Knet Hosted Payment Gateway Agreement

This Contract (the "Contract") for providing collection and payment service online through Electronic Payment Gateway owned by Commercial Bank of Kuwait was concluded between:

First: Commercial Bank of Kuwait (K.S.C.P) Address, Kuwait, P.O. Box# 2861, Safat 13029, Kuwait represented herein by Mr. Yasser Abdul Mohsen Muzaffar in his capacity the Head of Card Center, Telephone No. 22990141, email: merchants@cbk.com (Hereinafter referred to as "the First Party/ the Bank")

Second: The Merchant whose particulars are included in the Electronic Payment Services Application Form (Hereinafter referred to as "the Second Party / Merchant/ the Customer").

Both parties are hereinafter referred to as "the parties".

After both parties have declared their full competence and legal capacity to contract, they agreed as follows:

Preamble
Whereas the Merchant (Customer)wants to provide Electronic Collection Service (the "Services") through the website owned, managed and operated by Commercial Bank of Kuwait in the State of Kuwait to the Merchant's customers holding K-Net cards issued by local Banks.

Whereas the Merchant (Customer)wants to use the Electronic Payment Channel (Online) to enable its customers to pay for rents/services through its website by using their debit (K-net) cards ("Transaction" or "Transactions").

Whereas the Bank is an authorized to issue necessary authorization for using the payment method by granting such authorization to all related parties involved in the payment process in accordance with the terms and conditions of this contract.

Now, therefore, the two Parties hereby agree as follows:

Article 1: Preamble
The above preamble and the attached addendum are an integral part of this contract and complementary to all its provisions and provisions.

Article 2: Duration of Contract
The duration of this Merchant Agreement is for one (1) year (the "Agreement Term") from the date of signing of this Merchant Agreement. The Agreement Term shall expire in the next year on the last day of the same month in which this Merchant Agreement was signed. At the expiration of the Agreement Term, this Merchant Agreement shall be automatically renewed thereafter for successive one (1) year periods ("Renewal Term") unless the Merchant (Customer) gives written notice of termination at least sixty (60) days prior to the expiration of the Renewal Term. The Bank reserves the right to terminate this Merchant Agreement without prior notice in case:

  A. The Merchant (Customer) does not strictly adhere to the terms and conditions of this Merchant Agreement, and/or any other agreement signed with the Bank that regulates banking cards relationship between the two parties.
  B. The Merchant (Customer) closes its account with the Bank designated for the online transactions through all banking cards.

C. The Merchant (Customer) fails to settle any service related fees for 3 consecutive months

The Bank may terminate this Agreement immediately for whatever reasons the Bank deeds necessary.

Article 3: Obligations of the Parties

3.1 The Merchant) shall comply with the terms and conditions for the use of the debit cards issued by Commercial Bank of Kuwait set forth in Appendix No. (1) attached to this contract.

3.2 During the validity of this contract, the Merchant (Customer) undertakes to comply with all instructions issued by the Bank regarding how to use the payment method. The Merchant (Customer) shall also strictly maintain the confidentiality of the codes, numbers and passwords that Commercial Bank of Kuwait provides to the Merchant (Customer) and to take all necessary measures to prevent others to access them.

3.3 The Merchant (Customer) undertakes to have in place qualified employees to handle all matters related to the service subject of this contract.

3.4 The Merchant (Customer) undertakes to comply with all the terms and conditions of this contract and all laws relevant to the subject matter of this contract.

3.5 The Merchant (Customer) acknowledges that it is aware of and fully understands all the terms and conditions set forth in this contract and further acknowledges its agreement thereon.

3.6 The Bank undertakes to carry out the necessary and sufficient training for the Merchant (Customer) employees on how to use the Online Payment Service subject of this contract and how to operate it efficiently.

3.7 The Bank undertakes to notify the Merchant (Customer) in the event that the Bank makes any amendment or addition to the process of using the the Online Payment Service. The Bank shall also conduct the necessary training for the Merchant's (Customer) team on how to use the service.

3.8 Both Parties shall comply with all terms and conditions of this contract and all current and future laws and decisions, if any, relevant to the subject matter of this contract.

3.9 The Merchant (Customer) declares that all goods and services that are sold through the Online Payment Gateway for Debit cards, provided by the Commercial Bank of Kuwait, are goods or services which the Merchant (Customer) owns, and that he does not in any way use this service for collection on behalf of third parties or persons, unless he obtains a written approval from the Commercial Bank of Kuwait to do so.. The Merchant (Customer) also undertakes to accept any measures or penalties that Commercial Bank of Kuwait may apply to him in case it is established for the Bank that the Merchant (Customer) has breached the above.

3.10 The merchant must not provide "Buy Now Pay Later" services offered by non-resident companies that have not obtained the required license from the Central Bank of Kuwait.

Article 4: Scope of Services Provided by Commercial Bank of Kuwait

4.1 The Bank has the right to accept or reject any transaction conducted using debit cards, issued by Commercial Bank of Kuwait or any other bank, to pay for goods and services after verifying the two parties to the transaction. Commercial Bank of Kuwait shall verify the Cardholder (Consumer/Buyer) based on the debit card details and the other available necessary information and verify the Merchant (Customer) side. However, Commercial Bank of Kuwait shall have the right, at its sole discretion, to reject the transaction in case the verification process and the identification of both parties of transaction have failed without any adverse impacts on the Cardholder (Consumer/Buyer) as a result.

4.2 The Merchant, after verifying the sent transaction data as indicated above, shall ensure that the transaction is completed and executed, and the relevant payments are posted to the main account of the customer.

4.3 The Bank shall release the transactions withheld by it within maximum 24 hours. The Bank shall ensure releasing and posting the payments related to such transactions to the Merchant's

(Customer) main account as soon as possible, in any case, during the next working day, unless there is a force majeure event preventing the same.

4.4 Pursuant to Clause 4.3 above, the Bank shall provide detailed daily reports on all transactions that have been withheld by the Bank with a debit entry of the corresponding payment on the Cardholder's (Consumer/Buyer) account.

4.5 The Bank undertakes to notify the Merchant (Customer) immediately upon the interruption or cessation of the payment method and the expected period of such interruption.

4.6 The Bank undertakes to notify the Merchant (Customer) in due time to make the necessary communication, in case any of the Merchant's (Customer) activities on the network has become in contradiction with the agreed upon standards and practices.

4.7 The Bank undertakes to apply the best standards and practices adopted in this field at all times of direct or indirect communication. This is to protect the security and confidentiality of any information related to the transaction sent to the electronic payment method, especially while passing, verifying or processing the transaction and during the times when the transaction is subject to third parties access.

4.8 The Bank shall provide and maintain all equipment and software necessary to provide and support the payment method and other services provided by the Bank under this contract. It shall also comply with joint responsibilities to ensure the security, integrity and privacy of the shared data.

Article 5: Charges for Business & Services

5.1 In return for providing the business and services set forth in Article No. (4) Above, Commercial Bank of Kuwait shall charge the fees and commissions stated in the Electronic Payment Service Application Form. The Bank shall have the right to amend such amounts after the elapse of a period not less than (90)Ninety days from the date of notifying the Merchant (Customer) of such amendment through the means deemed appropriate by the Bank.

5.2 The merchant shall not charge the Cardholders "consumers/buyers" any fees or additional amounts for using any payment method, regardless of the type of payment method used. Any violation of this clause shall be considered a breach of the terms of the contract

Article 6: Risk Management

Each party shall notify the other and furnish all information, within the possible and legally designated period, in the event that any party knows of any attempted or actual unauthorized use or misuse of the payment method or any components thereof, or in case either party receives any information related to such breaches and other unauthorized acts. Both parties have agreed to cooperate with each other in order to develop consistent and effective strategies to overcome such problems and mitigate the negative impacts on the electronic payment method as much as possible.

Article 7: Confidentiality

During the validity of this contract and after its termination, neither party may disclose, announce or use, for any purpose other than this contract, any information related to the business or affairs of the other party without the prior written consent of the concerned party

Article 8: Force Majeure

8.1 Neither party shall be responsible towards the other for any default or non-performance of its obligations or related costs if the obligations required under this contract have not been performed due to any events that are beyond the control of the delayed party, or due to any local or international force majeure events or circumstances that impede the implementation of this contract.

8.2 In the event of force majeure, the delayed party has the right, under mutual written agreement with the other party, to extend the time according to the duration of such force majeure circumstances. However, the delayed party shall immediately notify the other party of the force

majeure event and discuss with the other party the possible actions that can be taken to overcome delays as soon as possible. Further, the delayed party shall make all reasonable efforts to overcome such delays.

8.3 If the force majeure circumstances last for a period exceeding the agreed upon term between both parties, then either party may notify the other of its wish to terminate this contract immediately. Both parties have agreed that in case such force majeure circumstances vanish before the aforementioned period, then the relationship already existing between them shall continue and this contract will remain in full force.

Article 9: No Waiver

Neither party to this contract shall waive any obligations or rights arising therefrom or dispose thereof in any way, whether by means of transfer or sublease, without the prior written consent of the other party.

Article 10: Termination of the Contract

10.1 Without prejudice to the provisions of Artic les (2) and (8) herein, this Contract may be terminated during its validity period in the following cases:-

   10.1.1 Based on mutual consent of the parties to terminate the contract;

   10.1.2 If either of the parties neglects or defaults in meeting its obligations under this contract, and such negligence or default is repairable or restorable but continues for 30 days after the party in default receives a notice from the other party explaining the type of negligence or default and identifying the corrective actions that should be taken to remedy the default.

   10.1.3 Immediately upon the bankruptcy, liquidation or dissolution of either party, or upon the occurrence of any other similar legal circumstances.

   10.1.4 In the event of an unauthorized waiver of this contract as stipulated in Article (9) therein above.

10.2 Any termination of this contract shall not prejudice any rights or obligations arising for either party towards the other prior to the date of termination.

10.3 The Bank may terminate this Agreement immediately for whatever reasons the Bank deeds necessary.

10.4 The Bank shall have the right to take legal actions against the Merchant (Customer) (Customer) in accordance with Law No. 106/ 2013, Central Bank of Kuwait Instructions No. (2/BS/IBS/432/2019) and their subsequent amendments in the event of having any suspicion of money laundering and terrorist financing without the least responsibility on the Bank. The Bank may immediately set aside any transferred funds in the event that there are suspicions that such funds are associated with money laundering and terrorist financing transactions. The Bank may also delay the transfer of the funds for the purpose of verification, or refrain from enforcing the transfer due to suspicions that the transactions may be associated with money laundering or terrorist financing, or that the transfer is intended to individuals or companies that are included on the blacklist of any country or are subject to any internationally imposed sanctions, or that the transfer is to any fictitious name or entity.

10.5 The bank has the right to close or suspend any accounts in the event of suspicion of a legal violation, financial suspicion, or suspicious transactions. It also has the right to withdraw and seize any account belonging to customers without the need for notification or warning.

10.6 The Bank reserves the right to refuse opening or to close any account without giving any reasons.

Article 11: Notices

All correspondences and legal & judicial announcements (as served by any of the parties to the other on the addresses set out in this contract or to the latest address provided via a registered letter with acknowledgement of receipt, SMS, e-mail or by any other modern means of communication that can

be saved and retrieved) shall be valid, enforceable and legally binding, from all aspects, towards the other party. However, any change to the address of any party shall only be effective or valid from the date when the other party receives a written notification of the change of the address.

Article 12: Governing Law and Dispute Resolution

12.1 The Customer shall hereby comply with all the laws in force in the State of Kuwait and the terms and conditions of Commercial Bank of Kuwait and shall not use the service for any purchase transaction, getting services or any objectives that are in violation of the law. The Customer shall bear the full responsibility for any violation thereof. In this case, Commercial Bank of Kuwait has the right to stop dealing, withdrawals and blocking all Customer accounts.

12.2 These terms and conditions shall be subject to and interpreted by the laws in force in the State of Kuwait and all disputes and conflicts that may arise between the Customer and the Bank shall be subject to the exclusive jurisdiction of the courts of the State of Kuwait without prejudice to the Bank's right to take any legal action against the Customer before any court or judicial authority whether inside or outside the State of Kuwait.

12.3 In case of conflict between the Arabic text and the English text, the Arabic text shall prevail.

Article 13: Entire Agreement

13.1 This contract constitutes the entire agreement between both parties regarding the subject matter of the contract, and supersedes any previous understandings, correspondence or agreements of any kind between the two parties, whether verbal or written.

Article 14: Amending, changing and canceling of terms and conditions

14.1 The Bank shall have the right to amend, add or cancel any of these terms and conditions without notice to the customer in accordance with the Bank's applicable policies and procedures and as per the Central Bank of Kuwait's instructions.

Article 15: Privacy Statement

The Bank shall implement and maintain appropriate safeguards to ensure the confidentiality, integrity, and security of all customer and transaction data processed through the payment services provided to the Merchant, including but not limited to point-of-sale systems, payment gateways, and related infrastructure, in compliance with applicable data protection laws and regulations.

Article 16: Data Sharing

The Merchant acknowledges and agrees that the Bank may share transaction data and related information with third parties solely for the purpose of executing and processing transactions, including payment service providers, without the need to obtain the Merchant's prior consent. Furthermore, the Bank shall have the right to disclose any such data as required by applicable laws, regulations, or upon request from competent regulatory authorities, also without requiring the Merchant's consent.

Article 17: Main risks of the service:

1. **Transaction Processing: The Merchant acknowledges that occasional transaction failures or interruptions may occur due to technical issues or external factors. The Bank will make reasonable efforts to ensure reliable and timely processing of payments.**

2. **Data Security: The Merchant agrees to follow the Bank's guidelines for secure use of the payment gateway. The Bank shall implement appropriate safeguards to protect customer data and transaction information in accordance with applicable data protection standards.**

3. **Fraud and Chargebacks: The Merchant understands that online transactions may be subject to fraud or chargebacks. The Merchant agrees to cooperate with the Bank in investigating and resolving such cases as per established procedures.**
4. **Regulatory Compliance: The Merchant is responsible for complying with applicable laws and regulations related to online payments, including data protection and anti-fraud measures. The Bank will provide support and guidance to help ensure compliance.**

Annex (1) for Knet Hosted Payment Gateway Agreement

1. The Merchant's (customer) website must accept debit cards for payment.
2. The contact details of the Merchant (Customer) should be clearly stated on the website. That website should give full information on shipping/delivery details, returns and refund policy...etc, if applicable.
3. The following information should be obtained from the Cardholder (Consumer/Buyer) for every transaction:
   - Card number
   - Expiry date
   - Billing Address
   - Phone number
4. Authorization should be obtained from the Bank for each transaction and for the full amount.
5. Data sent from the website must comply with the coding criteria specified and notified in advance by the Bank.
6. Details of the login to the system are sent to the Merchant's (customer) e-mail address; where the Merchant (Customer) logs into the system via the following link: https://[Merchant].cbk.com .The Merchant (Customer) number, user name, and password are entered to log into the system. The word [Merchant] in the above link will be replaced with the agreed upon name of the Merchant (Customer) to give it the domain name that will transfer the Merchant (Customer) to its designated page using any internet browser. The full features of the Website shall be wholly owned by Commercial Bank of Kuwait (cbk.com). However, the page offered to the Merchant (Customer) (or its clients) upon logging in is realtime shaped to appear as if it is the Merchant's (Customer) system, whether the Merchant's name, logo, or color, to give the specific features associated with each Merchant (Customer).
7. It is agreed that the Merchant (Customer) is solely responsible for the terms and conditions of the delivery of the Services, and in the event of dispute by the Cardholder (Consumer/Buyer) on the services, delivery or due date …etc., Commercial Bank of Kuwait shall not be liable in any way for any failure or negligence as long as such failure or negligence is not a result of the Bank.
8. The Merchant (Customer) also agrees to provide reasonable assistance to the Commercial Bank in a manner that satisfies the Bank that the Merchant (Customer) has taken all precautions and reasonable controls to ensure safe storage and restrict access to data to maintain data security.
9. The Merchant (Customer) shall be responsible for any financial or legal disputes that may arise between the Merchant (Customer) and the Cardholder (Consumer/Buyer) subject to this contract. Commercial Bank of Kuwait shall not be a party to such disputes between the Merchant (Customer) and Cardholders (consumers/Buyers).
10. This appendix shall be subject to all the terms and conditions stipulated in the original contract unless otherwise expressly stipulated in this appendix.
11. The amounts collected daily from the Merchant's (Customer) clients shall be transferred to the Merchant (Customer) account on the following day of the collection date.
12. The Merchant (Customer) acknowledges its agreement on the fees and commissions stipulated in the electronic payment services application form against this service.

Annex (2) for Knet Hosted Payment Gateway Agreement
Terms and Conditions for Accepting Apple Pay as a Payment Method

1.1.1 1. Purpose

This agreement is considered a supplement to the Knet Hosted Payment Gateway Agreement and the Credit Card Payment Gateway Agreement (if applicable).

1.1.2 2. Merchant Obligations

The Merchant agrees to:
- Ensure its website and payment processing system comply with Apple Pay's security requirements, including HTTPS encryption and TLS 1.2 protocol.
- Maintain an active merchant identifier and payment processing certificate as required by Apple.
- Display Apple Pay as a payment option with equal prominence to other payment methods.
- Adhere to Apple's acceptable use guidelines, prohibiting transactions involving restricted goods and services.
- Ensure compliance with all applicable laws and regulations governing digital payments.

1.1.3 3. Bank Responsibilities

The Bank shall:
- Provide the Merchant with access to its payment gateway for processing Apple Pay transactions.
- Ensure the payment gateway meets Apple's technical and security standards.
- Offer technical support for Apple Pay integration and troubleshooting.

1.1.4 4. Transaction Processing & Fees
- The Merchant shall pay transaction fees as outlined in the Electronic Payment Services Request.
- The Bank reserves the right to adjust the fees and commissions, provided the Merchant (Client) is notified in writing at least one month before the effective date of the adjustment.

1.1.5 5. Compliance & Audits
- The Merchant agrees to periodic audits to ensure compliance with Apple Pay's requirements.
- Non-compliance may result in suspension or termination of Apple Pay acceptance.

1.1.6 6. Term & Termination
- This agreement shall remain in effect unless a termination request is submitted for the Knet Payment Gateway Service in advance by either party with written notice in accordance with the terms governing that agreement.
- The Bank may terminate this agreement immediately if the Merchant violates Apple Pay's guidelines or regulatory requirements.

1.1.7 7. Governing Law
- These terms and conditions shall be subject to and interpreted by the laws in force in the State of Kuwait and all disputes and conflicts that may arise between the Merchant (Customer) and the Bank shall be subject to the exclusive jurisdiction of the courts of the State of Kuwait without prejudice to the Bank's right to take any legal action against the Merchant (Customer) before any court or judicial authority whether inside or outside the State of Kuwait.
- In case of conflict between the Arabic text and the English text, the Arabic text shall prevail

1.1.8 8. Miscellaneous
- Any amendments to this agreement must be in writing and signed by both parties.
- If any provision is found invalid, the remaining provisions shall remain in full force and effect.

1.1.9 9. Credit Card Gateway Contract Cancellation
In the event that the Merchant cancels its Credit Card Payment Gateway contract, the following conditions shall apply:
- **Suspension of Credit Card Transactions via Apple Pay**: The Bank reserves the right to suspend the Merchant's acceptance of Apple Pay for credit card transactions while maintaining Apple Pay acceptance exclusively for debit card transactions through the K-Net payment gateway.
- **Liability for Credit Card Acceptance Rules & Fees**: If the Bank elects to maintain the Merchant's Apple Pay Credit Card acceptance post-cancellation of the Credit Card Payment Gateway service, the Merchant shall remain liable for all applicable commissions, fees, and transaction rules related to credit card acceptance. This includes but is not limited to interchange fees, processing costs, and any obligations imposed by the Bank, regulatory bodies, or payment schemes.
- **Notification Requirement**: The Bank shall provide notification to the Merchant regarding any suspension or continued acceptance of credit card payments under Apple Pay following the gateway contract cancellation.

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