

Knet Payment Gateway Agreement

This contract (the "Contract") was concluded for providing purchases settlement service through the Knet Electronic Payment Gateway 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/ CBK")*

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

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

Article 1: Preamble

whereas the Merchant (Customer) is a Kuwaiti company specialized in the retail sales and distribution of goods/services in Kuwait (the "Services") and wants to provide and offer an electronic payment channel for those services to its customers through its Internet website which is owned, managed and operated by the Merchant (Customer).

Whereas the Merchant (Customer) wishes to use the electronic payment channel ("Online") to enable its customers holding "Knet" Cards to pay for the services/ goods purchased over the Merchant's (Customer) website by using their debit cards ("Transaction" or "Transactions").

Whereas the Bank is authorized to provide the means of payment by granting the authorization to all relevant parties involved in the payment process in accordance with the terms and conditions of this contract.

The above preamble and all attached addendums are an integral part of this contract and complementary to all its provisions and provisions.

Article 2: Duration of Contract

The validity of this contract shall be for one year commencing from the date of signing it by both parties to be automatically renewed for a similar period(s) unless either party notifies the other of its wish not to renew the contract by means of a prior written notice served at least 30 days before the expiry date of the original contract or any renewed period. In all cases, the Bank may terminate this Contract immediately for any reasons deemed necessary by the Bank.

Article 3: Obligations of the Merchant (Customer)

- 3.1 The Merchant (Customer) undertakes to comply with the terms and conditions issued by Commercial Bank of Kuwait with regard to using debit cards as detailed in Annex 1 attached to this contract.
- 3.2 The Merchant (Customer) undertakes to use the encryption and coding rules to maintain the security and privacy of the cardholder's (Consumer/Buyer) information and data in direct contact situations through the use of the minimum SSL software, 128 bit Software, as well as the application of clear rules for security and confidentiality in cases of indirect connection to the Internet.

- 3.3 The Merchant (Customer) undertakes throughout the validity of this contract to comply with all instructions that are issued by Commercial Bank of Kuwait from time to time related to the manner of using the payment channel; to completely maintain and keep the confidentiality of the codes, PINs and passwords that are provided to the Merchant (Customer) by Commercial Bank of Kuwait and to take all reasonable measures not to disclose or give access to any other party to such information.
- 3.4 The Merchant (Customer) undertakes to provide qualified personnel to take over all matters relating to the service subject of the Contract.
- 3.5 The Merchant (Customer) undertakes to comply with all the terms and conditions of this contract as well as to comply with all laws applicable to the subject matter of this contract.
- 3.6 The Merchant (Customer) acknowledge his due knowledge, awareness of and agreement on all the terms and conditions of this contract.
- 3.7 The Merchant (Customer) declares that all goods and services that are sold through the Knet Payment Gateway, 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 this commitment.
- 3.8 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 the Bank Services

- 4.1 The Bank reserves the right to approve or decline any transaction in which debit cards issued by the Commercial Bank or any other bank are used for purchases made through the website after checking both parties to the transaction. The Bank verifies the cardholder (consumer/buyer) on basis of the details of the debit card and other required information, and verifies the Merchant (Customer) based on the digital certificate and passwords provided by Commercial bank to the Merchant (Customer). The Bank reserves the right to refuse the transaction in the event of failure of the verification process and failure to identify the transaction parties, without any adverse consequences on the Cardholder (Consumer/Buyer).
- 4.2 The Merchant (Customer) –after verifying the transaction data sent as described in Clause 4.1 shall ensure that the transaction is completed and executed and that its associated payments are transferred to the Cardholder's (Consumer/Buyer) Account.
- 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 quickly as possible, in any case, before the start of the next working day, except in case of a force majeure event that prevents the same.
- 4.4 Pursuant to Item 4.3 above, the Bank shall provide Merchant (Customer) with detailed daily reports on all transactions that have been authorized by the Bank along with debiting the related fees from the Merchant's (Customer) account.
- 4.5 The Bank undertakes to notify the Merchant (Customer) in due time to make the necessary action, in case any of the Merchant's (Customer) activities on the network has become in contradiction with the agreed upon standards and practices.
- 4.6 The Bank undertakes to apply the best standards and practices adopted for the service subject of this contract 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.

- 4.7 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.
- 4.8 The Bank 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.

Article (5): Charges for Business & Services

- 5.1 In return for providing the business and services set forth in Article No. (4) above, the Bank shall charge the fees and commissions stated in the Electronic Payment Service Application Form. The Bank shall have the right to amend such amounts of fees and commissions provided that the Merchant (Customer) is so notified in writing not less than (90) Ninety days prior to the date of such amendment.
- 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
- 5.3 The Bank reserves the right to refuse opening or to close any account without giving any reasons

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, 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 Article (2) 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.
 - 10.1.5 If the Merchant (Customer) does not perform any transaction using the Knet electronic payment gateway for a period of six months.
- 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 deems necessary.
- 10.4 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.
- 10.5 The Bank shall have the right to take legal actions against the Merchant (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.

Article (11): Notices

All correspondences and legal & judicial announcements (as served by any party 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 such address.

Article (12): Governing Law and Dispute Settlement

- 12.1 The Merchant (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 Merchant (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 Merchant (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 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.
- 12.3 In case of conflict between the Arabic text and the English text, the Arabic text shall prevail.

Article (13): The Entire Agreement

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

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) to Knet Payment Gateway Agreement

1. The Merchant (Customer)'s website shall accept debit cards for payment using the payment channel subject of this contract.
2. The following information should be obtained from the cardholder (consumer/buyer) when placing the order:
 - Card number
 - Expiry date
 - Billing Address
 - Phone number
3. Authorization must be obtained from Commercial Bank of Kuwait for each order and for the full amount.
4. The Merchant (Customer) must perform a proper validation of the cardholder's (consumer/buyer) information and address for at least the first transaction and then annually thereafter, if applicable. The Merchant (Customer) should understand that penalties can be assessed for imposition due to failure to comply with rules applicable to recurring payment transactions.
5. Data sent from the website shall comply with the coding criteria specified by Commercial Bank of Kuwait and notified in advance by the Bank.
6. It is agreed that the Merchant (Customer) is solely responsible for the terms and conditions of the delivery of the Services/Goods, and in the event of Dispute by the Cardholder on the goods, services, delivery or due date ...etc., Commercial Bank of Kuwait shall not be liable in any way for any failure or negligence, provided that the failure or negligence is not a result of the Bank.
7. The Merchant (Customer) is responsible for ensuring the security of account numbers and cardholder data on the Merchant (Customer) website and / or on its server as per the Payment Card Industry Data Security Standards (PCI-DSS) mandates and recommendations mentioned in the following link: <https://pcisecuritystandards.org>
8. The Merchant (Customer) will be obliged to pay compensations for actual damages if it is found that the Merchant (Customer) has committed negligence in the context of taking the data security procedures within the Merchant (Customer) system / server, causing the cardholder's (consumer/buyer) data to be compromised which leads to fraudulent use and leads to losses. The Merchant (Customer)'s obligation shall be limited to negligence for ensuring data security.
9. 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 limited access to data to maintain data security.
10. It is agreed that the Merchant (Customer) grants Commercial Bank of Kuwait the right to subject the Merchant (Customer)'s website and the security systems associated with its site to review by an expert assigned by the bank, in which case the Bank shall be responsible for the confidentiality of all data, information and security systems which the Merchant (Customer) has entrusted to the Bank. The Bank shall compensate the Merchant (Customer) and its customers for any damages that may be caused to the Merchant (Customer) by a mistake of the Bank or one of its subordinates.
11. The following information should be available on the Merchant (Customer) website in a clear format for the cardholder to view:
 - a) Complete description of goods and services;
 - b) Customer service contact information including email address as well as phone numbers;
 - c) Return, refund and cancellation policy;
 - d) Services and goods Delivery policy;

- e) Country of Origin;
 - f) Export restrictions;
 - g) Privacy Statement;
 - h) Information on the time when amounts are debited on the cards accounts;
 - i) Order fulfillment information
 - j) A statement on the Merchant (Customer) website regarding security controls used to protect cardholder's (consumer/buyer) personal information data
 - k) A statement encouraging cardholders (consumers/buyers) to retain a copy of the transaction receipt.
12. The amounts collected from the Company's customers shall be transferred in the following day of making the payment.
 13. The Merchant (Customer) shall be liable for any financial or legal disputes that may arise between the Merchant (Customer) and the cardholders (consumers/buyers) relating to this Contract and the Bank shall not be party to such disputes between the Merchant (Customer) and the cardholders (consumers/buyers).
 14. This Annex is subject to all terms and conditions contained in the original contract unless a provision is specifically made in this Annex.

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

1. Purpose

This agreement is considered a supplement to the K-Net Payment Gateway Agreement and the Credit Card Payment Gateway Agreement (if applicable).

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.

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.

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.

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.

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.

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

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.

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.