, due and payable till the time of such termination shall be paid to the Bank by Card Member before such termination. However, continuation of use of the Card in any manner shall be deemed that the Card Member(s) agrees and accepts the Terms and Conditions and shall remain responsible to fulfill his/her obligations hereunder.

11.5 If the Card Member is up-to-date/current in card payment but delinquent in any other facility availed from MCB Bank (e.g. Auto Loan, Personal Loan, Mortgage Loan etc.), Bank reserves the rights to block the utilization of MCB SME Card on account of cross product delinquency.

12. Exemption: Exclusion

12.1 The Bank shall not be liable for any loss or damage howsoever incurred or suffered by the Card Member(s) by reason of the Bank or Merchant refusing to allow a Card Transaction or accept the Card under these Terms and Conditions.

12.2 The Bank is not liable in any way for the quality, quantity, sufficiency, acceptability of goods and/or services reserved or purchased by the use of the Card or for any other breach or non-performance of any Card Transaction by a Merchant. In the event of any dispute between the Card Member(s) and the Bank

or any Merchant or any other person the Card Member(s)' liability to the Bank shall not in any way be affected or reduced or suspended by such dispute or any other counter claim or right of set-off which the Card Member(s) may have against such Merchant or other person.

- 12.3 The Bank is not liable in any way to the Card Member(s) for any loss or damage of whatever nature due to or arising from any disruption or failure or defect in any POS machine or data processing system or transmission links or due to or from any industrial or other dispute or any other thing or cause beyond the control of the Bank.
- 12.4 The Card Member(s) hereby confirm that the Charges and Card Transactions executed and paid pursuant to these Terms and Conditions are and will continue to be in accordance with all applicable laws, regulations, rules, circulars, and directives as may be amended from time to time governing the use of MCB SME Card(s) for the time being in force in Pakistan and further hereby indemnify the Bank from any fines, losses, and/or damages incurred or suffered by the Bank in the event of contravention of such laws, regulations, rules, circulars and/or directives by the Card Member(s) at any time.
- 12.5 The Bank is not liable in any way to the Card Member(s) for any loss or damage arising out of use of the Card at the prohibited channels. The Card should only be used at the locations prescribed to the Card Member(s) at the time of submitting application.

13. Variation of Terms

- 13.1 The Bank may from time to time and at any time change any of these Terms and Conditions including, without limitation the terms of payment, percentage rates, charges and fees, and shall accordingly notify the Card Member by inclusion in the Statement of Account or otherwise. Such changes shall be effective from any date specified by the Bank for such modification and prior notice will be served to the customer in line with regulatory guidelines.
- 13.2 Retention by the Card Member(s) of the Card after the Card Member(s)' receipt of any changes in these Terms and Conditions pursuant to Clause 13.1 shall constitute notice of the Card Member(s)' acceptance of such amended Terms and Conditions without reservation. In the event of Card Member(s) non-acceptance of such Terms and Conditions as amended, the Card Member(s) must immediately terminate the use of the Card in accordance with Clause 11.1 and 11.2 otherwise the changed Terms and Conditions will continue to apply.

14. Disclosure

- 14.1 The Card Member(s) hereby irrevocably authorizes the Bank to disclose information relating to the Card Account, the use of the Card, the particulars and financial affairs of the Card Member(s) as the Bank may,

in its sole discretion, deem appropriate and/or if instructed by government agencies/departments, regulatory body and court orders under the law.

15. Notices

- 15.1 All Cards, notices, Statements of Account, demands or any other communications under these Terms and Conditions (hereinafter collectively called "Communications") may be delivered personally or by courier or be sent by ordinary post to the last known billing or other address of the Card Member and such Communications shall be deemed to have been served on the Card Member on the day of delivery, if delivered by hand and minimum within 3 business days after posting, if sent by courier or by ordinary post and/or otherwise as provided hereunder. All Communications under these Terms and Conditions sent to the Card Member shall be deemed to be Communications sent also to the Supplementary Card Member(s).
- 15.2 Any notice to be given by the Card Member(s) to the Bank under these Terms and Conditions shall be given by registered post/courier/by hand with acknowledgment due.
- 15.3 Notwithstanding the aforesaid, the Bank shall be entitled at its absolute discretion to rely and act on any

notices, requests or instructions which are or purport to be from or given on behalf of the Card Member and which are given orally or otherwise communicated to the Bank other than as provided for aforesaid, and action on the Bank's part pursuant to such notices, requests or instructions shall be binding on the Card Member and the Bank shall not be liable for any loss or damage incurred or suffered or sustained by any Card Member as a result of such action.

- 15.4 The Bank shall be entitled, to 7 days prior Notice, to demand return of the Card and/or immediate payment of all amounts outstanding under the Card Account, in case of, including but not limited to, breach or violation of any of the MCB SME Card Terms; default in payment of outstanding dues in context of the MCB SME Card or in context of any other banking facility being availed by the Customer; any adverse change in the Card Member(s) Profile/Employment; any other reasons which in the absolute judgment of the Bank would necessitate return of the Card; and/or in case of any change in local laws or any change in the Bank's or State Bank's policy that warrant to demand the return of Card by Card Member.

16. Indemnity

The Card Member(s) undertakes and agrees to indemnify the Bank and hold it harmless against any loss, damage, liability, cost and expense, whether legal or otherwise, which the Bank may incur by reason of these Terms and Conditions or any breach thereof or the enforcement of the Bank's rights as herein provided and/or

incurred by the Bank resulting from the Card Member(s)' or Supplementary Card Member(s)' use of the Card. Accordingly, all costs and expenses, including legal costs and disbursements of every expense incurred by the Bank in enforcing or seeking to enforce or applying these Terms and Conditions or otherwise, shall be debited to the Card Account and shall be paid as Liabilities by the Card Member(s).

The Bank shall provide the Card Member with all the facilities which are or may from time to time become part of the Bank's telephone banking facilities in respect of all Accounts which are or may hereafter be opened, with the Bank in which the Card Member(s) may have single signatory authorization.

In consideration of the Bank's acceptance of oral instructions from the Card Member(s) over the telephone in connection with such facilities as may from time to time form part of the Bank's telephone banking facilities, the Card Member(s) agrees and undertakes not to deny the veracity or genuineness of any such oral instructions. The Card Member(s) further agrees not to make any claim against the Bank as a consequence of, or in respect of, the provision by the Bank to the Card Member(s) of any of the Bank's telephone banking facilities. The Card Member(s) agrees that the Bank may debit any of the Card Member(s) account(s) with the Bank for all costs, charges or other amounts which may be incurred as a consequence of, or in respect of, the provision by the Bank to the Card Member of any Bank's telephone banking facilities. The Card Member(s) agrees that the Bank may ignore or suspend action on any oral instruction received from the Card Member(s) if the Bank, in its absolute discretion, deems it appropriate to do so. The Card Member(s) understands and accepts that compliance by the Bank with such oral instructions shall be subject to the internal policies of the Bank which may be amended from time to time.

The Card Member(s) hereby confirms that all account(s) opened by the Card Member(s) by using the Bank's telephone banking facility shall be governed by the Terms and Conditions governing the Card Member's existing account(s) with the Bank.

17. Right of Set-off

- 17.1 The Bank may at any time and without notice or liability in any way to the Card Member(s) combine or consolidate any one or all accounts of the Card Member(s) with the Bank and/or set-off or apply any money standing to the credit of any one or all of such account in or towards satisfaction of the outstanding balance of the Card Account. Where such combination consolidation and/or set-off requires the conversion of one currency into another, the Bank shall be entitled to effect such conversion at such rate of exchange prevailing on the day of such combination, consolidation and/or set-off as the Bank may apply in accordance with the Bank's usual practice in such connection and all exchange risks, losses, premiums, commissions and other Bank charges shall be borne by the Card Member.
- 17.2 The Bank's right against the Card Member(s) shall not be affected, or prejudiced by, and all amounts payable to the Bank, actual or contingent or joint or several, and shall immediately become due and payable upon the death/insolvency of the Card Member (depending upon nature of Card Member) at the sole discretion of the Bank.

The Bank's right to set-off all transactions authorized by the Card Member(s) before their death/insolvency shall continue to subsist till the Bank is informed in writing about such death. Upon receiving this information the MCB SME Card and the MCB SME Card Account will be blocked for new transactions after receiving this notice.

The Bank will not be obliged to allow any operation or withdrawal except on the production of a succession certificate or other court order, from a court of competent jurisdiction. The legal heirs will be notified of a debt balance and should agree to the required adjustments before release of the excessive funds in their favour by the Bank.

18. Waiver

The Bank may at any time waive either unconditionally or otherwise any of these Terms and Conditions or any default or breach of the Card Member(s) provided that such waiver is given in writing by the Bank and saved as aforesaid, no condoning or excusing of and no neglect or forbearance on the part of the Bank of any default or breach of any of these Terms and Conditions shall operate as a waiver of the Bank's rights and powers and no waivers shall be inferred from or implied by anything done or not done by the Bank unless expressed in writing by the Bank. Any waiver shall operate only as waiver of the particular matter to which it relates to and shall not operate as a waiver of subsequent breach in any of these Terms and Conditions.

19. Full Force and Effects

These Terms and Conditions shall remain in full force and effect until the Bank acknowledges receipt of all Cards cut in half and full payment of all Card Member(s) and Supplementary Card Member(s) Charges and Liabilities and other costs and expenses relating thereto.

20. Severance

Each of these Terms and Conditions shall be severable and distinct from one another and if, at any time, any one or more of such Terms and Conditions is or becomes invalid, illegal or unenforceable the validity, legality or enforceability of the remaining provision shall not in any way be affected or impaired thereby.

21. Taxes and Other Government Levies/Duties

The Card Members agree(s) to reimburse the Bank for payment of any stamp duties and/or excise or other similar taxes or levies payable in connection with any advances, finances or credit provided by the Bank to the Card Members.

22. Renewal of Card

The Bank may issue a new Card or Cards automatically unless instructed otherwise and also that the Bank reserves the right not to reissue a card or renew the Card. The Card Member(s) shall continue to remain bound by these Terms and Conditions and any amendment thereto.

23. Governing Law

These Terms and Conditions are governed by and shall be construed in accordance with the laws of Pakistan and the Card Member(s) hereby submit to the Jurisdiction of the Courts established.

24. Privacy Policy

Except as provided in Clause 15 above, the Bank will treat the Card Member(s) personal information as private and confidential (even after Card Account has been terminated). Nothing about the Card Member(s)' relationship with the Bank or the Card Member(s)' name and address will be disclosed to anyone, including other subsidiaries or affiliates of the Bank, other than in accordance with the terms set out below:

- a) Where the Bank is legally compelled to do so; or
- b) Where there is a duty to the public to disclose;

- c) Where the Bank's interests require disclosure; or
- d) Where disclosure is made at the Card Member(s)' request or with the Card Member(s)' consent.
- e) Where for the purpose of credit reporting, verification and risk management, the Bank exchanges information about the Card Member(s) with any institution it deems fit.

25. Understanding

That the entire understanding between the Company/Customer/Card Member comprises of the Terms and Conditions, and Agreement for Financing on markup basis (the "Understanding") and this Understanding shall be construed in line with, in letter and spirit of the Guidelines of Business Conduct for Banks (Consumer Protection Department – State Bank of Pakistan – Karachi) (the "SBP Guidelines") a copy of GBCB (CPD-SBP-KHI) is available on the website (www.sbp.org.pk).