

Point of Sale Service Agreement

This contract (the “**Contract**”) 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 / the Merchant/ the Customer”).*

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

Preamble:

The Bank is a banking institution that provides its point-of-sale service “POS” to its merchant customers, so that cardholders (Consumers/Buyers) with a K-Net logo or any other cards acceptable at the Bank can transfer the amounts to the Merchant (Customer) account in payment for the value of its sales/services (Hereinafter referred to as "the Service").

Whereas, the Merchant (Customer) maintains accounts with the Bank and wishes to obtain the point of sale service provided by the Bank, both parties have agreed that the Bank will install the point of sale terminal(s) at the Merchant's (customer) office / exhibition and connect them with the central computer system of the Bank through the central computer system of the Shared Electronic Banking Services Company (Knet) and allowing the cardholders (Consumers/Buyers) having cards with the (Knet) logo or holders of any other cards acceptable to the Bank to use this service.

The Merchant (Customer) acknowledges full legal and judicial responsibility for all transactions executed through the Bank’s point of sales whether by the Merchant (Customer) or by any of his employees, staff or third parties. The Merchant (Customer) also undertakes to protect the POS against any misuse by others. The Bank shall not be liable for any losses that may arise.

In case the term (Merchant) refers to more than one person, then such persons shall, jointly and singularly, assume their obligations under this contract.

1. The above preamble is an integral part of this contract.
2. The Bank has agreed to provide banking services to the Merchant (Customer) and install the Point of Sale Devices “POS Terminals” at its office / exhibition and connect them through the Company's computer system to the Bank's central computer system.
3. In exchange for availing the service referred to in the Clause No. 2, the Merchant (Customer) shall pay the fees and commissions designated in the Electronic Payment Service Application Form. The Bank shall debit the amounts of such fees and commissions from the Merchant’s account referred to in Electronic Payment Service Application Form or in any other way the Bank deems appropriate. The Bank shall have the right to amend the value of the fees or commissions provided that the Merchant (Customer) is notified in writing not less than (90) Ninety days from the date of such amendment.

4. All amounts of the Merchant (Customer) daily sales resulting from the use of the "Service" shall be recorded at the end of each day in the Merchant (Customer) Account with the Bank.
5. The term of this contract shall commence on the date of signing the Electronic Payment Service Application Form and shall expire after the elapse of one year from that date. Thereafter, the contract shall be automatically renewed unless the Merchant (Customer) notifies the Bank in writing of his desire not to renew, at least one month before the expiry date of the original or renewed period, as the case may be. In all cases, the Bank may terminate this Contract immediately for any reasons deemed mandatory by the Bank.
6. The Merchant (Customer) undertakes the following:
 - a) To maintain the Point of Sale terminal(s) subject of this contract and comply with its operating instructions. The Merchant (Customer) shall be fully responsible for any malfunction of the POS due to misuse or violation of the operating conditions which form an integral part of this contract.
 - b) The Merchant (Customer) agrees that the Bank shall appoint the Shared Electronic Banking Services Company (Knet) as its agent for the installation, preparation and maintenance of the Point of Sale Terminal.
 - c) The Merchant (Customer) shall provide the appropriate place in his shop to install the terminal and provide all necessary connections for electricity supply and maintain this place along with all equipment so as to be suitable for the operation of the POS terminal throughout the term of this contract and its renewals.
 - d) The Merchant (Customer) shall not transfer the point of sale terminal(s) from a place to another within his premises without prior notice to the Bank and obtaining the Bank's approval.
 - e) The Merchant (Customer) shall immediately notify the Shared Electronic Banking Services Company (Knet) of any malfunction that appear in the POS terminal.
 - f) The Bank reserves the right of ownership of the POS terminal that will be installed in the Merchant's shop as well as ownership of the related documents and software. The Merchant (Customer) shall act in utmost good faith as a custodian, and the programs, documents and papers relating to the POS Terminal resulting from the Merchant's use shall be regarded as proprietary information which the Merchant (Customer) shall not be entitled to disclose.
 - g) The Merchant (Customer) shall enable Knet Company, its agents or subcontractors to enter the Merchant's shop at all appropriate times for the purpose of installing, maintaining, modifying, transferring the terminal or repairing any technical malfunction thereof - without prejudice to Clause (6-A) of this Contract, and the Merchant (Customer) shall pay Knet Co. the costs arising therefrom.
 - h) The Merchant (Customer) hereby irrevocably authorizes the Bank to deduct all commissions, fees and actual damages due to the Bank under this Contract, regardless of any dispute arising between the Merchant (Customer) and his customers about the goods and services provided by him to them and any matters related to the price payment or perfect delivery thereof. The Merchant (Customer) discharges the Bank and Knet Co. from any liability arising out of his disputes with his customers about the goods and services provided by him to them or for any of the cards used by customers to provide this service.
 - i) 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

- j) In case the point of sale terminal is irresponsive to the operating instructions at any time or ceases operation for any reason, the Merchant (Customer) shall implement the procedures as requested by the Bank.
- k) The Merchant (Customer) shall use the receipt/journal papers and tapes provided by the Shared Electronic Banking Services Company (Knet) or those papers and tapes authorized by the Company for use.
- l) The Merchant (Customer) acknowledges that he is responsible for any fees that the card issuer may impose in connection with the use of the card (other than the fees due on the Cardholders “consumers/buyers”) and any other fees imposed by any third party, whether governmental or non-governmental, for the use of the point of sale terminal.
- m) The Merchant (Customer) agrees to indemnify the Bank against all losses, costs, damages, fines and actual expenses (including the cost of repair of the Point of Sale Terminal, notwithstanding the obligation of Knet Co. in connection with maintenance) arising from any act or omission by any of his employees, agents or subcontractors or any damage or loss to the Point of Sale terminal while in his premises, whether such damage or loss is caused by misuse or negligence by any of his employees, agents, subcontractors or third parties.
- n) The Merchant (Customer) shall keep the original documents / sales vouchers for all transactions executed for a period of not less than (two) years from the date of execution of the sale. If the Merchant (Customer) fails to provide a copy of the sales required from him within three days from the date of the Bank's request for these documents, the Merchant (Customer) shall assume responsibility by deducting the transaction amount from his account or from any of his other accounts with the Bank.
- o) The Merchant (Customer) shall not accept any card submitted to him for getting cash amounts unless this is permitted in writing by the Bank. Further, the Merchant (Customer) shall not provide any person with the Terminals that enable such person to execute transactions on the card or provide transaction details of the card to the Bank that are not the result of a transaction executed between the cardholder (consumer/buyers) and the Merchant (Customer).
- p) The amounts which the Bank is entitled to recover under this Contract shall be deemed a due debt on the Merchant (Customer). The Bank shall have the right to deduct or retain the full amount or any portion thereof from the Merchant (Customer) accounts to pay for any of the Merchant (Customer) due obligations under this Contract.
- q) If, under this contract, the Bank refrains from making payments for transactions performed on the Card for a reason attributable to the card issuing bank or for any other reason associated with the card integrity or the accuracy of such transactions; or if the amounts of such transactions made on the card are refunded, then the Bank shall not be liable for payment of the amounts of such declined transactions or dealing directly with the cardholder (consumer/buyer) in respect of such transactions. The Merchant (Customer) shall undertake not to re-submit the details of the declined transactions on the card in any form.
- r) The Merchant (Customer) shall not use the point of sale terminal to pay for any goods or services that are prohibited from trading or that are in violation of the public order and laws of the State of Kuwait.
- s) The Merchant (Customer) shall comply with the principles and rules set by The PCI Security Standards Council related to Data Security Standards “PCI DSS”.
- t) The Merchant (Customer) acknowledges his full responsibility for all transactions executed on the point of sale terminal. In the future, the Merchant (Customer) may not object to

- the entries or notices of such transactions which will be deemed final. The Merchant (Customer) acknowledges that the Bank is not responsible for any errors that may result from transactions performed by the Merchant (Customer) on the POS terminal subject of this Contract or due to the failure, interruption or malfunction of computers or telephone lines of the Bank or the central computer of the Knet Co..
- u) The Merchant (Customer) undertakes to take all necessary steps and procedures to enable the Bank to process any claim by the cardholder (consumer/buyer) against the Bank. The Bank shall have full discretion to accept or reject the claim or to negotiate with the cardholder (consumer/buyer) for any settlement which will be binding upon the Merchant (Customer).
 - v) The Merchant (Customer) shall provide the Bank upon its request with the necessary assistance to detect and avoid fraud cases and shall promptly inform the Bank of any material change of the nature or size of its business. Failure to notify the Bank with the same shall be deemed fraudulent by the Merchant (Customer).
 - w) It is prohibited for the Merchant (Customer) to copy or save the credit data stored on the card or on the card magnetized tape or smart chip. In the event of the Merchant (Customer) breach of this obligation, the Merchant (Customer) shall be fully responsible for all actual damages (material or immaterial) arising therefrom.
 - x) The Merchant (Customer) declares that all goods and services that are sold through the POS terminal provided by 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 the Commercial Bank of Kuwait may apply to him in case it is established for the Bank that the Merchant (Customer) has breaches this commitment.
7. The Merchant (Customer) authorizes the bank which he deals with to settle all payment requests submitted to the Merchant (Customer) by the Bank in respect of any amounts due on the Merchant (Customer) to the Bank under this Contract.
 8. The Bank shall charge a monthly amount of KD 10 if the number of transactions performed through each POS terminal is less than 20 per month. The Bank may also amend the monthly rental value as it deems appropriate in case this condition is met.
 9. It is prohibited for the Merchant (Customer) to save, collect or use any lists containing the names of cardholders (consumer/buyer), card numbers or any other information related to the Bank's business for any purposes other than those stipulated in this Contract. This prohibition includes any disclosure of any information contained in Clause No. (10). The Merchant (Customer) is also prohibited to disclose any information contained in the preceding Paragraph to any third party unless such party is a technical advisor, an agent or a subcontractor who has been appointed under Clause No. (23) of this Contract except otherwise prescribed within the limits under law.
 10. The Merchant (Customer) agrees that the Bank shall use any card transactions data for any purpose without disclosing any confidential information relating to such data or any confidential information relating to the Merchant (Customer) or his business or customers outside the Bank's domain unless after obtaining the prior written consent of the Merchant (Customer) save as otherwise required or authorized under law.
 11. The Merchant (Customer) Acknowledgements:
 - a) The Bank's Point of Sale terminal(s) shall be operated under the Merchant's direct supervision and that he has the right to supervise and direct his employees.

- b) All transactions processed by the Bank's POS terminal(s) under the Merchant (Customer) control and operating under his supervision shall be valid and executed by the Merchant (Customer) or his authorized employees. The Merchant (Customer) may neither object to any entry made by the POS terminals nor object to such entries in future.
 - c) The data contained in the statement issued by the Bank for all transactions made by the Merchant (Customer) or its affiliated persons shall be correct and irrefutable evidence of the validity of any transaction made by the Merchant (Customer) or its affiliated persons. The Merchant (Customer) shall not have the right to challenge its validity or to file any future claims raising doubts on the validity of such entries.
 - d) The Bank shall not bear any legal or judiciary responsibility for any entries that the Merchant has processed through using the services mentioned in Clause (2) above via POS terminal(s). The Bank shall not be liable for paying compensations against any errors that may arise from any transactions performed by the POS terminal(s) in possession of the Merchant.
 - e) The Bank shall not bear any legal or judiciary responsibility for any loss, delay, damage or otherwise, which may result from, interruption or malfunction of the central computer system of the Bank, telephone line or central computer system of the Shared Electronic Banking Services Company (Knet) or the Bank POS terminal(s) if the Bank is unable to provide the service for a limited period for reasons beyond its control.
 - f) The Bank may terminate this Contract regardless of the period agreed upon under Clause (5) above in the event of any force majeure conditions that prevent the Bank from continuing to provide this service to the Merchant. In such case, the Bank shall inform the Merchant (Customer) of its decision to terminate the Contract.
 - g) 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.
 - h) The number of POS terminals that the Merchant (customer) requires to use shall be determined according to the mutual correspondence between the Bank and the Merchant (Customer) which is considered to be complementary to this Contract.
12. The Merchant (Customer) shall, in the event of its request to remove any POS terminal before the completion of three years from the date of the terminal installation or replacement, pay to the Bank for each removed POS terminal the equivalent of 8 - month rental value as consensual compensation between the contract parties. If the remaining period is less than 8 months, the Merchant (Customer) shall indemnify the Bank for the remaining period or an amount of KD 50 (whichever is higher) plus the terminal withdrawal fees as stated in Clause No. (17). Then the contract shall be deemed void only with regard to that POS terminal.
13. If the customer fails to pay the monthly rent for three consecutive months to the Bank, the Bank shall have the right to terminate the agreement immediately and collect fees not exceeding KD 250 for each POS terminal plus the due amounts or fees.
14. In the event of loss, damage or misuse of the POS terminal by the Merchant (customer), the Bank has the right to assess the value of damage, and the Merchant (Customer) shall compensate the Bank by an amount equal to the value of the damages as estimated by the Bank.

15. In case the Merchant (Customer) requests to change the type of the terminal to another type, this request is considered a POS Terminal withdrawal service and an installation service of another POS terminal. The Bank is entitled to charge KD 25 as a withdrawal fee and KD 25 as Installation fee.
16. In case the Bank or Knet Company visits the site to install the POS terminal and finds that the site is not ready for reasons such as disapproval of the Site owner on the installation or lack of an electric power intake, which impedes the installation of the POS terminal, the Bank is entitled to apply a fee of KD 10 for failure to install each POS terminal. Such fee amounts shall be charged for each POS terminal and not for each site.
17. In case of withdrawal of the POS terminal, the Bank may apply withdrawal fee of 25 KD for each terminal plus the fees prescribed in Clause No. 12.
18. In the event that the Merchant (Customer) fails to pay any of its obligations, the Bank has the right to withdraw the POS terminal. If the Bank is unable to communicate with the Merchant (Customer), the Bank is entitled to charge the Merchant (Customer) the value of POS terminal withdrawal fee in addition to the POS terminal cancellation fees in accordance with Clauses (12) and (17).
19. The amounts which the Bank is entitled to recover under this Contract shall be deemed a due debt on the Merchant (customer). The Bank shall have the right to deduct or retain the full amount or any portion thereof from the Merchant (Customer) account, set in this contract or any other accounts of the merchant (customer), to pay for any of the Merchant (Customer) due obligations under this Contract.
20. The Bank's tolerance of the Merchant (Customer) breach of any of the terms of this Contract shall not be deemed as a waiver of any subsequent or current breach. The Bank's failure for any reason to terminate the Contract at the occurrence of any breach incident shall not prejudice the Bank's right to terminate this Contract at any time thereafter without need to notify the Merchant (Customer) with such termination. The Merchant's (Customer) obligation under this Contract shall remain in effect until the designated date of termination.
21. The Merchant (Customer) may neither assign his rights and obligations under this Contract nor appoint an agent or subcontractor to implement any of the contract terms unless a prior written consent of the Bank is obtained. In case of the Bank's approval on any of them, the Merchant (Customer) shall be responsible for ensuring that the agent or subcontractor complies with the terms in force in this Contract. The conditions set forth in Clause (6- L) and the phrases referring to the Merchant (Customer) shall be deemed as referring to the agent or subcontractor. The Bank shall have the right to refuse the continuation of the agent or subcontractor in the execution of this Contract at any time at the discretion of the Bank.
22. In the event that a payment is not made to the Merchant (Customer) due to the reversal of transaction entry for any reason, the Merchant (Customer) shall inform the Bank within 20 days.
23. The Bank shall be completely and irrevocably discharged from any liability if the Bank is unable to fulfill its obligations as a direct or indirect consequence of the interruption of any device or system for the transmission of information or a device linking the transmission or for an industrial dispute or for any reason beyond the control or the will of the Bank, its agents and subcontractors.
24. 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
25. The Bank reserves the right to refuse opening or to close any account without giving any reasons.

26. 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. Merchant (Customer) shall bear the full legal responsibility for any violation in this regard. In this case, the Commercial Bank of Kuwait has the right to stop dealing, withdrawals and blocking all Merchant (Customer) accounts.
27. 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.
28. 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.
29. 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.
30. In case of conflict between the Arabic text and the English text, the Arabic text shall prevail.
31. 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.
32. The Merchant (Customer) acknowledges that he has read and understood this Contract, known its contents and agreed to the terms, conditions and obligations contained therein.
33. **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.
34. **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.
35. **Main Risks of the Service:**
 1. **Use of POS Terminal:** The Merchant agrees to operate the POS terminal in accordance with the Bank's usage guidelines and to take reasonable steps to prevent unauthorized access, tampering, or misuse of the device.
 2. **Fraud and Chargebacks:** The Merchant acknowledges that certain transactions may be subject to chargebacks or fraud investigations. The Merchant agrees to

- cooperate with the Bank in resolving such cases in line with applicable policies and procedures.
- 3. Service Availability:** The Bank will make reasonable efforts to ensure the continuous availability of POS services. However, the Bank shall not be held liable for service interruptions resulting from circumstances beyond its control, including but not limited to network outages, technical failures, or force majeure events.

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