



Banking Services  
General Terms  
and Conditions

[www.banknizwa.om](http://www.banknizwa.om)

بنك نزوى  
Bank Nizwa



## BANKING SERVICES GENERAL TERMS AND CONDITIONS

These terms and conditions (the "Terms and Conditions") as amended from time to time shall, in conjunction with additional specific terms and conditions (if any), apply to the Accounts and govern the relationship between the Bank and the Customer. The Bank shall have the sole discretion to amend, add to, or delete any provision of these Terms and Conditions at any time and to such extent as permitted by law and Shari'a Supervisory Board by displaying a notice for a period of fifteen days to such effect at the branch where the Account is opened, and/or by any other reasonable means of notification of such changes. Unless provided to the contrary in these Terms and Conditions, the Customer shall be deemed to have accepted such changes if the Customer continues transacting in respect of the Accounts after receipt of such notification.

### A. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions:

In these Terms and Conditions, the following terms shall have the following meanings:

**"Account(s)"** means the account(s) opened and maintained by the Customer with the Bank and where the context requires, shall include the Current Account and/or the Mudaraba Accounts.

**"Account Opening Form"** means the account opening form (whether in paper or electronic form) in the Bank's prescribed format as issued by the Bank from time to time and signed or otherwise confirmed or accepted by the Customer in relation to opening of an Account.

**"Agent"** means, for the purposes of Part D of these Terms and Conditions, any third party required and/or appointed by the Bank to operate or administer the Account, Card or PIN.

**"Agents"** means, for the purposes of Parts E and F of these Terms and Conditions, a person(s), either physical or corporate, appointed by the Bank to provide any part of the Service or to support Internet Banking (as the case may be).

**"ATM"** means an automated teller machine, cash handling machine, cash and cheque deposit machines or any Card operated machine or device whether belonging to the Bank or other participating banks or financial institutions nominated from time to time by the Bank, which accepts and/or dispenses cash and cheques in addition to other banking or Bill Payment services.

**"Authorised Person"** means a person authorised by the Customer (whether in the Account Opening Form or otherwise) to act on behalf of the Customer in relation to the Account(s) and any transactions in relation to such Account(s).

**"Bank"** means Bank Nizwa or any of its branches, subsidiaries or its successors and assigns.

**"Banking Day"** means any day on which banks are generally open for business in OMAN.

**"Beneficiary"** means the intended recipient of funds as transferred by the Bank upon the instructions of the Customer via an ATM, or through the use of a Card, or any other services offered under these Terms and Conditions.

**"Bill Payment"** means the payment of bills to utility, telecommunications or other companies or authorities through the Service or such channels as shall be made available by the Bank.

**"Card"** means a proprietary or a third party card, issued by the Bank to enable the Customer to access various services, including but not limited to, cash withdrawals, purchases, other banking services and account related information, from various interfaces provided or arranged by the Bank.

**"Cardholder"** means a Customer or Supplementary Nominee to whom a Card has been issued.

**"Cash Withdrawal"** means a cash withdrawal from an account maintained with the Bank using teller counters, ATMs, point of sale and other cash dispensing outlets made available by the Bank.

**"CBO"** Central Bank of Oman.

**"Clause"** means a clause of these Terms and Conditions.

**"Confidential Information"** means all information relating to the Customer, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information; but excludes information that:

1. is or becomes public information; or
2. is identified in writing at the time of delivery as non-confidential; or is known by the Bank before the date the information is disclosed to it or is obtained by the Bank after that date, from a source which is, as far as the Bank is aware, unconnected with the Customer..

**"Corporate Customer"** means Customers comprising companies, establishments and other corporate entities.

**"Current Account"** means the Islamic current account(s), structured on the Shari'a contract of Qard, opened and maintained by the Customer with the Bank.

**"Customer"** means an Individual Customer or Corporate Customer who is mentioned as the account holder, or account name in the Account Opening Form.

**"Customer's Instructions"** means instructions issued by the Customer to the Bank.

**"Deposit"** means funds deposited in an Account, or any other account maintained with the Bank, at any point of deposit made available by the Bank.

**"Fatwa"** means a Shari'a opinion or Shari'a ruling issued by an Islamic scholar, or Shari'a Supervisory Board.

**"Financial Transaction"** means an entry or set of entries initiated remotely and electronically transmitted to the Bank via the channels as shall be made available by the Bank causing movement of funds affecting the balance(s) in the Account(s).

**"Identification Facilities"** means a Login ID, and PIN and any other identification facilities in relation to any service provided by the Bank.

**"Individual Customer"** means a Customer who is a natural person.

**"Instructions"** means documentation, operating instructions or reference guidelines relating to Internet Banking and issued by the Bank, in any written form, or in the guide on the Bank's Internet Banking site.

**"Internet"** means a worldwide network of computer networks to facilitate data transmission and exchange.

**"Internet Banking"** means a secured Internet based electronic service offered by the Bank which enables the Customer to connect with the Bank, via the Internet, to undertake Financial Transactions and Non-Financial Transactions with the Bank from remote locations.

**"Investment Account"** means the Investment Account based on a Mudaraba and/or a Wakala Account opened and maintained by the Customer with the Bank, for a specified term.

**"Investment Period"** means a period of time agreed between the Customer and the Bank in respect of the tenure of a Mudaraba or Wakala Account.

**"Joint Account"** means an account opened in the name of two or more Individual Customers.

**"Login ID"** Such identification number/name used for identifying a Customer when used in conjunction with a PIN.

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

**"Mudaraba"** means a partnership in profit in which one party provides capital ("Rab-al-Maal" or "Mudaraba Investor") and the other party provides its expertise and skill in relation to the investment of such capital ("Mudarib" or "Mudaraba Manager"). Profit, if any, is shared between the parties as per an agreed ratio while loss, if any, is borne solely by the Mudaraba Investor (as the case may be).

**"Mudaraba Accounts"** means, subject to Clause 16.1(a), the Investment Account and the Savings Account, including their variant products.

**"Non-Financial Transaction"** means electronic data consisting of information or sets of information initiated remotely and electronically transmitted via Internet Banking relating to the Account(s) and/or other business activities with the Bank. This will include mail messages which will be treated as a Customer's Instruction.

**"OMAN"** means the Sultanate of Oman.

**"OMR"** The lawful currency of the Sultanate of Oman

**"Payment"** means a transfer of funds by the Bank from a Subscriber Account to a Beneficiary pursuant to Subscriber's instructions.

**"Payment Instruction"** means banking payments on behalf of a Customer which may include, but are not limited to bank cheques, bank drafts and telegraphic transfers.

**"Password"** means a secret code that complies with the minimum security requirements required by the Bank which allows a Customer to access Internet Banking.

**"Phone Banking"** means the Service, which is accessed through the telephone by the account holders whose accounts are domiciled in OMAN, providing Account and general information and fund transfer facilities and other services, as may be offered by the Bank from time to time.

**"PIN"** means a personal identification number issued to the Cardholder which allows a Customer to access the Bank's computer system through electronic services provided by the Bank.

**"Profit Calculation Period"** means, in relation to a Mudaraba Account, a period as shall be applicable to the Customer or otherwise as determined by the Bank, for which profits on the Mudaraba Funds (as defined in Clause 16.2) are calculated.

**"Profit Equalisation Reverse Account"** means the Profit Equalisation Reserve account maintained by the Bank, as authorised by investment account holders, for the purpose of maintaining stable profit distribution.

**"Investment Risk Reserve"** means the amount deducted from Mudaraba profits managed by the Bank to cover losses from investments in accordance with clause 16.3(g)

**"Profit Payment Date"** means the date on which the Bank pays the Customer's share of the profit amount, which shall fall no later than fifteen (15) days after the end of the relevant Profit Calculation Period.

**"Purchase"** means a purchase transaction of goods or services obtained by an account holder by the use of a Card.

**"Qard"** means, with respect to current accounts, transfer of ownership of money from one party to the other, who is committed to return the same, on demand or at an agreed date, without any increment.

**"ROP"** means the Royal Oman Police.

**"Savings Account"** means a transaction account (including its variant products), which is structured on a Mudaraba contract and offers the potential of earning profit on any balance maintained, not below the minimum assigned balance.

**"Scheme"** means the payment scheme operated by MasterCard and Visa card and supported by OMAN Switch and GCC Switch.

**"Service"** has the meaning ascribed to that term in Clause 18.

**"Service Fee"** means, in respect of Part E of these Terms and Conditions, the Service charges payable to the Bank by the Subscriber in respect of various transactions initiated by the Subscriber on the Service. And in relation to part F of these Terms and Conditions, means the service charges payable to the Bank in respect of Internet Banking.

**"Shari'a Supervisory Board"** An independent Board for Bank Nizwa membered by specialised scholars in the field of Islamic Financial Jurisprudence.

**"Software"** means a set of written programmes, procedures or rules and associated documentation relating to the operation of a computer system.

**"Subscriber"** means the Customer registered for the Service.

**"Supplementary Nominee"** means a person nominated by a Cardholder to be issued with a supplementary Card.

**"SWIFT"** means Society for Worldwide Interbank Financial Telecommunications, a computer network which provides interbank communication facilities worldwide.

**"TPIN"** means a telephone personal identification number issued to the Cardholder which allows a Customer to access the Service and other related services provided by the Bank.

**"User"** means one or more individual, authorised by the Customer who is/are assigned a Password, PIN and User Identification issued by the Bank to access Internet Banking.

**"User Identification"** means the Customer Identification number or details advised by the Bank to the Customer, or set-up by the Customer using facilities provided by the Bank for the purposes of identification within Internet Banking.

**"Value Date"** means the date on which a transaction entry to an Account becomes subject to profit, if applicable.

**"Wakala Account/Contract"**, Agency Contract, means, with respect to Investment Accounts, the agreement by which the investment account holder assigns the Bank as the agent to conclude investment transaction, with or without agency fees, with full responsibility to the account holder's account.

**"Weightings"** means investment participation weightings, approved by the Bank for Mudaraba accounts, in the Mudaraba Pool (as defined in Clause 16.3).

**"Zakat"** means a mandatory obligation payable, in specific funds, to certain categories of beneficiaries. It is an individual duty whenever its conditions are satisfied.

## 1.2 Interpretation

Unless the context requires otherwise, the following rules shall apply:

- (a) Where two or more persons constitute the expression the "Customer", all covenants, agreements, undertakings, stipulations, obligations, conditions and other provisions hereof and their liability herein shall be deemed to be made by and be binding and applicable respectively on them jointly and each of them severally, and shall also be binding on, and applicable to their personal representatives, successors and/or assigns jointly and severally.
- (b) Reference to any person including the Customer, the Bank and/or any other persons and/or legal entities, shall include the personal representatives, successors and/or assigns of the person.
- (c) Reference to any person shall include any corporation, firm, partnership, society, association, statutory body and agency, whether local or foreign.
- (d) The clauses and other headings herein are for ease of reference only, and shall not affect the interpretation of any provision hereof.
- (e) Reference to a statutory provision includes reference to any modification, consolidation or re-enactment of it for the time being in force, and all statutory instruments or orders made pursuant to it.
- (f) Words importing the singular meaning shall where the context admits include the plural and vice-versa.
- (g) Words for a gender include all genders.
- (h) Where a word or phrase is defined, its associated forms shall have the same meaning.
  1. References to "month" shall mean references to a Gregorian month.

## B. ACCOUNTS

### 2. Opening of Account

- 2.1 The Customer may, upon the Bank approval, open an Account with the Bank if, in the case of a Corporate Customer, it is validly registered in OMAN; or, in the case of an Individuals Customer wishing to open a Current Account, is a resident of OMAN, in accordance with the laws of OMAN.

2.2 The Customer shall duly complete and sign (or otherwise confirm or accept) the Account Opening Form and submit all documents as are required pursuant to the opening of the Account, following which the Account may be opened subject to fulfilment of such conditions as determined by the Bank from time to time. The Bank may either accept or reject the Customer's application at its sole discretion, without giving any reasons therefore.

2.3 An Individual Customer may open an Account individually or jointly with other Individual Customers.

2.4 The Bank may upon the Customer's request, and subject to the Bank's discretion, and any applicable minimum balance requirements or service fees, open additional accounts in its name. Unless agreed otherwise, such accounts will be governed by these Terms and Conditions and will collectively be referred to herein by the term "Account".

### 3. Deposits and Withdrawals

3.1 The Bank may accept deposits from the Customer, in cash or by any of the customary banking practices. Deposits by third parties into the Customer's account may be accepted, without any responsibility to the Bank.

3.2 The Bank may supply cheques, payment instruments and related materials to the Customer in accordance with these Terms and Conditions.

3.3 Subject to these Terms and Conditions, drawings from each type of Account, can be made by the Customer, or by any Authorised Person, by using any of the modes made available by the Bank, including but not limited to using the Card, withdrawal slips, cheques, standing instructions, pay orders or electronic instructions, through the channels made available by the Bank, including but not limited to point of sale, branches, Internet Banking, ATMs, Mobile Banking, Phone Banking or by such other modes or channels as shall be made available by the Bank from time to time subject to:

- (a) the specific features, restrictions, terms and conditions applicable to the relevant Account; and
- (b) the Bank's maximum daily withdrawal limit and fees and charges for the relevant Account.

3.4 No deposits shall be made available to the Customer, until the Bank has received cash or its equivalent upon collection, at the Bank. Proceeds of deposits are not available until cleared funds are received by the Bank. In accepting items for deposit, the Bank shall act as the Customer's collecting agent and assumes no responsibility for realisation of such deposits.

3.5 The Bank may convert all foreign currency deposits, or transfers to the Account, at the Bank's prevailing rate for such currency in the transaction date.

3.6 The Bank shall have the right to freeze or suspend operation of the Account and to refuse any and all deposits, credits and withdrawals if the Customer is in breach of any of these Terms and Conditions; or, if:

1. any instructions given to the Bank are ambiguous, conflicting or not acceptable to the Bank;
2. if the Bank suspects that there may be any fraud or illegality in any transactions (including, without limitation, any breach of CBO regulations relating to money laundering);
3. if the Bank requires any further instructions, information or documentation, in form and content satisfactory to the Bank; or,
4. if instructed to do so by CBO, Capital Market Authority or other regulatory authority.

3.7 While the Bank acknowledges that the funds deposited are at the disposal of the Customer, the Bank may, at its sole discretion, apply the credit balance in the Account in a Shari'a compliant manner in accordance with the Shari'a requirements as applied and interpreted by the Bank's Shari'a Supervisory Board, and in terms of the specific guidelines and conditions applicable to the relevant type of Account opened by the Customer.

3.8 If, in relation to any Account, the Customer exceeds the maximum number of transactions permitted for that Account, the Bank's prescribed fees and charges for excess transactions shall apply to those transactions and shall at the Bank's discretion be charged to the relevant Account.

### 4. Collections and Remittances

4.1 Cheques/ dividend-warrants/drafts drawn to the order of the Customer and deposited (by such mode as shall be made available by the Bank) in the Account shall be accepted as collection items, unless agreed otherwise by the Bank and in accordance with the banking practices prevailing at Islamic banks operating in OMAN. The Bank has the right to reject cheques, drafts or any other securities drawn to the order of any party. The Bank maintains the right to debit any Account with any unpaid and non-collected items in addition to the Bank's charges, without assuming any responsibility in case of non-collection of such items.

4.2 Drawings against cheques under collection shall only be allowed after their actual realisation. The Bank shall have the right to refuse to honour any cheque, instrument or instruction, if the signature thereon, or any entry, alteration or endorsement thereon is not acceptable to the Bank, or if the funds in the Account are insufficient.

4.3 The Bank shall pay the actual amount of telex/SWIFT transfers or the bank drafts/cheques received in favour of the Customer after deducting the banking fees/charges and commissions incurred by the Bank.

4.4 In the event the Bank agrees to accept bills, cheques, drafts or instruments drawn on banks outside OMAN (the "Foreign Instruments") for clearing or collection, the Customer irrevocably and unconditionally acknowledges and agrees as follows:

- (a) the clearing or collection of Foreign Instruments is dependent upon the laws and practices of the country or state in which the drawee bank is located;
- (b) the Bank may accept Foreign Instruments for clearing or collection at its absolute discretion and solely as a facility to the Customer at its request from time to time. The Bank reserves the right to refuse any Foreign Instrument, at its discretion, or to return any Foreign Instruments at any time;
- (c) the Bank assumes no responsibility for the realisation of any Foreign Instrument deposited with it, or for the value given by a foreign bank, or for any mail or communication delays, loss of mail or courier, operating errors, clearing system delays or losses or for any charge, expense or loss, howsoever caused, unless it was caused by the Bank's negligence or wilful misconduct
- (d) in certain countries, the clearing of cheques may be with recourse and, even when funds have been made available, the drawee bank may return the cheque or recall the funds subsequently.

4.5 The Bank shall credit all the incoming remittances and drafts of the Customer into the Accounts in the currency of such Accounts, unless the Bank receives contrary instructions from the Customer. The deposit shall be at the exchange rate prevailing on the same day of deposit.

4.6 The Bank shall have the right to reject to pay for any draft or transfer if the name of the Beneficiary and the Account number do not match the Bank's record, or for any other reason.

4.7 The Bank may, without prior notice to and/or consent of the Customer, reverse any entries in the Account where transfers, remittances, cheques or other instruments previously credited to the Account are recalled or returned unpaid for any reason. The Bank shall be entitled to retain unpaid cheques or instruments and to exercise all rights in relation thereto.

4.8 All the transfers effected by the Bank according to the Customer's Instructions or otherwise undertaken by the Customer shall be at the Customer's expense and responsibility, and the Bank shall not be responsible if the amounts credited to the Customer Accounts are reduced due to charges or decline in value, and the Bank shall not be responsible if the Customer was unable to avail other funds on account of any restrictions issued by the concerned authorities.

4.9 The Bank and its correspondents are not liable for the consequences of any irregularity, delay, mistake, telegraphic error, omission or misinterpretation that may arise, and from and against any loss, which may be incurred through its correspondents failing properly to identify the persons named in the instructions or retaining the funds, should the Bank or its correspondents

deem such retention expedient, pending confirmation of the identity of any person or of the above instruction by a letter or otherwise.

- 4.10 Should all or any of these transfers be unpaid and refunded to the Bank, the Customer can only claim the value thereof at the buying rate of the day when the refund takes place. The refund cannot be affected until the Bank has received definite advice from its correspondents that the funds are unpaid and that the original instructions have been cancelled.

## 5. Statements

- 5.1 The Bank may periodically provide to the Customer statements of account by post or electronic mail or the Bank shall provide the Customer with access to retrieve the statements of account from the other channels made available by the Bank, including but not limited to its branches or electronic banking channels, subject to any service fee notified by the Bank from time to time. The Bank may, in its sole discretion, vary the frequency of the statements of account, with notice to the Customer.
- 5.2 (a) in the case of non-receipt of a statement of account, the Customer shall notify the Bank of such non-receipt within fifteen (15) days of the end of the period to which the statement of account relates.
- (b) in the case of discrepancy in any entry or balance shown in a statement of account, the Customer shall notify the Bank of such discrepancy within fifteen (15) days of the date of the statement
- 5.3 The Customer shall be deemed to have received the statement of account and have irrevocably consented to the correctness of the entries and balance shown therein; and the Customer waives any right to challenge the transactions, entries or other dealings on the Account unless the Customer has notified the Bank in writing accordingly, within fifteen (15) days, pursuant to Clause 5.2(a) or 5.2(b) as applicable.
- 5.4 Unless the Customer gives notice in writing, (or by such other mode acceptable to the Bank from time to time), the address set out in the Account Opening Form shall be the approved address for the mailing of all letters, notices, advices, statements of account or other notification (legal or otherwise). The Customer shall inform the Bank in writing if there is a change to any of the Customer particulars set out in the Account Opening Form.
- 5.5 The Bank may stop mailing the advices or statements of account if they are returned undelivered, consecutively on two or more occasions, until such time the Bank is provided by the Customer with an alternative address for mailing the statements.
- 5.6 The Customer shall have the right to ask for an additional copy of the statement of account at the Customer's own expense, such fees shall be in accordance with the Bank's applicable price guide.

## 6. Standing Orders

The Bank shall accept requests for the execution of any standing order from the Customer provided that the Customer shall have sufficient balance in the Account on the due date(s) for the execution of such orders. The Bank shall not be liable for any delay or error in the dispatch or in the transmission or for any error on the part of the paying bank or any of its correspondents. The Customer acknowledges that the Bank shall not be liable for such delays or errors and the Customer shall indemnify the Bank for the loss, damages and expenses incurred by the Bank as a result of the execution of the standing orders given by the Customer.

## 7. Instructions

- 7.1 The Customer shall be entitled to request the Bank to act upon facsimile instructions (or such other electronic means acceptable to the Bank from time to time) with regard to the Account(s), including without limitation, funds transfer to, from and within the Bank, early termination of investments, renewals and settlement of investments.
- 7.2 The Bank is entitled to consider facsimile or telephone instructions as, genuine, fully authorised and binding on the Customer, and to take such steps in connection with or in reliance on such instruction, as it may consider appropriate. The Bank has the right, at its sole discretion, to process or refuse any facsimile or telephone instructions given by the Customer,

including without limitation, if the Bank may incur a liability in carrying out the instruction or any part thereof, or if carrying out of any instruction will result in a breach of any law or regulation or otherwise be prejudicial to the Bank's interests; or if the Bank is prevented or delayed directly or indirectly from acting on the instruction by reasons beyond the Bank's control. The Bank may, at its discretion, decline to act upon such instructions unless and until confirmation has been obtained from the Customer, in form and substance satisfactory to the Bank.

- 7.3 The Customer shall release the Bank from any indemnity and hold the Bank harmless from and against all actions, suits proceedings, costs, claims, demands, charges, expenses, losses and liabilities however arising in consequences of, or in any way related to:
- (a) the Bank having acted in good faith in accordance with the Customer's written facsimiles or telephone instruction(s), notwithstanding that such instruction(s) as above may have been initiated or transmitted in error or fraudulently altered, misunderstood or distorted in the lines of communication or transmission; or
- (b) the Bank having refrained from acting in accordance with the Customer's written, facsimile or telephone instruction(s) by reason of failure of actual transmission thereof to the Bank or receipt by the Bank for whatever reason, whether connected with fault failure or unreadiness of the sending or receiving machine; or
- (c) the Customer's failure to forward all original copies of facsimile instruction(s) to the Bank within such period as the Bank may specify.
- 7.4 All facsimile instructions given by the Customer to the Bank shall be in compliance with the laws and regulations applicable in OMAN. The Customer fully acknowledges, understands and accepts the risk inherent and associated with communication of the instructions by facsimile.
- 7.5 In case of death of the Customer no activity on the Account will be undertaken without fresh instructions from the legitimate heirs (approved by a legal and valid succession) of the Customer in form and content satisfactory to the Bank.
- 7.6 If and when such option becomes available, the Customer authorises the Bank (in its absolute discretion) to follow/act on his verbal instruction (including any instructions required by or given by the Customer, in relation to these Terms and Conditions unless these Terms and Conditions otherwise expressly state to the contrary).
- 7.7 The Bank may in its absolute discretion require that written confirmation of the Customer's verbal instruction(s) be received by it within such period as the Bank may specify.
- 7.8 Where any of the Accounts are opened by more than one person, any such one person shall be entitled to give any such oral instructions, and the Bank shall be entitled to rely upon any such instructions.
- 7.9 The Bank may record the Customer's telephone conversations or instructions with the Bank. Such recordings will be considered valid and binding on the Customer.

## 8. Stop Payment Orders

The Customer shall indemnify the Bank and hold it harmless against any damages incurred by the Bank in respect of any amount, which is blocked in compliance with legal requirements or under instruction from the CBO or any other competent authority or for any claim against the Bank by any third party.

## 9. Erroneous Entries

In the event that there has been any error in entries posted to the Account, the Bank is automatically authorised, in its sole discretion, to process relevant entries or adjustments to effect necessary corrections. The Customer does not have the right to claim the value of any deposits into the Account posted in error. The Customer agrees that the Bank holds the right to unilaterally claim the amounts posted in error, either from the Customer or directly from the Account, and debit the Account accordingly. In the event of such claim/s made, at any point in time the Customer undertakes to immediately reimburse such claim/s in accordance with the instructions of the Bank, if required.

## 10. Fees and the Banking Services Charges

10.1 The Bank may, without referring to the Customer, debit the Accounts with, and the Customer will on demand pay, any charges, expenses or commission payable against the banking services rendered in accordance with these Terms and Conditions at the banking charges and commissions approved and announced by the Bank. If there are insufficient funds in the Accounts to pay, or the Customer fails to pay such charges, expenses or commission the provisions of Clause 3.6 shall apply until such amounts are paid.

## 11. Right of Lien and Set Off

11.1 The Customer expressly agrees and consents that the Bank may, at any time assert a lien over any money, shares, securities, documents or other assets and property of whatever nature which are held in the Customer's name, or in the name of any affiliate or associate of the Customer in any Account or financing arrangement, and/or at any branch of the Bank. The Bank may at any time, set off all or part of the money, shares, securities, documents or other assets and property of whatever nature which are held in the Customer's name, or in the name of any affiliate or associate of the Customer in any Account and/or at any branch of the Bank (including, if applicable, before the maturity of an Investment Account) towards any indebtedness or amounts due under any financial transaction, howsoever incurred and whether actual or contingent, of the Customer or any affiliate or associate of the Customer to the Bank (or if the Account is a Joint Account, any such indebtedness of any of the Customers or any affiliate or associate of the Customers to that Joint Account to the Bank, whether several or joint or otherwise) and whether in the same currency as the Account or not. The Bank may effect any necessary conversions at the spot prevailing rate of exchange at which the Bank is able to purchase the currency of the Customer's obligations, or the obligations in the name of any affiliate or associate of the Customer at the Bank's own prevailing rate of exchange displayed at the Bank's counters, as the Bank may select at its absolute discretion. All costs incurred by the Bank in respect of the exercise of the said right of lien, set off and reconciliation, shall be on the account of the Customer and payable on demand.

11.2 The Bank may exercise its rights of set off in respect of shares and securities once such shares and securities have been liquidated, and the Bank is authorised at its sole discretion to liquidate or transfer the ownership of such shares and securities, if the Customer fails to pay any of his dues.

## 12. Accounts in Foreign Currencies

12.1 The Customer may open Accounts in foreign currency upon the approval of the Bank, and the transactions in this Account(s) or these Accounts shall be effected only by the Bank's forms, drafts or written instructions, in the same currency of the Account.

12.2 Cash deposits in foreign currency accounts will be subject to the rate of exchange on the same day and commission determined by the Bank from time to time.

12.3 Cash withdrawal in foreign currency notes or travellers cheques from foreign currency Accounts will be subject to the prevailing rate of exchange and commission determined by the Bank from time to time.

12.4 The Customer may transfer from its foreign currency accounts to its local currency accounts or vice versa at the prevailing rate of exchange in the same day as determined by the Bank. The Customer acknowledges that the Bank will not be held responsible for any exchange losses that the Customer may incur when transferring any amount from its foreign currency accounts to another currency accounts.

## 13. Joint Accounts

13.1 To open a Joint Account, two or more Individual Customers will be required to duly complete and sign the applicable Account Opening Form/s and other related documents for Joint Account holders. Each Joint Account will be operated on a single mandate basis only. Each Individual Customer will have equal access and equal rights to operate all the Joint Accounts and services which can be operated via a Joint Account. In addition, the following conditions shall apply in respect of Joint Accounts:

- (a) These Terms and Conditions shall constitute an agreement between the Joint Account holders, jointly and severally, as well as between the Joint Account holders and the Bank.
- (b) Instructions, in respect of a Joint Account, may be given singly by an Individual Customer as specified in the Account Opening Form (including withdrawal in favour of the signatory thereof), and the Joint Account holders hereby accept and ratify all actions carried out by the Bank pursuant to such instructions.
- (c) Any debit balance arising on the Joint Account for any reason (and any other liability that may be incurred) will be the joint and several responsibility of all the Joint Account holders. Any such liability will not be discharged or otherwise affected by the death or incapacity of any one or more of the Joint Account holders.
- (d) The Bank shall be authorised to accept for deposit or credit to the Joint Account any cheque, instrument, transfer or payment order in the name of one or more of the Joint Account holders.
- (e) The Joint Account holders expressly agree and consent that the Bank has and shall have the right, in its discretion and without prior approval, but with due advice, to any of the Joint Account holders, to assert a lien on the Joint Account, and apply all credit balance or any part thereof, in setting off any (actual, contingent, matured or unmatured) sums that may be owing to the Bank, from any or all of the Joint Account holders, and to set-off the amount of such indebtedness to the balance of the Joint Account.
- (f) If one of the Joint Account holders is subject to an attachment, such attachment will be enforced on such Joint Account holder's share only, if indicated by the Joint Account holders in the joint account opening application, with effect from the day of notifying the Bank of the said attachment. The Bank shall stop withdrawal from the Joint Account to the extent of the attached share, and consequently endeavour to notify the Joint Account holders or their representative of the said attachment within fourteen (14) days from the day of attachment notification at his address set out in the Account Opening Form, provided that failure by the Bank to give such notice shall not affect the Bank's rights under this Clause, or give rise to any liability in respect of the Bank.

Notifying any of the Account holders by the Bank shall be considered notification to all of them.

- (g) Subject to the Bank's policies, the Bank shall have the right to issue the Card to each or select of the Joint Account holders if each of them is authorised to handle the Account by a single signature only, and they will be held individually or jointly, responsible for all liabilities that occur from using this service.
- (h) The Bank may continue to rely upon the information provided in the Account Opening Form until notified to the contrary by any one or more of the Joint Account holders.
  1. In the event of the demise of a Joint Account holder the Bank shall have the right, in its sole discretion:
    - (1) freeze or suspend operation of the Joint Account and refuse any and all deposits, credits and withdrawals until the Bank has received, in a form acceptable to the Bank in all respects, valid information, evidence or instructions in relation to the deceased Joint Account holder's portion in the credit balance of the Joint Account (the "Customer's Portion"); or
    - (2) and the Bank shall distribute the Customer's Portion in accordance with such valid instructions received by the Bank by such persons authorised by the laws of succession for the time being applicable, in accordance with a competent jurisdiction. The surviving Customers shall not be entitled to utilise the deceased Customer's Portion.

## 14. Corporate Customers

14.1 The Customer represents and acknowledges that, subject to any express written instructions of the Customer

1. the Bank may only act upon the express instructions of an Authorised Person;

2. any Authorised Person appointed by the Customer shall be fully empowered by the constitutional documents of the Customer to act on behalf of the Customer in all transactions with the Bank relating to the Account and the Customer expressly agrees that the Bank may comply with and act on any instructions given by such Authorised Person without limitation; and
  3. the Authorised Person may not delegate the powers conferred on the Authorised Person to others, without prior written notification to the Bank.
- 14.2 If any instructions are unclear or if the Bank receives conflicting instructions, the Bank may choose not to act upon all or any of such instructions until the ambiguity or conflict has been resolved to the Bank's satisfaction. The Bank has no obligation to verify that any instructions are genuine.
  - 14.3 If the Bank agrees to act upon telephone, facsimile, letter or other form of instructions, the Bank shall be authorised to act upon such instructions, purporting to be issued by, or believed by the Bank to be issued by, an Authorised Person. The Customer acknowledges and assumes all risks associated with communication of instructions by such methods and waives, releases and discharges the Bank from any and all claims, obligations or rights that the Customer has or may have against the Bank in relation to or arising out of such instructions. The Bank shall not be required to obtain confirmation or make enquiry as to the genuineness of the instructions. The Bank may, however, without being obliged to do so and at its sole and absolute discretion, decline to act upon such instructions and/or request verification of instructions by means of a confirming telephone call to the Customer.
  - 14.4 The Customer shall hold harmless and indemnify the Bank, its officers, employees and/or agents, against any loss, cost, damage, expense or liability which they or any of them may incur (direct or indirect) as a result of the Bank or any such officer employee or agent acting upon, delaying or refraining from acting upon instructions of the Customer or purporting to be from the Customer or which the Bank believes to have been issued by or for the Customer.
  - 14.5 The Customer shall release the Bank from and indemnify and hold the Bank harmless from and against all actions, suits, proceedings, costs (including legal costs), claims, demands, charges, expenses, losses and liabilities howsoever arising in consequence of, or in any way related to:
    - (a) the Bank having acted in good faith in accordance with the Customer's written facsimile instructions, notwithstanding that such instructions, have been initiated or transmitted in error or fraudulently altered, misunderstood or distorted in the lines of communication or transmission;
    - (b) the Bank having refrained from acting in accordance with the Customer's facsimile instructions by reason of failure of either actual transmission thereof to the Bank or receipt by the Bank for whatever reason, whether connected with the fault, failure or unreadiness of the sending or receiving machine or otherwise; or
    - (c) the Customer's failure to forward all originals of facsimile instructions to the Bank within such period as the Bank may specify.
  - 14.6 The Customer undertakes to inform the Bank promptly of any changes in its constitutional documents, authorised signatory card, contract of establishment or its by-laws or the change of the legal form or any change in its constitution, board of directors, partners, managers, Authorised Persons or representatives or any changes in the authorised signatories. The Bank will bear no responsibility in the event any of its directors, partners, managers or representatives have violated the provisions as contained in its constitutional documents, authorised signatory card, contract of establishment or its by-laws or have acted ultra vires or in excess of their powers.
  - 14.7 The Customer authorises the Bank to pay and debit the Account, whether the Account was in credit or overdrawn, or which subsequently becomes overdrawn due to such debits, all transactions issued by those authorised to operate the Account, and the Bank is not permitted to charge any increment to the overdraft amount. The Customer shall be liable for any instruction or orders issued to the Bank by those authorised to operate the Account and enter into all the banking and financial transactions including opening

documentary letters of credit, money transfer and all transactions including the applications of credit facilities.

- 14.8 Such Authorised Persons who sign the banking transactions on behalf of the Customer shall, in addition to the Customer, be personally liable to compensate the Bank in full for any debts, present or future, or any amount incurred or any loss or damage caused to the Bank as a result of any unlawful acts done by them.
- 14.9 The Customer undertakes to furnish the Bank with an audited balance sheet and income statements or any other document required by the Bank at such intervals and as such time as requested by the Bank.
- 14.10 The relevant partners/shareholders declare that in case of the amendment in the powers of any partner/person representing the company /establishment /organisation, whether due to withdrawal, resignation or dismissal or to any amendment of the memorandum of association or the change of name or the loss of legal capacity of any partners/persons or the declaration of his/her bankruptcy or death or joining or withdrawals of one or more partners/ persons, and the Bank shall have the right to attach all the credit amounts of the company/establishment/organisation in favour of the Bank to recover its dues or in favour of any court order or judgment.

## C. TYPES OF ACCOUNTS

### 15. Current Account

- 15.1 The credit balance in the Current Account deposited by the Customer is considered as a loan [Qard] to the Bank, on which no profit or other form of return is payable. The Bank undertakes to pay any credit balance in its favour in the Current Account in full at the request of the Customer, subject to the Customer's compliance with these Terms and Conditions. The Bank may invest the credit balance in the Current Account in such manner as the Bank, in its absolute discretion, deems fit, not contradicting Shari'a Principles. The opening of the Current Account shall be subject to the minimum balance requirements prescribed by the Central Bank of Oman from time to time, and advised to the Customer and may be operated in such denominations approved by the Bank from time to time.
- 15.2 Withdrawals from a Current Account shall be made in accordance with Clause 3.3. Deposits in the Current Account shall be accepted in all branches of the Bank in OMAN by cash, transfers, cheques drawn on the Bank's branches or local banks or through the Bank's ATMs, or by any other mode acceptable to the Bank.
- 15.3 The Bank shall have the right to refuse to pay any payment orders or cheques written on forms other than the Bank's forms, without any responsibility whatsoever on the part of the Bank.
- 15.4 The Customer shall draw cheques in Arabic or English languages. The Bank shall not accept cheques written in any other language.
- 15.5 The Bank shall have the right, without any obligation, to honour the value of cheques or other negotiable instruments, drawn on the Current Account even if this were to cause the Current Account to be overdrawn. The Customer undertakes to pay or repay all the due amounts in the Customer's overdrawn Current Account immediately upon the request of the Bank.
- 15.6 The Bank shall have the right, without taking any liability, to refuse to pay the value of the cheques, drawings and payment orders drawn on the Current Account if the balance is not sufficient, even if the Customer has credit balance in any other Accounts, unless the Customer has prearranged with the Bank in writing to cover the amount of cheques, or any other withdrawals from any of his current or saving accounts with the Bank, subject to any service fee notified by the Bank from time to time.
- 15.7 The Bank may, without taking any liability, accept from the Customer any stop payment of cheque in case it is lost and proof has to be provided from the ROP, or in other circumstance as shall be allowed by law and agreed by the Bank. However, the Customer will bear any loss, damage and cost (including legal cost) due to these incidents.
- 15.8 The Customer shall take due care of the chequebook issued to it by the Bank, and shall bear full responsibility and liability in respect of the issuance and

use of any cheques and shall be responsible in all cases arising out of theft of the chequebook or the misuse thereof or of any of the cheques contained therein, including forgery, regardless of whether the aforementioned misuse was committed by any employee(s) of the Customer or by any other person. The Customer shall sustain all the consequences of the default and indemnify and hold the Bank harmless in all respects. The Customer will promptly notify the Bank in writing of the loss or theft of any cheque or payment instrument and will return to the Bank or destroy any unused cheque, payment instruments and related materials when the relevant Account is closed. The Customer shall not give any of the chequebooks to any third parties. The Customer shall immediately inform the Bank in writing, upon the loss or theft of a chequebook, in the absence of which otherwise the Customer shall bear all the consequences in cases of its misuse.

- 15.9 The Bank has the right to refuse issuing a chequebook to the Customer, without giving any reason. This shall not prevent the right of withdrawal by other means.
- 15.10 The Bank has the right to close the Current Account and to cause the Customer's name to be blacklisted in accordance with the regulations of any applicable credit agency or the CBO or any other regulatory authority in force from time to time.
- 15.11 The total amount of cheques drawn on the Current Account, but not yet presented for payment must not, at any time, exceed the available balances of the Current Account and available for withdrawal. The Bank is not obliged to honour cheques drawn against unrealised or uncleared payments into the Current Account. The Bank will levy a charge for any cheque that is returned unpaid for lack of funds.

## 16. Mudaraba Accounts

### 16.1 Qualifying Accounts

Only Accounts (excluding the Current Account) which satisfy the minimum balance requirements as prescribed by the Bank and/or the Central Bank of Oman, from time to time shall qualify and be treated as Mudaraba Accounts. To the extent and for the period any Accounts (excluding the Current Account) do not meet the minimum balance requirements, if it is included in the Mudaraba pool and if the balance is below the minimum balance requirement, the account will be given a profit in according to its weightage in the Mudaraba pool. The Bank shall not have the right to charge any fall below fees.

### 16.2 Accounts

- (a) Under a Mudaraba Account, the Customer being the owner of funds ("Rab al-Mal") authorises the Bank (being the "Mudarib" or fund manager) to invest the Customer's funds in the Mudaraba Account in accordance with Shari'a requirements in such manner as the Bank, in its absolute discretion, deems fit.
- (b) The Customer may make withdrawals from the Mudaraba Accounts in accordance with Clause 3.3.
- (c) The Mudaraba Accounts may be in such denominations as approved by the Bank from time to time.

### 16.3 Investment and Profits

- (a) The Bank shall invest the credit balance in the Mudaraba Accounts (the "Mudaraba Funds") maintained by the Customer, in a joint investment pool (the "Mudaraba Pool") together with funds from the Bank's equity and other investors, and shall be managed and invested by the Bank in certain assets (the "Mudaraba Assets") on an unrestricted basis in accordance with Shari'a requirements.
- (b) The profits ("Mudaraba Profits") realized as a result of the Bank's investment activity under sub-clause (a) above, shall be allocated between the Bank and the Customer, as follows:
1. the Bank shall be entitled to a pre-determined percentage share of the Mudaraba Profits, for the corresponding Investment Period (the "Mudarib's Profit Share");
  2. the remaining Mudaraba Profit, after deduction of the Mudarib's

Profit Share (the "Profit Amount"), shall be allocated amongst the investors by reference to the Weightings in accordance with Clause 16.3(e). The Customer's share of the profit will be determined in accordance with the per annum rate (the "Profit Rate") applicable to the relevant category to which the Customer's Mudaraba investment belongs, and shall be paid on the relevant Profit Payment Date;

3. the Mudarib's Profit Share and the Weightings applicable to each category shall be determined by the Bank and agreed by the Customer in the Mudaraba contract.
  4. the updated and prevailing Mudarib's Profit Share and Weightings applicable to each category which shall be displayed in the Bank's branches, may be obtained from the Bank in accordance with the Bank's prevailing practices. The Bank reserves the right to vary the Mudarib's Profit Share and/or the Weightings from time to time in accordance with the prevailing regulations and/or directives applicable to it, and such variation shall be deemed to be effective upon the commencement of the Profit Calculation Period immediately succeeding such variation. The Customer shall be deemed to have accepted such variation if the Bank does not receive any notice to the contrary within seven (7) days from the issuance of such variation.
- (c) The Customer acknowledges that nothing in these Terms and Conditions shall be construed as being a warranty or a representation by the Bank of any guaranteed profits, or any guaranteed repayment of any part or the entire portion, in respect of the Mudaraba Investment. The Customer is aware that all balance in the Mudaraba Accounts (including the original Mudaraba Deposits) are exposed to potential losses arising out of a loss incurred in respect of Mudaraba Assets, and that such losses may even affect the principal amount of the funds deposited by the Customers in the Mudaraba Investment Account.
- (d) Any losses incurred on the Mudaraba Deposits during a Profit Calculation Period shall be borne solely by the Customer. If, however, the Bank has also invested a certain sum in the Mudaraba Assets (whether from the Bank's equity funds or otherwise), then such losses shall be shared between the Customer and the Bank proportionately in accordance with the respective amounts invested by the Customer and the Bank in the Mudaraba Assets. However, the Bank (as Mudarib) shall bear any loss attributable to its gross negligence or violation in the carrying out of its duties as a Mudarib under these Terms and Conditions. In the event that such losses occur during an Investment Period, the Bank shall not be entitled to the Mudarib's Profit Share for such Investment Period.
- (e) The profit amount shall be calculated and notified to the Customer in the applicable profit table.
- (f) The Bank shall have the right to determine the closing balances in cases where a Mudaraba Account is closed prior to the applicable Profit Payment Date, the Customer shall be entitled to receive the profits accrued on the Mudaraba Funds for the relevant Investment Period. The client waives its right to any further claims of profit from the bank in this regard
- (g) The Bank, as Mudarib, is hereby authorised by the Customer to deduct, if required, a certain percentage of the Mudaraba Profit due to the investors in the Murabaha Pool, as Investment Risk Reserve, for the purposes of:
1. This is the amount appropriated by the Islamic bank out of the income of investment account holders, after allocating the Mudarib share, in order to cater against future losses for investment account holders.
  2. making profit payments for the portion of the Investment Period in which profit is not yet realized, to Mudaraba Account holders whose deposits mature and/or are liquidated between two Profit Payment Dates. Such payment will be made on the basis of the previously declared Profit Amount for the last completed Profit Calculation Period. The Bank shall, upon realisation of profits for the Profit Calculation Period, replenish the Investment Risk Reserves with actual Profit Amount accrued for the relevant

number of days elapsed during such Profit Calculation Period during which profit was paid, but unrealized. In consideration of receiving the profit payments ahead of the applicable Profit Payment Date under this Clause 16.3(g), the Customer shall waive its entitlement to the difference between the actual profit amount paid to the Customer and the profit amount that the Customer would have otherwise been entitled to had the Profit Amount been paid on the Profit Payment Date.

- 3 The utilisation of Mudaraba Profit as set out in this Clause 16.3 (g) is solely for the benefit of Mudaraba Account holders and is overseen by the Bank's Shari'a Supervisory Board. The Bank reserves the right to invest the Investment Risk Reserve in any Shari'a compliant products, provided that such investments shall be made at the Customer's own risk, and that the Bank shall not be liable for any losses incurred as a result of such investments.
- (h) The Bank, as Mudarib, is hereby authorized by the Customer to deduct, if required, a certain percentage of the Mudaraba Profit due to the investors in the Murabaha Pool, as Profit Equalisation Reserve, for the purposes of maintaining levels of profits to investment account holder and owner equity and this deduction shall be made before allocating the Mudarib share. If the balance exceeds the amount considered prudent then the excess amount shall be credit as a release from reserve to the relevant party's share of income for that financial period before allocating the Mudarib share. The bank shall have the right to invest the Profit equalisation Reserve in any Shari'a compliant product, provided that such investment shall be made at the Customer's own risk, and that the Customer shall not be liable for any losses incurred by the Bank as a result of such investments.
- (i) The Customer may withdraw the Mudaraba Funds from the Mudaraba Accounts prior to expiry of the applicable Investment Period, subject to the following conditions:
  1. a minimum of one (1) month has elapsed from the date that the relevant Mudaraba Funds were Invested into the Mudaraba Account ("Investment Date") in order for the Customer to be eligible for the share in the Mudaraba profits. In all other cases, the Customer shall be entitled to profit for the completed months as per the declared rate for the corresponding term, taking into consideration provisions of 16.3(g);

#### 16.4 Mudaraba Investment

- (a) Subject to Clause 16.1(a), in the case of an Investment Mudaraba, the Customer may wish to enter into a Mudaraba on the terms and conditions stipulated in the investment Mudaraba agreement ("the "Mudaraba Agreement") to be provided if such Account is required by the Customer. Together with the Mudaraba Agreement the following additional conditions shall apply:
  1. in relation to Mudaraba Investment, the Customer shall select an Investment Period (or such other periods approved by the Bank), provided that the minimum Investment Period shall be one calendar month;
  2. the profit on the Investment Account shall be calculated at the end of each calendar month on an accrual basis, and shall be paid to the Customer either:
    - (aa) on the first Profit Payment Date falling immediately after the expiry of the Investment Period; or
    - (bb) on Profit Payment Dates at such intervals as may be mutually agreed to between the Customer and the Bank; and
  3. where the Account holder has selected the option for the auto-renewal of the investment, the Mudaraba shall be renewed automatically on the same terms and conditions.
- (b) The minimum limit for accepting the Mudaraba funds equivalent to that in other currencies shall be defined by the Bank from time to time. Except for the investment term of funds in OMR, the Bank is not bound to repay funds in the same currency deposited, but undertakes payment by issuing a demand draft or transfer of the same currency deposited at the exchange rate prevailing as on the day of repayment of the said funds.

- (c) These terms and conditions are subject at all times and are to be read in conjunction with the Mudaraba Agreement. The Mudaraba Agreement may comprise unrestricted investment Accounts for investments in all Shari'a complaint investments.

## D. DEBIT & ATM CARD TRANSACTIONS

17. This Clause applies to the use of a Card issued and provided by the Bank to a Cardholder.
- 17.1 Issuing of Cards:
  - (a) All Cards are the property of the Bank. The Cardholder must immediately return all Cards to the Bank or its Agent upon request by the Bank or its Agent.
  - (b) The Bank shall not be liable for any circumstances affecting the use of the Card including, but not limited to:
    1. the refusal of any Merchant to accept or honour a Card;
    2. the manner in which the refusal to accept the Card is communicated;
    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
    4. limitation of funds available through an ATM; or
    5. delays or rejection of any transaction due to fraud and authorisation concerns; or
    6. the Bank declining to approve any financial transaction at Purchase which in its sole opinion contradicts or is repugnant to Shari'a requirements.
  - (c) The Bank shall not allow for any goods or services to be purchased with the use of the Card for the express purpose of obtaining cash refund. However, a Cardholder may return goods or services and obtain a re-credit to the Card Account if the Merchant's refund policy enables this.
  - (d) The Cardholder shall only use the Card for Purchases that are legally acceptable. The Cardholder is aware that certain purchases of goods or services, such as alcohol, dealing in pork and pork related products, gambling, pornography, firearms or other illegal activities, are prohibited under the principles of the Shari'a. It is the Cardholder's responsibility to ensure that the Card is utilised for Purchases which are not contrary, offensive or repugnant to the Shari'a requirements.
  - (e) The Cardholder accepts that the issuance of the Card by the Bank and the maintenance of the Account is governed by the rules and regulations of the Scheme and in the event of any dispute, a decision taken under the Scheme shall be final.
  - (f) The Bank may at any time disclose details of the Cardholder or the relevant Account to any Agent of the Bank for the purposes of processing a Card transaction or otherwise fulfilling the Bank's obligations with respect to the Scheme.
  - (g) Cardholders shall be jointly and severally liable to the Bank under these Terms and Conditions if the Account is established in two or more names, or if the Card is issued to two or more persons.
- 17.2 Use of Card, PIN and TPIN:
  - (a) The Bank will facilitate the generation of a PIN and TPIN to be used in conjunction with the Card when effecting a transaction at an ATM or by Phone Banking that must comply with the minimum security requirements established by the Bank. The Cardholder must ensure that:
    1. all Cards are immediately signed using a ballpoint pen on receipt by the appropriate Cardholder;
    2. all Cards are kept secure at all times;
    3. the PIN and TPIN are not made known to any other person;
    4. when the Cardholder changes the PIN/TPIN, these numbers should not include any four numbers in sequence from the numbers printed on the front or reverse of the Card; and

5. Cards are not used before or after the validity period stated on the Card after any notification of cancellation or withdrawal of the Card by the Bank or its Agent.
- (b) The Bank's record of any transaction effected in conjunction with a PIN or TPIN shall be binding on the Cardholder as to its consequence.
- (c) The Bank reserves the right at all times and without notice to the Cardholder to:
  - (i) refuse to authorise any Purchase or Cash Withdrawal;
  - (ii) cancel or suspend the right to use any Card, PIN or TPIN in respect of all or specific functions or transactions; and
  - (iii) refuse to renew or replace any Card.
- (d) The Bank shall not be liable to the Cardholder for any loss or damage arising from, or as a result of, the Bank exercising any of its rights under these Terms and Conditions.
- (e) If the card is lost, stolen, misplaced or damaged the cardholder must immediately report to the Bank on telephone number 80070060, and later confirm the incident in writing to the Bank.
- (f) If the card is lost or stolen the Bank will not be liable for any transactions happening between the time the card is lost and the time the card was blocked.
- (g) The Bank will not guarantee goods or services purchased through the card, and shall not entertain any discrepancy or dispute arising out thereof between the cardholder and any other third party.

#### 17.3 Use of Automated Teller Machines (ATMs)

- (a) The Cardholder shall be liable for all ATM transactions using the Card, whether or not processed with the Cardholder's knowledge or authority (except after written notice of loss has been received and acknowledged by the Bank).
- (b) The Bank shall not be liable for any loss or damage where the Cardholder uses an ATM or Phone banking to transfer funds between Accounts, pay utility organisations or any other account or institution which maintains an arrangement with the Bank. The Cardholder shall be solely responsible and liable for:
  1. providing the Bank with the correct details for the funds transfer, any user/consumer/reference number and any subsequent changes in a form prescribed by the Bank; and
  2. settling disputes of any nature with the Beneficiary.
- (c) If a funds transfer or payment request is made by the Cardholder after the Bank's end of day processing time, the request shall be actioned on the next Banking Day.
- (d) If a Cardholder deposits cash notes into the Cardholders Account using a suitable ATM, this shall be deemed to have been received by the Bank with immediate effect.
- (e) If a Cardholder deposits a cheque into the Cardholders Account, using a suitable ATM, this shall be deemed to have been received by the Bank for action on the next Banking Day.
- (f) The Bank may limit total withdrawals through ATMs during any period, and advise the Customer accordingly from time to time.
- (g) In the event that an ATM erroneously processes a transaction, any excess funds which may exist as a result of such a transaction shall be maintained in a suspense account for a period of five (5) years from the date of the transaction, or until such time that the funds are claimed by the rightful owner, whichever is earlier, and shall be subject to any applicable laws and regulations that may be applicable from time to time. Upon expiry of the five (5) years period, the funds shall be credited to a charity fund as determined in the sole discretion of the Bank Shari'a Supervisory Board, and not in contradiction to the practiced regulations in the Sultanate of Oman. If the rightful owner claims the same, it will be paid to him from the charity fund.

#### 17.4 Card Related Account:

- (a) The Bank shall debit to the Cardholder's Account, the amount of each funds Transfer, Purchase and Cash Withdrawal. The Bank may be

contacted by a Merchant or a person acting on its or the Merchant's behalf, to confirm that the Bank will authorise a proposed Purchase or Cash Withdrawal. Purchases or Cash Withdrawals which are authorised are treated as having been debited to the Account on the date of authorization, and will immediately reduce the credit available on the Account by the amount of the Purchase or Cash Withdrawal.

- (b) Once the Cardholder authorises a Purchase or Cash Withdrawal by using a Card, the Bank shall not stop the transaction.

#### 17.5 Foreign Currency Transactions:

The amount of any Purchase or Cash Withdrawal in a currency, other than in the Card billing currency, shall be converted into the Card billing currency at the prevailing rate of exchange determined by the Scheme. The exchange transaction applied shall be subject to an administration fee as determined by the Bank.

#### 17.6 Card Related Payments:

- (a) The Cardholder shall ensure that sufficient funds are available in the Account, whether a credit balance or a financing limit agreed by the Bank, for payment of funds transfer, Purchases and Cash Withdrawals at the time of a transaction using the Card. If for any reason, the Account is overdrawn by the use of the Card, the Customer shall be responsible for immediately making up the deficit by a direct payment or transfer of funds from any other Account maintained with the Bank. Failure to comply with this condition, shall entitle the Bank to cancel the Card and/or set off the amount against any other Account held by the Customer with the Bank (if more than one Account is maintained with the Bank), but without any increment to the overdraft amount. The Bank is under no obligation to notify the Cardholder if a transaction cannot be processed due to insufficient funds in the Account.
- (b) The Cardholder shall verify all transactions appearing on a statement and, in the event of any discrepancy or dispute advise the Bank in writing thereof within fifteen (15) days of the statement date, and prove such entry to be incorrect. If no such notice is received by the Bank, all Card transactions shall be deemed to be confirmed by the Cardholder as correct. If the disputed transaction of Purchase turns out to be genuine, the Cardholder shall pay the amount set out in the relevant statement together with any fees incurred by the Bank in the investigation of such disputed transaction or Purchase. In all cases, the Customer remains liable for settling all the other undisputed amounts. Without prejudice to the foregoing, the Cardholder shall immediately report to the Bank any suspicions of any fraudulent, illegal or suspicious activity with regard to the Card, and the Bank shall, upon receipt of such report, be entitled to temporarily suspend the usage of the Card until further notification to the Cardholder.
- (c) Copies of transaction vouchers shall be provided by the Bank ninety (90) days after the transaction date (subject to the Bank's applicable fees and charges, as notified to the Cardholder from time to time).
- (d) The Bank's records shall be considered as conclusive proof of the correctness of a funds transfer, Purchase or Cash Withdrawal transaction.
- (e) The Bank shall credit the Account with the amount of any refund due to the Cardholder, upon receipt of a properly issued refund voucher or other verification of the refund by a Merchant in a form acceptable to the Bank. No claim by a Cardholder against a third party may be the subject of a defence or counterclaim against the Bank.

#### 17.7 Additional Cards:

- (a) On the written request of a Cardholder, who is duly and properly authorised within the Account mandate, the Bank may supply an additional supplementary Card and facilitate the set up of a PIN to a Supplementary Nominee. These Terms and Conditions shall apply to the use of such a Card and PIN, and the Cardholder shall be liable for its use as if the additional Card was used by the Cardholder.
- (b) The undertakings, liabilities and obligations of the Cardholder shall not be affected in any way by the issue of a supplementary Card, and by any

dispute or counterclaim the Cardholder and Supplementary Nominee may have against each other. The Cardholder indemnifies the Bank against any loss, damage, liability, costs and expenses whether legal or otherwise incurred by the Bank by reason of any legal disability or incapacity of the Supplementary Nominee or any breach of these Terms and Conditions by the Supplementary Nominee.

#### 17.8 Card Charges:

- (a) The Bank reserves the right to charge the Cardholder a lump sum tariff. This may include, but is not limited to:
  - 1. provision of a replacement Card;
  - 2. provision of a Cash Withdrawal;
  - 3. a request for a copy of a transaction voucher which is subsequently confirmed as a bona fide transaction; and
  - 4. a request for a duplicate copy of a statement page.
- (b) The Bank shall publish a tariff guide, which shall be provided at the Cardholder's request to the Cardholder. The Bank may amend or introduce a tariff at any time, which shall be effective upon notice to the Cardholder.

#### 17.9 Lost and Stolen Cards:

- (a) The Bank may issue a PIN and/or TPIN for the Cardholder to be used in conjunction with the Card when effecting a transaction at an ATM or by Phone banking, and the Cardholder agrees that the PIN or TPIN may be sent by the Bank, by post, to the assigned address at the Cardholder's risk.
- (b) The Cardholder shall use all reasonable precautions to prevent the loss or theft of the Card, and shall not disclose the PIN or TPIN to any party.
- (c) If any Card is lost or stolen, or if the PIN or TPIN becomes known to any person other than the Cardholder or Supplementary Nominee, or the Card or the PIN or TPIN is for any other reason liable to be misused, the Cardholder must, as soon as possible, notify the Bank without delay and subsequently file a report to the ROP. In such circumstances, the Bank shall be entitled to temporarily suspend the use of the Card until further notice to the Cardholder. If a Card is subsequently found, it must not be used; and instead, must be returned to the Bank immediately, cut in two across the magnetic stripe.
- (d) Without prejudice to the Cardholders' obligation to report the lost, stolen or misused Card, the Cardholder is required to notify the Bank in writing or through Phone banking of any loss or theft of the Card, TPIN or PIN immediately following such loss or theft. The Bank shall, in good faith, take the necessary measures to prevent use of a Card on receipt of such notification. However, the Bank shall assume no responsibility if such written notice is not received.
- (e) The Bank may, at its absolute discretion, after getting the applicable fees, issue a replacement for any lost or stolen Card, or require the Cardholder to set-up a new PIN or TPIN on these Terms and Conditions or such other terms and conditions that the Bank may deem fit.

#### 17.10 Liability for Unauthorised Card Use:

- (a) The Cardholder shall be liable for any losses arising from the use of any Card, TPIN or PIN by any unauthorised person before the Bank receives notification of loss or theft of a Card, TPIN or PIN in accordance with this Clause 17. The Cardholder shall be liable for all losses to the Bank arising from the use of any Card by any person obtaining possession of that Card with the Cardholder's consent, or where a Cardholder has been negligent.
- (b) The Cardholder shall assist, the Bank or its Agent, in the investigation of the loss, theft or possible misuse of a Card, or the disclosure of the PIN or TPIN and the recovery of a Card. The Cardholder consents to the disclosure to Agents of any relevant information concerning the Account in connection with such investigation or recovery.

#### 17.11 Information:

- (a) The Bank may analyse certain information about the transactions on the Account and may use the information to tell the Cardholder about products, services and benefits which may be appropriate to the Cardholder.
- (b) The Bank may monitor and record the Cardholder telephone calls to

the Bank or to its Agent. Such telephone recordings shall be the sole property of the Bank.

- (c) The Cardholder shall advise the Bank in writing immediately in respect of any change to a Cardholder's name, business and/or home telephone numbers, financial circumstances and the address to which statements are sent.
- (d) The Cardholder permits the Bank to disclose information concerning the Cardholder including, but not limited to, the Account of the Cardholder to the Bank's employees agent, associates, branches, assignees, Agents or other parties authorised by the Bank.
- (e) The Bank shall have the right to capture and retain the Customer's image (by photo, video recording or other means) and may provide the same to the ROP, CBO or other authorities at any time without any approval by or notification to the Customer.

#### 17.12 Additional Features:

- (a) The Bank may make available additional legitimate features to Cardholders subject to such terms and conditions as notified to the Cardholder from time to time.
- (b) The Bank may replace, remove, amend or vary any or all of the additional features. Any such changes shall be effective upon notice to the Cardholder.

#### 17.13 Termination:

- (a) Either the Bank or the Cardholder may terminate the use or provision of a Card and the Account at any time on written notice to the other party. If either party exercises its right to terminate the use or provision of a Card, then all Cards issued in respect of the Account must be returned to the Bank, cut in two across the magnetic stripe.
- (b) The Account shall be closed only after the full payment of all charges and liabilities under the Account.
- (c) The Bank may terminate the Card and Account or demand payment or repayment of the outstanding balance on the Account at any time. Subject to the Bank's rights and powers under these Terms and Conditions, and until such termination takes place, the Bank shall provide renewed Cards to the Cardholder on expiry of the Card from time to time.
- (d) In the event of termination by the Bank any outstanding balance in the Account may be set-off by the Bank against any funds, assets or securities of the Cardholder that are held by the Bank.
- (e) On bankruptcy or death, the Cardholder's obligations shall continue until all Cards issued in respect of the Account are returned cut in two across the magnetic stripe and the Bank is repaid all outstanding amounts in full. The Cardholder and Supplementary Nominee shall immediately cease to use the Card and return them to the Bank cut in two across the magnetic stripe.

#### 17.14 Indemnity:

- (a) I hereby indemnifies Bank Nizwa and hold the Bank harmless against any claim, cost, loss, liability, damage, expenses or otherwise of whatever nature as a result of using the ATM/Debit card and/or increasing its/ their limit and/or from the misuse, theft, fraud, negligence, bad faith or any illegal use of the card(s), and the Bank shall not in any circumstance whatsoever be held liable for any of the aforementioned.
- (b) The Cardholder indemnifies the Bank against any liability, loss, charge, demand, damage, whether direct or indirect, proceedings, costs and expenses 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. All costs and expense in such regard may be debited to the Account and shall be payable to the Bank by the Cardholder in accordance with these Terms and Conditions.

#### 17.15 General Provisions:

- (a) The Bank reserves the right at all times to supplement, amend, or vary these Terms and Conditions. Any such change shall be effective upon notice to the Cardholder and notice shall be by any means determined

by the Bank including, but not limited to posting the updated Terms and Conditions on the Bank's website, displaying the amended Terms and Conditions displayed at all Bank's branches.

- (b) The waiver by the Bank, or breach of any of these Terms and Conditions, shall not prevent its subsequent enforcement, and shall not be deemed a waiver of any subsequent enforcement.
- (c) Any notice issued to Cardholders by the Bank as required within these Terms and Conditions shall be by any means available to the Bank and as permitted by law.
- (d) The Bank reserves the right to determine the priority of Card transactions against cheques presented or any other existing arrangements with the Bank.

## E. PHONE BANKING

18. This Clause applies to the telephone based, secure electronic Phone Banking service (the "Service") that allows a Customer (the "Subscriber") to perform transactions on the Account(s).

### 18.1 Requirements:

- (a) The Service will be made available to Customers of the Bank. The Bank reserves the right to limit the Service to certain types of Accounts and Customers.
- (b) To successfully access the Service, the following requirements may apply:
  - 1. A Customer of the Bank will register for the Service by submitting to the Bank a completed Phone banking application or by other means as the Bank may direct.
  - 2. Identification Facilities shall be made available by the Bank to the Subscriber at the time of registration for the Service or as directed by the Bank.

### 18.2 Service Availability:

- (a) The Bank will use its best endeavours to make the Service available at all times.
- (b) The Service may be unavailable from time to time due to routine maintenance or other disruptions or technical failures which are beyond the Bank's control.
- (c) Processing of some transactions types will not be available 24 hours a day.

### 18.3 Terms of Service:

- (a) This Service covers all Accounts that a Subscriber now holds or subscribes to or registers for in the future and relates to
  - 1. Accounts in the Subscriber's sole name;
  - 2. Joint Accounts which are operated by a single signing authority; and
  - 3. Debit card accounts.
- (b) The Bank shall be entitled to act on telephone instructions, without any further reference to the Subscriber, provided that the customary checks in relation to the Identification Facilities have been carried out by the Bank, without requiring written authentication/confirmation from the Subscriber.
- (c) The Subscriber may terminate the Service, either in its entirety or in part at any time, by giving written notice of termination to the Bank.
- (d) At the Bank's option, the following limitations may apply:
  - 1. The Subscriber may not link Accounts where the Subscriber is the owner/signatory of more than one Account (e.g. personal), unless expressly agreed by the Bank.
  - 2. Bill Payments should be effected at least five (5) Banking Days in advance of the Payment due date, to allow sufficient time for processing and/or receipt of the Payment by the Beneficiary.
  - 3. When making a Bill Payment, the Subscriber will be solely responsible for:
    - Providing the Bank with the correct Subscriber/consumer/reference number and any subsequent changes; and
    - Settling any claim or dispute which the Beneficiary or a third party may have or initiate in connection herewith.
- (e) The Bank is under no obligation to notify the Subscriber if a transaction cannot be processed due to insufficient funds in the Account.

### 18.4 General Terms:

- (a) The Subscriber agrees, accepts and acknowledges:
  - 1. the Subscriber hereby authorises the Bank to electronically record any or all communications, whether voice or otherwise, between the Customer and the Bank, and acknowledges and accepts that such recordings shall be acceptable as evidence proof of such communications in any arbitration or dispute proceedings. Such recordings shall remain the sole property of the Bank;
  - 2. that the first use of the Service by Subscriber constitutes the Subscriber's acceptance and agreement to be bound by this Agreement;
  - 3. that the Bank's record of Account(s) shall be conclusive and legally binding for all purposes;
  - 4. that the Bank may recover any amount due to it under these Terms and Conditions Agreement by debiting the Account(s) whether such Accounts are associated or not with the Service;
  - 5. that the Bank reserves the right to charge a Service Fee at such rates as may be applicable from time to time by debit(s) to the Account. The Bank also reserves the right to revise its Service Fee rate(s) with due notice to the Customer.
  - 6. that the Bank is not responsible for any errors, failures, and/or non-performance or improper operation of the telephone or electronic equipment or other channel or mode of communication.
- (b) The Bank:
  - 1. may vary, amend or add to the Service, including the introduction of new types of instructions and change the Bank's security procedures, by giving the Subscriber adequate notice either on the Bank's website or through the Bank's Internet Banking service, by post (which includes statement messages) or through the Bank's telephone banking service. Any such variations, amendments and additions will apply from the date stated in the notice;
  - 2. reserves the right to decline an application, to discontinue the provision of the Service in its entirety or to discontinue a part of the Service without assigning any reason;
  - 3. shall not be responsible for failure or non-performance of the Service.
  - 4. shall not be liable for any claims from the Subscriber for compensation of profit, loss of profit, opportunity cost value dating or exchange loss for any transaction carried out through the Service nor for any expenses or costs (including, but not limited to) any reconnection fees or loss of deposits that may be incurred by the Subscriber as a consequence of any disconnection of service to which a Bill Payment relates; and
  - 5. shall have the right to reject or cancel any transaction in the event of that transaction being incomplete, inconsistent, incorrect or in breach of any statutory or regulatory legislation.

### 18.5 Security:

- (a) The Bank is the exclusive owner of the Identification Facilities used by the Subscriber(s) hereunder.
- (b) The Subscriber shall be the ultimate custodian of such Identification Facilities and shall keep the same safe and follow such instructions as may be given to the Subscriber by the Bank from time to time.
- (c) The Subscriber shall exercise due care in using and preserving the privacy and confidentiality of the Identification Facilities, and keep the Bank safe and harmless, and indemnify the Bank against any claims for loss or damage (whether direct or consequential) arising from the Subscriber's use of the Service.
- (d) For Joint Accounts, each of the parties to the Account shall have separate Identification Facilities. Each of the Joint Account holders will be jointly and severally liable for all requests/transactions that are made on the Account by himself and/or other Joint Account holders.
- (e) In the absence of due notification to the Bank by the Subscriber of unauthorised usage of the Identification Facilities, or upon the absence of a request of the Subscriber to disable the same, the Bank shall

consider any transactions requested by way of using such facilities as authorised by the Subscriber and shall process the same at the Subscriber's sole cost and risk.

- (f) In the event that an Identification Facility is lost, stolen or disclosed to any other party, the Subscriber shall immediately notify in writing or through Phone banking the said loss, theft or disclosure to the Bank and shall file a report to the ROP. The Bank shall be entitled to suspend the Service until further notification to the Subscriber.

#### 18.6 Exclusion of Liability:

- (a) The Bank shall not be liable for any loss or damage suffered by the Subscriber in the following cases:
1. Upon termination of the Service or a part of the Service without giving prior notice to a Subscriber.
  2. Any misuse of the Service by the Subscriber where the misuse is a result of non-adherence to security procedures or this Agreement or any specific security procedures advised to the Subscriber by the Bank from time to time.
  3. Where the Subscriber fails to notify the Bank of any change in their e-mail address, mailing address or contact numbers, or his residence address.
  4. Any errors or failures from any malfunction of the telephone equipment that is used by the Subscriber.
  5. Any industrial dispute or other matter outside the Bank's control or the control of the Bank's agents and sub-contractors.
  6. Any erroneous Payment to any Beneficiary arising from the Subscriber's error.
  7. Any delay beyond the Bank's control in making payment to any Beneficiary.
  8. Any failure by the Subscriber to adhere to any notice, communication from the Bank.
  9. Any loss arising out of any erroneous Payments or any delay in the transmission of funds through the Service to any Beneficiary which may result from the termination or disruption of the Service.
  10. For the accuracy of any transactions undertaken by the Subscriber.
  11. Any failure by the Bank to make a Payment to a Beneficiary or to carry out the Subscriber's instructions, if the Account was attached by a court order or is blocked or frozen for whatever reason.
  12. Any other loss that a Subscriber may suffer by using the Service.

#### 18.7 Termination or Modifications:

- (a) To the extent permitted by law, the Bank has the right to amend the terms and conditions relating to the Phone Banking at any time by giving sufficient notice.
- (b) Once a change (whether written or online) has been notified to the Subscriber, the Bank will treat subsequent use of the Service by the Subscriber as the Subscriber's acceptance of the change.

## F. INTERNET BANKING

19. This Clause sets out the terms and conditions of the Internet Banking.
- 19.1 The Bank reserves the right to refuse to provide Internet Banking services to any Customer without assigning any reason.
- 19.2 The Customer agrees to accept and comply with the Instructions of, or associated with the Bank's Internet Banking service.
- 19.3 The Customer agrees that the Bank's record of any Financial Transaction or Non-Financial Transaction conducted through Internet Banking shall be conclusive evidence of such transaction(s) and legally binding on the Customer for all purposes.
- 19.4 The Customer agrees to accept all operations carried out by a User on the Customer's Account(s) using Internet Banking.
- 19.5 The Bank may charge a Service Fee at the rate(s) specified by the debit(s) to the Customer's Account which is specified by the Bank from time to time. The Bank may change its Service Fee rate(s) at any time upon giving the Customer fifteen days notice. If a Customer does not object during the

notice period he/she shall be deemed to have agreed to such revisions. The Bank may recover any amount due to it under these Terms and Conditions by debiting the Account(s) with the Bank whether these Accounts are associated or not with Internet Banking.

#### 19.6 The Bank:

- (a) may appoint Agents to carry out any duties in connection with providing Internet Banking and may delegate to such Agents the power to perform any function which the Bank is entitled or obliged to perform;
- (b) shall accept no responsibility should any of its Agents fail to meet the Value Date of a Financial Transaction due to time constraints, time difference between regions or regional holidays;
- (c) shall have no responsibility for failure or non-performance of Internet Banking beyond the control of the Bank or its Agents;
- (d) shall be entitled to act on any Customer Instruction received through Internet Banking, which may include mail message, Financial Transactions or Non-Financial Transactions without any further reference to the Customer and without requiring written verification from the Customer. Any such instruction shall be deemed to have been made in accordance with the Customer's banking mandate;
- (e) shall accept no responsibility for the correctness of any Financial Transaction or Non-Financial transaction undertaken by the Customer, and the Customer shall have no right to demand any fund, cancellation or reversal of any Financial Transaction;
- (f) or its Agents shall not be responsible for any loss or damages or immediate refund which may arise from the failure to properly identify the Beneficiary or for non-payment of any Payment Instruction because of loss, theft, misplacement, mistake, omission, or mutilation;
- (g) shall not be liable for any loss or damage where the Customer uses Internet Banking to pay utility organisation(s) and other institutions which maintain arrangements with the Bank. The Customer will be solely responsible for: (a) providing the Bank with the correct user/consumer/reference number and any subsequent changes; and (b) settling disputes of any nature with the Beneficiary;
- (h) shall not accept any claims for compensation of profit or income, loss of profit or Value Dating for any Financial Transaction carried out through Internet Banking; and
- (i) shall have the right to reject or cancel any Financial Transaction or Non-Financial Transaction in the event of any transaction being incomplete, inconsistent, incorrect or in the breach of any statutory or regulatory legislation.

19.7 Financial Transaction(s) will be implemented subject to the availability of cleared funds in the relevant Account(s).

19.8 Transfers between the Customer's OMAN Riyal Accounts with the Bank, and transfers between the Customer's Accounts in foreign currency with the Bank, will be made when the Customer's Instructions are received by the Bank within the time scales advised in the Instructions.

19.9 Applications for Bank drafts, bank cheques, funds transfer by cable, telex or SWIFT received by the end of the banking cut off time, as advised in the Instructions on any Bank Business Day, will be executed either on that day, or on the next Bank Business Day.

#### 19.10 The Customer and the User:

- (a) confirm that they will not disclose their PIN, Password or User Identification to others, and will safeguard it strictly in a private and confidential manner; and
- (b) undertake to change their PIN, Password or User Identification frequently, and immediately in the event of any suspicion of the PIN, Password or User Identification being fully or partly compromised.

19.11 The Bank shall have no liability for any misuse of Internet Banking:

- (a) by any Customer or any unauthorised third party and shall be entitled to act, without reference to the Customer or its User, on any instruction received through use of the Customer's or its User's PIN, Password or User Identification; and

- (b) where the misuse results from the Customer's non-compliance with reasonable security procedures or these Terms and Conditions or any specific security procedures advised to the Customer by the Bank from time to time.

## G. MOBILE BANKING

### 20.1 The Bank:

- (a) will have the right to appoint Omantel or Omani Qatari Telecommunications Company SAOG or any telecommunication company which falls under Oman rules and regulations or any other appropriate agency or telecommunications provider (the "Agency") to provide a Mobile Banking service to the Customer (the "Mobile Service"). The Mobile Service will be available to the Customer only if he/she is within the cellular circles of the Agency or in circles forming part of roaming network of such Agency. The Customer will be liable for payment of airtime or other charges which may be levied by the Agency, as per the terms and conditions of the Agency, in connection with receipt or sending of short message services ("SMS"), and the Bank is in no way concerned with such charges;
- (b) will provide the Mobile Service to the registered users in respect of only those Accounts for which such Customer is registered in accordance with any applicable regulations;
- (c) will provide the Mobile Service to the named subscriber nominated by the Customer;
- (d) is not responsible for any loss or damage arising directly/indirectly from any malfunction or failure of the Mobile Service. The Customer acknowledges that the proper functioning of the Mobile Service is dependent on the infrastructure, connectivity and services provided by the Agency and other service providers engaged by the Bank; and
- (e) provides the Mobile Service at the risk of the subscriber who shall indemnify the Bank for any loss/damage resulting from the use of the service.

20.2 The Bank will provide information to the Customer by way of SMS message upon the Customer's written request to the Bank and agreed by the Bank.

### 20.3 The Bank reserves the right to:

- (a) discontinue the Mobile Service at its sole discretion without assigning any reason;
- (b) discontinue the Mobile Service in the event of any breach of the terms and conditions of the Mobile Service by the Customer or other parties to the Account;
- (c) amend the Terms and Conditions hereunder, at any time upon giving the Customer fifteen (15) days notice. If a Customer does not object during the notice period he/she shall be deemed to have agreed and such amended Terms and Conditions will thereupon apply to, and be binding on, the Customer;
- (d) levy service charges at any time at its sole discretion with due notification of the customer; and
- (e) subject to applicable regulations, send general, promotional or informational messages to the Customer.

20.4 The Bank will not be responsible for the failure of the Mobile Service due to factors beyond its control.

### 20.5 The Customer:

- (a) will advise the Bank immediately in the event of any change in the information given on the application form, i.e. mobile number, account details, etc. The Customer also agrees to provide any additional information required by the Bank from time to time, for the purpose of making the services available to the Customer;
- (b) accepts that each SMS message may contain account information relating to the Customer. The Customer authorises the Bank to send account related information, though not specifically requested, if the Bank deems that the same is relevant. The Customer acknowledges that the SMS messages sent to him may contain confidential information

- and should such confidential information be sent to another individual through no fault of the Bank, the Bank is in no way to be held liable; and
- (c) accepts that all information will be transmitted to and/or stored at various locations and be accessed by personnel of the Bank and its affiliates. The Bank is authorised to provide any information or details relating to the customer/account to the Agency or any service providers so far as is necessary to give effect to any services.

## H. MISCELLANEOUS

### 21. Disclosure

- 21.1 Pursuant to the provisions of Article 70 (c) of the Banking Law (promulgated under Sultani Decree 114/00), the Customer hereby irrevocably agrees to the Bank disclosing such information, details or data relating to the Customer and/or Accounts and/or the Customer's transactions with the Bank or its affiliates and branches, as the Bank in its sole discretion deems necessary or desirable (including for the purpose of fraud prevention, audit and debt collection) to persons including, without limitation, its affiliates and branches, other banks, institutions, government departments, regulatory bodies, professional advisers or courts of law.
- 21.2 The Customer irrevocably agrees that the Bank may transfer or sub-contract the provision of any part of the services provided to the Customer to any third party. The Bank shall remain liable to the Customer for any recoverable loss or damage incurred or suffered by the Customer as a result of the negligence, breach or default of any such third party, and will require that any such third party maintains the confidentiality of any such information to the same extent as the Bank.
- 21.3 In case of the death of an Individual Customer, the Account shall be frozen, and no amounts in the name of the deceased Customer's shall be released unless a formal order by the competent court is received by the Bank to this effect, and the Bank shall only be responsible therefore from the date on which it has been notified about the death.
- 21.4 The Bank may open such Accounts (as may be approved by the Bank from time to time) for minors under the signature of his father or a legal guardian until the minor is the age of majority, whereupon such minor shall be entitled to operate the relevant Account in his own right. In case of a minor under guardianship, a decision or judgment of the competent court for lifting the guardianship must be obtained to enable him/her to operate the relevant Account.

### 22. Closure of Account

- 22.1 The Bank shall have the right at any time in its discretion, to close any Account upon giving the Customer fifteen (15) days notice. If a Customer does not object during the notice period he/she shall be deemed to have agreed, and the Bank may request immediate settlement thereof without giving any reason whatsoever and without incurring any liability in so doing.
- 22.2 Without prejudice to the Bank's aforesaid right, the Bank shall be entitled to close the Account if the Customer issues any cheques with insufficient funds in the Account or if the Account falls below the minimum balance requirements for such Account as set by the Central Bank of Oman from time to time upon giving the Customer fifteen days notice. If a Customer does not object during the notice period he/she shall be deemed to have agreed.
- 22.3 Upon closure of the Account, any unused cheques relating to the Account must be returned by the Customer to the Bank. The Bank will discharge its liability to the Customer by refunding the amount of the credit balance remaining in the Account after deducting any charges, fees and other expenses incurred by the Bank in relation to the closure of the Account to the Customer. If such funds are not collected from the Bank within seven hundred and thirty (730) days from the date notice for collection is sent to the Customer the funds shall be transferred to a charity to be selected by the Bank. However, the Customer shall be paid the amount due to him if he so claims before that time. Such notice will be sent to the Customer's last known mailing address as informed by the Customer to the Bank, with delivery deemed to have taken place a maximum of five (5) days thereafter. The Customer shall have no right to claim these funds after the expiry of

such hold period. If there is debit balance in the Account, the Customer shall immediately pay the Bank the amount due from the Customer upon receipt of the Bank's advice of the closure of the Account.

### 23. Dormant Accounts

23.1 A Current Account or Savings Account may at the Bank's discretion be considered dormant, if there is no Customer initiated financial transaction for a period of twenty four (24) consecutive Gregorian calendar months. The Bank reserves the right to close any dormant Account and dispose of any credit balance therein in accordance with applicable legislation in force from time to time. Unless otherwise agreed by the Bank:

- (a) no financial transactions, other than those initiated by the Bank, will be permitted for, or on a dormant Account; and
- (b) a dormant Account shall not be re-activated without communication between the Bank and the Customer, satisfactory to the Bank in all respects, and the submission of all necessary documentation as required by the Bank.

23.2 Upon such closure, the Bank will discharge its liability to the Customer by issuing and mailing to the Customer a banker's draft in the amount of the credit balance remaining in the Customer's Account after deducting any charges, fees and other expenses incurred by the Bank. If there is debit balance in the Customer's Account, the Customer shall immediately pay the Bank the amount due from the Customer upon receipt of the Bank's advice of the closure of the Account.

### 24. Related Party Disclosure

24.1 A Related Party is defined as:

- a) a person who is (or was within the 12 months before the date of the transaction or arrangement) a shareholder owning at least 5% of the Bank's equity shares (Material Shareholder); or
- b) a person who is (or was within the 12 months before the date of the transaction or arrangement) a director of the Bank or an director of an Affiliate of Bank; or
- c) a person who is (or was within the 12 months before the date of the transaction or arrangement) a member of the Bank's management committee or a member of the management committees or executive management of any of the Bank's Affiliates; or
- d) an entity under the Control of any individual mentioned in (a), (b), or (c); or
- e) an Associate of a Related Party referred to in paragraph (a), (b), (c), or (d).

24.2 Affiliate means in relation to the Bank, any other party that directly or indirectly controls, or is controlled by, or is under common control with the Bank.

24.3 Associate means

- 1) In relation to a Material Shareholder, Director, or member of the Management Committee of the Bank or an Affiliate as defined in point (c) of the Related Party definition, who is an individual:
  - i. individual parent, brother, sister, spouse or child (together, the individual's family);
  - ii. any company controlled by the individual or the individuals family and different individual.
- 2) in relation to a Material Shareholder, which is a company, any other party that directly or indirectly controls or is controlled by or is under common control with the Material Shareholder.

24.4 Control means that a person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other party, whether through the ownership of voting shares, by contract or otherwise, and 'controls' and 'controlled' shall be interpreted accordingly.

24.5 The Customer will inform the Bank if it is a Related Party, at all times, throughout his dealings with the Bank.

24.6 The Bank reserves the right to request additional information from the Customer which it believes is required in order to determine whether the Customer is a Related Party.

24.7 The Bank at its sole discretion may decline any applications from the Customer if it reasonably believes the Customer is a Related Party.

24.8 The Bank is not authorised to pay Zakat as the Customer is responsible for paying its own Zakat.

### 25. No Waiver

25.1 If the Bank does not at any time exercise the full implementation of any clause or obligation set out in these Terms and Conditions, or if the Bank delays the implementation thereof, the same shall not be considered to be a waiver of its right or abandonment of the full implementation at a subsequent time.

### 26. Customer Information

26.1 The Bank's books, records and accounts shall be conclusive and binding. Any certificate, printout or statement of account issued by the Bank shall be final and conclusive evidences against the Customer of the correctness thereof in any legal proceedings or otherwise.

26.2 The Customer acknowledges and accepts that telephone calls by or to the Bank may be recorded for the protection of the interest of the Customer and the Bank.

26.3 The Customer acknowledges and agrees that the Bank may maintain, transfer, process and store its data, information and records in electronic form, on microfilm or other methods (including in processing centres and databases outside of OMAN) and further agrees that the messages, cables, telexes facsimiles, microfilms, tapes computer printouts and photocopies, which may be exhibited by the Bank as an extract from its files, books, records or accounts shall constitute conclusive evidence of the genuineness of the contents thereof.

26.4 The Customer acknowledges and agrees the Bank may utilise the services of third party contractors, and that any such third party may have access to the Bank's books and records, including information regarding the Customer and the Account.

26.5 The Customer irrevocably consents to the disclosure and reporting by the Bank, its officers, employees and/or agents, in any whatsoever, of any information relating to the Customer and its account relationship with the Bank (including without limitation, credit balances and deposits with the Bank, account history and other Customer related information) as the Bank, its employees, and/or agents may in their absolute discretion think fit to:

- (a) the Bank's head office, any of its representative offices, subsidiaries, affiliates and branch in any jurisdiction and any related corporations of the Bank;
- (b) service providers including persons to whom the Bank has outsourced any operational functions which may be engaged by the Bank to carry out any of the Bank's businesses or operations (including without limitation, ATM or other network providers) within or outside of OMAN and are under a duty of confidentiality to the Bank;
- (c) any actual or potential assignee(s) of any rights or obligations of the Bank;
- (d) any guarantor, third party pledger or security provider;
- (e) in response to any request from a third party for a reference;
- (f) any legal advisors or accountants or other professional advisors acting for the Bank and/or agents and independent contractors;
- (g) any regulatory, fiscal, supervisory or governmental authority in any jurisdiction; and/or
- (h) any other person(s) which the Bank considers, is in its interest to make such disclosure.

The Customer will not assert any claim, and waives any right to assert any claim, against the Bank for any loss, damage or injury suffered or alleged as a result of any such disclosure or reporting.

### 27. Force Majeure

27.1 The obligation to pay any amounts deposited with the Bank is limited to payment by the branch at which the Account is maintained, the Bank shall not be liable for its inability to pay from such branch due to restrictions

on convertibility or transferability, requisitions, involuntary transfers, acts of riots, war or civil strife or other similar causes beyond the Bank's control. In such event no other office, branch, subsidiary or affiliate of the Bank shall be responsible or liable to the Customer.

## **28. Notices**

- 28.1 Unless otherwise specifically provided for herein, any notice or communication posted to the Customer at the address stated in the Account Opening Form, shall be deemed to have been duly received by the Customer seven (7) days after the date of posting of the same. The Bank shall not be liable for any delay or loss of mail. Notification of any change of address of the Customer, shall not be binding on the Bank until the Bank's records have been amended.
- 28.2 Where the Bank is required to give notice to the Customer under these Terms and Conditions, such notice shall be considered valid and binding on the Customer if it is displayed at the Bank's branches or on its website, sent by post, SMS or facsimile or otherwise notified to the Customer on the Statement of Account or through other electronic means.

## **29. Shari'a Requirements**

- 29.1 The Customer acknowledges and agrees that these Terms and Conditions shall be subject to the provisions and requirements of Shari'a as applied and interpreted by the Shari'a Supervisory Board from time to time.

## **30. Legitimate Funds**

- 30.1 The Bank shall be entitled to freeze any funds in the Account or take other action necessary if the Bank believes the funds to have been obtained other than through lawful means or arising from an unlawful transaction. The Bank's judgment in this respect shall be conclusive. The Bank may also report any money laundering, illegal and/or suspicious transactions in the Account to the authorities within OMAN or abroad. The Bank shall comply with all anti-money laundering laws and regulations in force and applicable to it from time to time and may at its discretion call for additional details or information on the Customer and/or the Accounts and provide the same to regulatory authorities involved in the said operations. The Bank will not take any responsibility for delayed execution of transactions if the information called for is not provided by the Customers in time.

## **31. Governing Law and Jurisdiction**

- 31.1 These Terms and Conditions shall be governed by and construed in accordance with the laws of the Sultanate Of Oman in a manner that does not contradict Shari'a; and the Customer hereby irrevocably submits to the jurisdiction of the courts of Muscat, to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of, or in connection, with these Terms and Conditions.
- 31.2 Submission to the jurisdiction of the courts of Muscat shall not limit the right of the Bank to bring proceedings against the Customer in any other court of competent jurisdiction.