

## **Merchant-to-Distributor (M2D) LOAN**

### **TERMS AND CONDITIONS**

Personalized Merchant-to-Distributor (M2D) loans that enable you to purchase inventory from our partner Distributor on credit through a Running Finance Facility. No documentation, long waits in line or guarantees will be required. Get your loan of up to Rs.100,000 approved!

- This product requires an Easypaisa Mobile Account.
- Loan value and qualification is dependent on on your inventory purchase history with your Distributor.
- Timely repayments will lead for enhanced loan amount eligibility in future, if opted.
- Loan amount with service charges can be auto deducted from your Easy paisa Mobile account on due date as per the terms of the product
- You can re-pay the loan at your discretion before due date by sending the Repayment SMS short code to 8632 (or any alternative number/channel communicated to you in the future) .
- in case of non-payment , you will be black-listed with Credit bureaus of Pakistan, Legal action taken will be as per the applicable laws of Pakistan and regulations of the State Bank of Pakistan.

#### **Further T&Cs**

By choosing to use this Merchant-to-Distributor (M2D) Loan service (“service”) you i.e. the Customer, hereby agree to establish a direct contractual relationship with Telenor Bank (“Bank”) and you further agree to be bound by the Bank’s terms and conditions for use of the said service.

#### ***TERMS AND CONDITIONS THAT WILL APPLY TO THE EASYPAlSA PRODUCT FROM THE BANK***

##### **1. DEFINITIONS:**

1.1 “Bank” means Telenor Microfinance Bank with registered offices at 15-A Block 7/8 Central Commercial Area, K.C.H.S. Union, Karachi, Pakistan.

1.2 “Borrower” Or “You” means the individual who has availed financial services from the Bank.

1.3 “Due Date” is the date on which the Borrower agrees to pay to the Bank an amount as per loan repayment terms.

1.4. “Loan” means financial service/facility that has been offered by the Bank to the Borrower under relevant laws enforced from time to time.

1.5 “Loan Amount” means a loan that has been approved and disbursed by the Bank against the Borrower into the Borrower’s Easypaisa Mobile Account.

1.6 “Loan Application” means an application that the Borrower submitted to the Bank to request a loan for the purpose specified in the application.

1.7 “Tenure” means a maximum period of loan, upon expiry of which, they will be bound to pay the loan amount payable.

1.8 “Loan Amount Payable” represents principal amount payable and any processing fee, service charges, early payment charges (if any), late payment charges (if any), penalty or other payables that have been assessed by the Bank for specified period of time.

1.9.” **Event of Default**”: An “Event of Default” shall be deemed to have occurred if:

- (a) any representation or warranty made by you under or in connection with these terms and conditions, proves to be incorrect, in any material respect when made;
- (b) you fail to repay the Bank the loan along with applicable Service charges (APR%) /fees or payable installments on the due dates, which are specified in your loan repayment plan
- (c) you fail to perform your obligations towards the Bank as contained in this Agreement or otherwise.
- (d) if you utilize the loan for any other purpose except in your existing business. The customer must not engage in any business which is illegal as per the laws of Pakistan or prohibited as per the regulations of the State Bank of Pakistan.

## **2. APPLYING FOR AND RECEIVING THE M2D LOAN FROM THE BANK**

2.1. If your age is between 20 years and 64 years, then you may apply for the M2D Loan from the Bank. Upon applying for the said loan, you hereby provide your irrevocable consent and authorize the Bank to acquire certain information in relation to you, for the purposes of offering the M2D Loan and considering your instant loan application. The information to be acquired may include the data held by Mobile Network Operators and the Bank with regards to your Easypaisa Mobile Account, along with your mobile phone number, name, surname, date of birth, national identity number or passport number and address.

2.2. The Bank at its own volition may either decline or approve your loan application and the Bank is under no obligation to provide any reasons whatsoever for declining the loan application.

2.3. You accept the loan and the terms and conditions of the loan offered to you by the Bank, by sending the Running Finance Line processing request SMS short code to 8632 .

2.4. Prior to approval of your loan application request for Running Finance Facility, the Bank shall send an SMS to view and accept the following in an SMS:

- i. Line Limit Amount
- ii. Line Term
- iii. Mark up %
- iv. Billing (days)
- v. the Late Payment Fee [if any].
- vi. Processing Fee [if any]
- vii. Intra-day Fee [if any]

2.5. Once you have accepted the loan offered, terms of line creation and line is created, you can pay distributor directly from the Running Finance credit line. The loan amount shall be paid directly into the Distributor's account in lieu of Inventory received by you from the Distributor.

You provide unconditional consent to the Bank and authorize Standing Instruction Debit Authority [SIDA] to the Bank to direct all funds obtained by you through this M2D Loan facility, directly to the account of your Distributor held with the Bank, as payment for good purchased, as and when utilization of funds of the approved M2D Running Finance Facility is requested and, in the amount, specified in the request.

This M2D Loan facility is only available to make payments to Distributors for goods purchased. Through this Service You shall only be able to utilize the funds to make payment against inventory purchased from the Distributor, the loan can never be utilized for direct payment to the Customer. The Bank shall not be liable for any dispute related to the inventory between you and the Distributor.

2.6. These terms and conditions may vary from time to time and will be available on the official website of the Bank. You are therefore, required to agree to those terms and conditions every time.

2.7. You shall be liable for any misuse or any unauthorized use of the PIN and you agree to indemnify the Bank against any and all consequences of such misuse or unauthorized use. When you configure your fingerprint, all users who have stored fingerprints in your device will be able to access your Easypaisa account.

2.8. The Bank shall not be liable for any misuse or unauthorized use of the Mobile Account registered against your CNIC for availing the M2D loan.

2.9. You hereby agree that any information provided via SMS, USSD, Easypaisa APP OR any other channel to the Bank, is accurate and nothing has been omitted or concealed, which would render such information incorrect, misleading or inaccurate.

### 3. BILLING & REPAYMENT OF THE LOAN

3.1. Billing shall be generated and you shall be liable to repay the outstanding loan amount including applicable mark-up) at least every 15 days from RF Line Creation date, subject to any specific terms shared with you.

3.2 Minimum 50% up to a Maximum 100% of outstanding principal and 100% of applicable Mark-up on account of loan utilized shall have to be settled by you as per the billing generated and terms applicable to your loan to revive/continue complete or proportional credit line functionality. All outstanding dues balance must be repaid at the time of Line Expiry.

3.3 Loan repayment Amount can repaid before or on due date by sending the repayment SMS short code to 8632.

3.4 After lapse of 15 days from the Due Date, the credit line/loan facility shall be blocked until Total Outstanding Dues are not repaid.

3.5 The Bank reserves the right to automatic deduction of the Repayment Amount from your Easypaisa Mobile Account on or after the Due Date. If any portion of the Repayment Amount remains unpaid after the Due Date, then any funds deposited into your Easypaisa Mobile Account or any other Account in your name with the Bank will be automatically deducted until repayment of the outstanding balance has been made in full. You hereby authorize and instruct the Bank to

automatically debit your account or accounts with the Bank either on or after the Due Date with the Repayment Amount (or any other amount that may be due to the Bank in respect of your loan). You hereby agree to deposit the Loan Amount Payable into your Easypaisa Mobile Account on or before the Loan Due Date.

3.6 The bank reserves the right to charge late payment charges/ penalties disclosed at the time of loan application.

3.7. In case you have defaulted in your loan, the Bank reserves the right to

A) Debit Block your Easypaisa Mobile Account

B) Report your Loan information details including default history to Private Credit Bureaus and the State Bank of Pakistan's eCIB. This may lead to a rejection of future loan applications from various Banks/Financial Institutions.

C) Initiate recovery proceedings, whereby a representative of the Bank will contact you as per the applicable laws of Pakistan and regulations of the State Bank of Pakistan

D) Initiate Legal action as per the applicable laws of Pakistan and regulations of the State Bank of Pakistan

#### 4. EXCLUSION OF LIABILITY

4.1 The Bank shall not be liable to you for any indirect or consequential loss or damage of whatever kind, howsoever caused, arising out of or in connection with your application for or your use of the M2D loan.

4.2 You undertake to immediately inform the Bank, on its official helpline number, in the event of loss or theft of the SIM Card, on which the Mobile Account has been registered by you. It is understood that you shall continue to be liable for all the transactions until receipt of the aforesaid intimation by you. You further undertake to accept full responsibility of all the transactions made by use of the said SIM Card, whether or not the said transactions are made with your knowledge or authority, and you will accept the Bank's record of the said transactions as binding for all purposes.

#### 5. DISCLOSURE OF INFORMATION

5.1. You hereby expressly consent and authorize the Bank to record, utilize, process and/or share your personal or other information relating to your account with the Bank and/or to its affiliates, Credit Bureaus , and/or to its service providers. This shall further include sharing this information with or obtaining your information from:

5.1.1. Any local or international law enforcement or competent regulatory or governmental agency(ies), to assist in the prevention, detection, investigation or prosecution of criminal activities or fraud;

5.1.2. Service providers, dealers, agents or any other associate company of the Bank, which may be used for reasonable commercial purposes;

5.1.3. The following Loan-Related information to be shared with Distributors/Partners:

- i. Customer CNIC
- ii. Loan Amount Disbursed or Outstanding
- iii. Loan Start or Disbursement Date
- iv. Loan Maturity or Due Date
- v. Loan Status

## 6. MISCELLANEOUS

6.1. You hereby consent to the Bank ceding and assigning, all and any rights or obligations accruing to it under these terms and conditions, to any third party, without obtaining any further consent from you.

6.2. If any provision of these terms and conditions shall be found by any relevant court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions herein.

6.3. You shall indemnify the Bank against any expense, which the Bank shall certify as incurred by it, as a consequence of: (i) any default in payment by you, with regards to payment of any amount agreed by you through acceptance of these terms and conditions, (ii) occurrence of any Event of Default.

6.4. You hereby accept that any amount due as determined by a duly authorized officer of the Bank to be outstanding, shall be conclusive and binding.

6.5. All other terms and conditions of your Bank account maintained with Telenor Bank in any form i.e. M-Wallet Account or any other Bank Account shall stand replicated and in full force during the tenure of the M2D loan