

Merchant Agreement

Terms And Conditions



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American Express Saudi Arabia

MERCHANT AGREEMENT TERMS AND CONDITIONS

American Express Saudi Arabia,
P.O. Box 6624,
Riyadh 11452,
Saudi Arabia
CR. No. 1010183222

1. Agreement

This Agreement governs your Establishment's participation in the American Express Card Services ("Card Services") for all the locations certified by us. You agree to accept the Card according to this Agreement. If you do not accept anything in this Agreement, you must not perform any purchase transactions on behalf of American Express Saudi Arabia and you must notify us immediately of your decision and return all materials belonging to American Express Saudi Arabia.

From time to time, we may enter with you into one or more agreements under the terms of which you will provide exclusive discounts and other promotions to Cardholders (each, an "Exclusive Offer Agreement"). Upon execution by you and us, each Exclusive Offer Agreement will be deemed to be incorporated into, and form part of, this Agreement, and you agree to comply with its terms.

2. Entire Agreement

These terms and conditions, together with the signed application and all Exclusive Offer Agreements (if any) which we may enter into with you subsequently from time to time (collectively this "Agreement"), constitute together the entire agreement between us and supersede any prior agreement, representation or understanding with respect to the subject matter hereof.

You must provide us with a list of your Affiliates that accept the Card under this Agreement, and notify us promptly of any subsequent changes to that list. You are responsible for ensuring that all such Affiliates comply with the terms of this Agreement and you confirm that you are authorized to accept these terms on their behalf.

By entering into this Agreement, you agree to ensure that each of your Affiliates which will accept Card payments under this Agreement complies fully with all terms and conditions set out in this Agreement, including all of your obligations. Subject to the preceding sentence, we will permit your Affiliates conducting business in the same industry to accept Card payments on the terms of this Agreement, and references to "you" and "your" elsewhere in this Agreement will be deemed to also include such Affiliates. However, for clarity, this Agreement is a contract between you and us, and no third party (including any of your Affiliates) is intended to be a third-party beneficiary of any rights under it. You must not obtain Authorizations, submit Charges or Credits, or receive payments on behalf of any third party other than any of your Affiliates referenced above in this paragraph.

3. Definitions

Throughout the Agreement:

Advance Payment Charge means a Charge for which full payment is made in advance of your providing the goods and/or rendering the services to the Cardmember.

Affiliate means any entity that controls, is controlled by, or is under common control with the relevant party, including its subsidiaries.

Aggregated Charge means a Charge that combines multiple, small purchases or refunds (or both) incurred on a Card into a single, larger Charge before submitting Charge to us for payment.

American Express Card and Card means any card, account access device, other virtual, electronic or physical payment instrument, or service issued or provided by American Express Saudi Arabia, any of its Affiliates or any authorized licensees thereof and bearing any Mark(s) of American Express or any of its Affiliates.

American Express SafeKey 2.0 or American Express SafeKey Program means a fraud prevention tool specifically designed to reduce fraudulent Internet Charges using 3-D Secure™ specifications to ensure industry consistent functionality.

Application Initiated Charge means a Charge which is made via your application designed specifically for navigation on mobile or tablet services.

Authorization means an authorization in the form of an approval code number given by us or a third party designated and approved by us from time to time.

Business Day means a day on which commercial banks are open for business in the Kingdom of Saudi Arabia (excluding Friday and Saturday and Public Holidays).

Cardmember(s) means the carrier or holder of a Card (whose name may or may not be embossed or otherwise printed on the front of the Card) provided that, where a name is embossed on the Card, the person whose name appears on the Card is the Cardmember.

Charge means a payment or purchase made using the Card.

Chip Card means a Card that contains a chip on which data is stored (including Cardmember Information), which an enabled point of sale terminal can read in order to facilitate the processing of the Charge.

Consumer Device Cardmember Verification Method (CDCVM) means an American Express approved and recognized Cardmember verification method whereby the Cardmember's credentials are verified on a Mobile Device.

Contactless Technology means any technology which allows the transfer of Charge data from a Chip Card or Mobile Device to a point of sale terminal on a contactless basis in respect of an In Person Charge.

Customer Activated Terminal (CAT) means an unattended point of sale system (e.g. a 'pay at pump' fuel dispenser or a vending machine).

Digital Delivery Transaction occurs when goods or services are ordered online or digitally and digitally delivered (e.g. images, applications or software downloads).

Digital Order occurs when a Charge is taken via a website payment page, over the internet, e-mail or other digital network in payment for goods and services. This includes Internet Charges and Application Initiated Charges.

Digital Wallet Application-initiated Transaction means a transaction initiated by a digital wallet utilizing a browser or merchant application within the Mobile Device, and not via Contactless Technology.

Digital Wallet Contactless-initiated Transaction means a transaction initiated by a digital wallet within a Mobile Device via Contactless Technology at a contactless-enabled terminal.

Digital Wallet Payment means a Digital Wallet Contactless-initiated Transaction or a Digital Wallet Application-initiated Transaction conducted via a digital wallet, operated by an American Express approved third party wallet provider that resides on a Mobile Device.

Discount means an amount that we charge for accepting the Card, the amount of which is: (i) a percentage of the face amount of the Charge (Discount Rate); (ii) a flat per-transaction fee; (iii) an annual fee; or (iv) any combination of (i) to (iii).

Disputed Charge means any Charge (or part thereof) about which a claim, complaint or question has been brought.

Establishment means each of your and your Affiliates' locations, shops, outlets, websites, digital networks and all other points of sale using any methods for selling goods and services, including methods that you adopt in the future.

Establishment Number is the unique number we assign to each Establishment. If you have more than one Establishment, we will assign to each a separate Establishment Number.

Internet Charge means a charge in which is made through your website via a web browser. This excludes Application Initiated Charges.

In Person Charge means a Charge for which the physical Card is presented at the point of sale.

POS Terminal means a point of sale electronic payment data capture terminal.

PGSP means the payment gateway service provider.

Mark(s) means names, logos, domain names, service marks, trademarks, trade names, taglines or other proprietary designations.

Mobile Device means an electronic device recognized by American Express that is enabled to initiate a Digital Wallet Payment. This includes, but is not limited to, mobile telephones, tablet computers and wearable devices.

Specifications means the set of requirements related to connectivity to the American Express network and electronic transaction processing, including Authorization and submission of transactions, either available at www.americanexpress.com/merchantspecs or upon request from us.

Strong Customer Authentication means authentication based on the use of two or more elements that are independent, in that breach of one element does not compromise the reliability of any other element, with the elements falling into two or more of the following categories: (i) something known only by the Cardmember; (ii) something held only by the Cardmember; and (iii) something inherent to the Cardmember.

We, our, AESA and us means American Express Saudi Arabia, a closed joint stock company duly organized and existing under the laws of the Kingdom of Saudi Arabia, with commercial registration certificate No. 1010183222 and Unified National Number 7001453476 and its registered address at Al-Maather Tower, King Saud street, Al-Wizarat district, P.O. Box 6624, Riyadh 11452, Kingdom of Saudi Arabia.

You and Your means the company, sole trader or other legal entity accepting Cards under this Agreement.

Other defined terms appear in bold in the body of this Agreement and shall apply for the whole of this Agreement, not just the provision in which they appear.

4. Accepting the Card

4.1. By choosing to enter into this Agreement, you agree to accept American Express Cards as payments for goods and services sold at your Establishments in the Kingdom of Saudi Arabia and agree to provide such goods and services to the Cardmember in accordance with any terms (express or implied) relating to the provision of such goods and services and applying between you and the Cardmember.

4.2. Whenever you communicate the payment methods you accept to customers, you must indicate your acceptance of American Express Cards and display our Marks accordingly to our guidelines and as prominently and in the same manner as any other payment products, except: (i) Your own-branded card that is issued by You; and (ii) Your own branded in store credit or finance products.

4.3. You must not at any time:

4.3.1. Discourage Cardmembers from or persuade them against using the American Express Card;

4.3.2. Criticize or mischaracterize the American Express Card or the Card service in any way;

4.3.3. Engage in marketing promotional or other activities that harm our business or brand;

4.3.4. Require Cardmembers to waive their rights to dispute a Charge as a condition to acceptance of the Card; or

4.3.5. Persuade the Cardmember to use any other credit, charge or debit card or service.

4.4. You shall not accept the Card as a payment method in relation to any of the following:

4.4.1. Gambling goods or services;

4.4.2. Pornographic goods or services;

4.4.3. Goods or services for which the provision thereof is illegal (e.g. drug trafficking or alcohol);

4.4.4. Sales where the amount charged does not correspond with the value of the goods or services purchased or rendered;

4.4.5. Sales made by third parties or entities conducting business in industries other than yours;

4.4.6. Sales where you know, or ought to know, that the goods or services will be resold i.e. not for the personal use of the Cardmember;

4.4.7. Dispensation of cash;

4.4.8. Damages, penalties, fines, charges, costs or fees of any kind which are in addition to the value of the Charge for the goods or services originally purchased or rendered;

4.4.9. An amount that does not represent a bona fide sale of goods or services at your Establishment; or

4.4.10. Goods, services or commercial transactions which are prohibited under Sharia Law.

4.5. You agree to inform us immediately should a point of sale terminal no longer accepts or processes the Card efficiently.

5. Submission of Charges and Credits to Us

5.1. Submission of Charges:

5.1.1. You shall submit all Charges (manual and electronic) within five (5) calendar days (including holidays and weekends) from the transaction date, provided that no Charge shall be submitted until the goods or services are dispatched or rendered to the Cardmember. You shall not bill any Cardmember (or, if applicable, the PGSP) directly. If any payment is received by you from or on behalf of any Cardmember for any purchase made with the Card, such payment shall be endorsed to us and sent to us immediately.

5.1.2. For any Charges which are processed manually, a Summary of Charge ("SOC") should also be included and shall be sent to us periodically so that the submission timeline for each of the Charges covered by the SOC does not exceed the required timeframe (in accordance with the paragraph above). Each SOC will show the total of the individual Charges (ROCs) attached, together with AESA copies of all completed ROCs. An SOC shall not be required where no Charges are incurred in the relevant reporting period.

5.1.3. Charges will be deemed submitted on a Business Day if received and processed by us prior to the close of business for that day.

- 5.1.4. Charges submitted electronically must be received over communication lines (transmission protocols) that have been approved by us from time to time. You shall have to perform an electronic settlement function on a daily basis and ensure that the totals agree with the Charges, specifically to the Cards processed. If there is any discrepancy, you should inform us in writing immediately but in all cases by the next calendar day. Without limiting the next paragraph, any electronically processed Charge requests which are not submitted/settled within the required timeframes (as set out above) for any reason may be treated as Disputed Charges and/or rejected by us without liability to you, and therefore may expose you to the financial loss of not being able to recover such amounts.
- 5.1.5. We shall have Full Recourse for a Charge not submitted to us within five (5) calendar days from the transaction date for both manual and electronic transactions.
- 5.1.6. You warrant that all indebtedness arising from all Charges submitted by you is genuine and free from liens and claims or encumbrances. You acknowledge that you are not entitled to bill or collect from the Cardmember (or, if applicable, the PGSP) any Charge except in the case of fraud by the Cardmember (or, if applicable, the PGSP). You shall notify us promptly of a change to your PGSP and provide us at our request with all information with respect thereto.
- 5.2. Submission of Credits:
- 5.2.1. Returns of goods or services purchased with the Card shall be treated in at least as favorable a manner as returns of goods or services purchased by any other payment method or service. You must disclose your refund policy to Cardmembers at the time of the purchase and in a manner that complies with the applicable law.
- 5.2.2. Any refund issued to the Cardmember in respect of Charges made on their Card ("Credit") shall be processed as credit to that Cardmember's same Card account which was used to perform the transaction and shall be submitted to us within thirty (30) Business Days of determining that the Credit is due. Credits shall not be submitted without an original Charge or unless they relate to previously submitted Charges, not to exceed the amount of the original Charge.
- 5.2.3. Credits shall be recorded on an American Express Credit Record ("Credit Record") and shall be submitted to us in the same submission file as your ROCs and SOCs. If you already submit Charges electronically, you may submit Credits electronically.
- 5.2.4. We shall deduct the full amount of the Credit less the Discount Rate from subsequent payments due from us or shall bill you for that Credit.
- 5.2.5. You shall not give cash refunds for Charges performed with the Card directly to the Cardmember.
- 5.2.6. Credits will be deemed submitted on a Business Day if received and processed by us prior to the close of business for that day.
- 6. Discount Rate**
- Your initial Discount is as provided to you in writing by us. Where a Discount Rate is referred to without further explanation, that rate shall be applied to the full amount of the Charge, including applicable Value Added Tax ("VAT"). The VAT rate is subject to change from time to time based on prevailing tax laws.
- 7. Payment Procedure**
- 7.1. We shall pay you for the Charges in accordance with this Agreement. You will receive payment according to your payment plan in Saudi Arabian Riyals (SAR) for the face amount of all Charges submitted by your Establishment in the Kingdom of Saudi Arabia, less:
- 7.1.1. Any Discount (plus the any applicable VAT);
- 7.1.2. Any other fees or amounts you owe us or our Affiliates under any agreement or arrangement, including any reimbursement amounts invoiced by us under an Exclusive Offer Agreement;
- 7.1.3. Any amounts for which we have Chargeback rights; and
- 7.1.4. The full amounts of Credits you submit. Your default payment plan is five (5) Business Days from receipt by us of all relevant Charge data. You shall not be entitled to receive payment for or on behalf of any third party.
- 7.2. We will make available information about your Charges and Credits, including the Discount and any other fees or amounts paid, on no less than a monthly basis.
- 7.3. You must notify us in writing of any errors or omission in respect of your Discount or other fees or payments for Charges and Credits within thirty (30) calendar days of the date of the applicable statement or other reconciliation data provided or made available by us containing such claimed error or omission, or we will consider the relevant reconciliation data to be conclusively settled as complete and correct in respect of such amounts.
- 7.4. If we determine at any time that we have made any payments to you in error, we may deduct such amounts from future payments due to you, or invoice you for such amounts. You agree to pay to us all amounts we invoice you for under this Agreement within thirty (30) days of the invoice date. If you receive any payment from us not owed to you under this Agreement, you must immediately notify us (by calling our telephone service centre) and return such payment to us promptly. Whether or not you notify us, we have the right to withhold future payments to you until we fully recover the amount of the erroneous payment. We have no obligation to pay any party other than you under this Agreement.
- 7.5. When you accept the Card as payment for your goods or services, you must not present an additional bill or otherwise seek to collect payment from any Cardmember for the purchase made on the Card unless we have exercised our Chargeback rights for such Charge, you have reimbursed to us any sums we have paid to you for such Charge, and you otherwise have the right to pursue the Cardmember.
- 8. Chargeback**
- 8.1. We have Chargeback rights in respect of any Charge:
- 8.1.1. Whenever a Cardmember brings a Disputed Charge, as described in Schedule A, clause 33, below, or has rights to withhold payments;
- 8.1.2. In case of actual or alleged fraud relating to the Charge;
- 8.1.3. If you do not comply with this Agreement (including relevant sections of Schedule A (and/or Schedule B, where applicable), and/or failing to obtain Authorization or Cardmember consent or omitting any Charge Data from Charge submission), regardless of whether we had notice when we reimbursed you for the Charge that you did not comply and/or whether you received Authorization for the Charge; or
- 8.1.4. As provided elsewhere in the Agreement.
- 8.2. In the event of a Chargeback, we will not refund the Discount or any other fees or assessments, or otherwise we will not recoup such amount from you.
- 8.3. We may exercise our Chargeback rights by deducting, withholding, recouping from, or offsetting against any payments to you or from any other account / outlet / location related to your Establishment maintained with us, or may notify you of your obligation to pay us, which you must do promptly and fully. Our failure to demand or take payment does not waive our right to a Chargeback right.
- 9. Full Recourse**
- 9.1. "Full Recourse" means our right to obtain payment from you for the full amount of each Charge subject to such right.
- 9.2. As part of our right of Full Recourse, we may deduct or set-off the amount from any sum payable to you under this Agreement. We may hold, deduct or set-off the amount due from any of your accounts (i.e., any account of a branch or outlet of any business in which you own any interest, or an account under any other agreement we have with you) or otherwise invoice you for such an amount. In addition to any general right to set-off or other right conferred by law or under this Agreement or any other agreement with you, American Express Saudi Arabia may, at any time and without notice, combine or consolidate the outstanding balances on any accounts that you maintain with American Express Saudi Arabia and/or its affiliated companies, and set-off or transfer any money outstanding to the credit of any such account(s), in or towards the satisfaction of your liability to American Express Saudi Arabia under this Agreement.
- 9.3. We will have Full Recourse for a Charge, if you do not comply with this Agreement, even if we are aware of your non-compliance when we made the payment and even if you obtained Authorization for the Charge in question. We will also have Full Recourse as set out elsewhere in this Agreement.
- 10. Operational and Other Procedures**
- 10.1. The provisions of Schedule A shall apply to you, and you shall comply with the provisions of Schedule A, in relation to the operational and other procedures set out therein.
- 11. Special Terms and Conditions for Specific Industries**
- 11.1. Where applicable, the provisions of Schedule B shall apply to you, and you shall comply with the provisions of Schedule B if you and your Affiliates conduct business in any of the industries specified in Schedule B. You indicate that you understand the provisions of Schedule B by signing it along with this Agreement.
- 12. Indemnification and Limitation of Liability**
- 12.1. Indemnity:
- 12.1.1. You will indemnify, keep indemnified, and/or hold harmless AESA and its Affiliates, successors, and assigns from and against all damages, fines, liabilities, losses, costs and expenses (including reasonable legal costs) arising out of or in connection with:
- 1) any Charge;
 - 2) any promotion or marketing of any goods or services sold by you;
 - 3) any breach by you, your employees, agents or contractors (including, if applicable, the PGSP acting on your behalf) of this Agreement;
 - 4) any act or omission done willfully, recklessly or negligently by you, your employees, agents or contractors, or (if applicable) by a PGSP acting on your behalf;
 - 5) any violation by you, your employees, agents or contractors of any applicable laws or regulations;
 - 6) any information, including information in respect of a Charge or Credit, provided to AESA by you or, if applicable, by a PGSP; or
 - 7) if applicable, any actual or threatened claim by a PGSP relating to or arising out of any Charge or Credit request submitted by you.
- 12.2. Limitation of Liability:
- 12.2.1. Except as otherwise expressly provided in this clause 12.2, neither of us will be liable to the other for any incidental, indirect, consequential or special damages of any kind, however arising. This limitation shall not apply to damages for which either of us has indemnified the other.
- 12.2.2. To the maximum extent permitted under applicable law, American Express Saudi Arabia shall not be liable for any cost, damage or expense arising from delays, actions or problems caused by any third party, including without limitation a PGSP (if applicable) or any telecommunications carrier or banking system. We shall not be liable to you for failure of, or delay in processing through any POS terminal or similar equipment operated by us or others, which are beyond our reasonable control. This has no effect on our rights to Full Recourse pursuant to this Agreement. This provision survives termination of this Agreement.
- 12.3. Subject to the above, to the maximum extent permitted under applicable law, the total cumulative liability of American Express Saudi Arabia under or in connection with this Agreement shall not exceed the total sum of the Discount Rate actually received by us for the Charges processed under this Agreement (excluding any Disputed Charges or Charges in respect of which we allowed Credits).
- 13. Proprietary Rights and Permitted Uses**
- 13.1. Neither party has any rights in the other party's Marks, nor may one party use the other party's Marks without its prior written consent, except as expressly permitted under this Agreement.
- 13.2. You agree not to use or display AESA's name or Marks without obtaining our prior written consent. Once our written consent is given, all usage of AESA's name and Marks and other intellectual property which we have expressly authorized in our written consent shall be in strict accordance with AESA's brand guidelines and written instructions.
- 13.3. You agree to display our signs, decals or other identification we provide to you or approve in writing prominently at your Establishments, provided, however, that such signs and decals are removed immediately when this Agreement is terminated.
- 13.4. You agree that we, our Affiliates, our third party merchant acquirers and our licensees may use your name, address of your Establishment(s) and your Marks, including but not limited to your physical address, website address and/or URL if appropriate, in materials illustrating that an Establishment accepts the Card which we and/or our Affiliates, our third party merchant acquirers and our licensees may publish from time to time.
- 14. Confidentiality**
- 14.1. Any Cardmember information is confidential and our sole property. Except as otherwise specified, you must not disclose Cardmember information nor use it other than to facilitate Card transactions in accordance with this Agreement.
- 14.2. You shall keep confidential and shall not disclose to any third party (except, on a "need-to-know" basis, to your employees and professional advisers, or as required under applicable law) any non-publicly available information you receive from us or, if applicable, from the PGSP, including the terms of and existence of this Agreement (including, without limitation, your Discount Rate). Without limiting the generality of the foregoing, you will:
- a) not copy, reproduce or store in any form Cardmember information or any Card details for any purpose whatsoever;
 - b) use secure internet technology to process transaction-related information (including, if applicable, when submitting or receiving information from a PGSP), e.g. the protocol of the system protection (SSL) and a 128-bit software; and
 - c) in case of operation off-line, use appropriate processes to ensure the privacy, confidentiality and proper use of any Cardmember information and Card details which may come into your possession or control.
- 14.3. You shall be fully and solely responsible towards your customers and, if applicable, the PGSP in case of a breach of any of the provisions of this clause 14.
- 14.4. You shall notify us immediately, and in no case later than twenty-four (24) hours after discovery, of any suspected or confirmed data compromise or breach at your Establishment, the PGSP (if applicable) or any of your service providers which have access to any Cardmember data, Card details or confidential information of AESA.
- 14.5. For the avoidance of doubt, the obligation of this clause 14 shall survive the termination or expiration of this Agreement.

15. Term and Termination

- 15.1. This Agreement shall be deemed to have been concluded in the Kingdom of Saudi Arabia and shall commence on the date your Establishment's account was set up on the American Express Saudi Arabia system and shall continue thereafter until it is terminated by either party giving not less than thirty (30) calendar days written notice to the other party or until it is terminated under any of the following circumstances (whichever occurs earlier):
- 15.1.1. If either party materially breaches its obligations under this Agreement and fails to remedy such a breach within thirty (30) calendar days after written notice from the other party specifying such a breach, then the party not in breach may terminate this Agreement immediately by written notice.
- 15.1.2. If:
- you become insolvent or enter bankruptcy, receivership or administration, or make an assignment for the benefit of creditors generally and we have all evidence proving this situation and notify you of them;
 - you suffer an execution, attachment, repossession of or foreclosure on all or substantially all of your assets;
 - you cease all or a substantial portion of your business or operations;
 - you undergo a merger or substantial change in ownership or control; or
 - any event occurs, or series of events occur, whether related or not, which in our opinion may affect your willingness to comply with any of your obligations under this Agreement or to the Cardmember(s) in question;
- then this Agreement shall terminate automatically and all debts and obligations owed to us shall be deemed immediately due and payable. We shall be entitled to maintain a reserve from payments due to you and/or take such other action as we may be entitled to under this Agreement of under applicable law or equity.
- 15.2. You shall notify us immediately of the occurrence of any of the events described in Subsection 15.1.2 (i) to (v) above.
- 15.3. Notices of termination shall be effective immediately upon receipt thereof.
- 15.4. Immediately upon termination, you shall: (i) remove our name, trademarks, service marks and other proprietary marks, materials and the equivalent, and await our instructions as to the disposal thereof; and (ii) submit all Charges and Credits incurred prior to termination.
- 15.5. The rights and obligations with respect to Charges and Credits made prior to the effective date of the termination of this Agreement shall remain applicable to such Charges or Credits following termination, whether such Charges or Credits are processed by us before or after termination.
- 15.6. All obligations and rights of a continuing nature including, but not limited to, Full Recourse shall survive termination of this Agreement.

16. Miscellaneous

16.1. Your Representations and Warranties:

You represent and warrant to us that:

- you are duly qualified and licensed to do business in the Kingdom of Saudi Arabia;
- you have full authority and all necessary assets and liquidity to perform your obligations and pay your debts hereunder as they become due;
- there is no circumstance threatened or pending that might have a material adverse effect on your business or your ability to perform your obligations or pay your debts hereunder;
- you are authorized to enter into this Agreement on your own behalf and on behalf of your Establishments and Affiliates, including those indicated in this Agreement, and the authorized signatory has authority to bind you and them to it;
- neither you (irrespective of any name changes), any entity operating your business or any owners or managers of your business have previously had a card acceptance agreement with us terminated on the basis of a breach of that agreement;
- you may act on behalf of all your Affiliates who submit Charges and/or Credits under this Agreement, including acceptance by you of payment from us for Charges incurred with your Affiliates where you instruct such payment to be made to you;
- neither you, your beneficial owners (where you are a company or other entity with a separate legal personality), nor any contacts nominated by you to administer your relationship with us are listed on any sanctions targets lists, politically exposed persons lists, special interest persons lists or are subject to any sanctions regime;
- you have not assigned to any third party any payments due to you under this Agreement;
- you have provided all information that we have requested in connection with this Agreement and all such information is true, accurate, and complete; and you have read this Agreement and kept a copy for your file, and provided a copy to all your Affiliates who are permitted to submit Charges under this Agreement.
- you will immediately notify us in writing, if any of your representations or warranties in this Agreement becomes untrue, inaccurate, or incomplete at any time. We may terminate this Agreement immediately by written termination notice to you, in case any of your representations or warranties in this Agreement is breached, and you fail to cure such breach within thirty (30) days after we send you a written notice of default.

You also agree to allow us to run credit background checks on you on the Saudi Credit Bureau (SIMAH) from time to time.

16.2. Assignment

You shall not assign, subcontract or transfer this Agreement in whole or in part to any person or entity without our prior written consent. We shall be entitled to assign or subcontract this Agreement in whole or in part to any of our holdings, subsidiary or affiliate companies upon written notice to you.

16.3. Waiver

Any failure or delay by enforcing any right, power or remedy under this Agreement or applicable law shall not be deemed a waiver thereof unless in writing signed by us.

16.4. Notices

All communications shall be in writing and shall be sent as follows:

- If to you, then at your head office or principal place of business as specified on the Application overleaf.
- If to us, then to our office address as follows or such other address notified to you by us from time to time: American Express Saudi Arabia, P.O. Box 6624, Riyadh 11452, Kingdom of Saudi Arabia.
- You shall ensure in all cases that AESA is provided with an up to date copy of the Establishment's commercial registration certificate, and constitutive documents, as issued by the Ministry of Commerce and Industry. In this respect you should also notify us in writing if there are any changes to any of your bank account details provided to us, for any account relevant to your Establishment though which you make your Charge or Credit request submissions, for the settlement of such submissions, including but not limited to change of banks, account numbers, account frozen, change in Establishment name or bank account name etc. If applicable, you shall also immediately notify us if your agreement with the PGSP is terminated or expires, and/or if you enter into an agreement with a different PGSP.
- Notices of termination of this Agreement by you shall be sent by registered mail.

16.5. Amendment

We shall be entitled to amend any provision of this Agreement at any time. We will provide you with a written notice of any such amendment at least thirty (30) days' prior to the amendment taking effect. You shall be entitled to terminate this Agreement if such amendment is not acceptable to you within the thirty (30) days' notice period, in which case the provisions of Clause 15 (Term and Termination) above shall apply.

The revised Agreement will be uploaded on Our website and will be deemed, valid and in full effect immediately after the lapse of the thirty (30) days' notice and will be binding on You.

Your continuous use of Your Account for the submission of any Charge or Credit requests (including, if applicable, through the PGSP) after the notice period shall be deemed as your formal acceptance to the amendments and You agree to be bound by the revised provisions.

16.6. Compliance with Laws

You agree to comply with all laws, regulations and rules applicable in the Kingdom of Saudi Arabia, including the SAMA regulations.

16.7. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Kingdom of Saudi Arabia and its competent courts and designated dispute resolution committees.

Schedule A Operational and Other Procedures

1. Procedures related to Accepting the Card

1.1. Creating a Record of Charge:

You shall use our Record of Charge ("ROC") form or any other charge form that has been previously approved by us. The term "ROC" includes the record of any Charge that is captured electronically or manually. For every Charge you shall complete a ROC elgibly (or, for Charges authorized electronically at a points of sales terminal, you shall ensure that the point of sale terminal generates a legible ROC) at the time of purchase. Each ROC shall bear:

- The Card number and expiry date of the Card;
- The date of the Charge;
- The amount of the Charge, including applicable taxes;
- An Authorization code for any Charge that requires Authorization under this Agreement;
- A description of the goods or services purchased;
- Your Establishment's name, address and Establishment Number;
- The Cardmember's signature if the Charge is made in person;
- The words "Delayed Delivery" if it has been agreed with the Cardmember that the goods or services will not be dispatched or rendered on the date the Charge is incurred; and
- All other information required by us from time to time. You shall submit all Charges to us under the Establishment Number we have assigned to you. You shall retain your copy of all ROCs and other documents (in whatever format) evidencing Charges for a period of twenty-four (24) months from the date of submission thereof and shall provide us, upon our request, with copies thereof within fifteen (15) days

1.2. In Person Charge Requests:

For all In Person Charges, the Card must be presented and you must:

- Follow the Card acceptance steps outlined in paragraphs 1.2.1 to 1.2.3 below as applicable; and
- Obtain an Authorization (as further described in subsection 2 below). You must not accept a Card that is visibly altered or mutilated, or presented by anyone other than the Cardmember, and if a transaction is declined, you must notify the Cardmember immediately. Where the goods or services being purchased by the Cardmember are subject to an Exclusive Offer Agreement, you must apply the applicable discount prior to submitting the Charge request, such that the amount of the Charge for which authorization is sought is reduced by the applicable discount.

1.2.1. In Person Charge Request – Chip Cards

You shall accept the Card as a method of payment at all your physical locations pursuant to the following conditions:

- The Card must be physically presented for all In Person Charge requests;
- When presented with a Chip Card, the Card must be inserted into the reader of the POS Terminal (unless the Charge is processed through Contactless Technology, in which case you may follow the steps outlined in section 1.2.3 below). The terminal should advise the Cardmember to enter his or her personal identification number (PIN) (a chip and PIN transaction). Your Establishment must ensure that the Cardmember enters his or her PIN into the keypad of the terminal when prompted.
- If the Establishment is unable to complete a chip and PIN transaction due to a technical problem, the terminal should show an error message and either decline the transaction or direct the Establishment to follow the procedure for non-Chip Card transactions as described in section 1.2.2 below.
- If an Establishment keys a Charge into the terminal manually, we will have Chargeback rights for fraudulent In Person Charges made with lost, stolen, counterfeit and non-received Chip Cards.
- You must ensure that your terminals accept Chip Cards. If the terminal has not been upgraded to accept Chip Cards or we have not certified the terminal for chip and PIN, you will be liable for any losses that we may suffer and we will have Chargeback rights for fraudulent In Person Charges made with lost, stolen, counterfeit, and non-received Chip Cards, if the upgrading and certification of your POS Terminal would have prevented the fraud. In all cases, you will be liable for fraudulent Charges arising from a failure to comply with our Card acceptance procedures as set out in this Agreement.

1.2.2. In Person Charges – non-Chip Cards

- For In Person Charges where for whatever reason the Chip is not readable, you must swipe the Card through the terminal.
- You must also:
 - match the Card number on the front and, if present, on the back of the Card, as well as the Card expiration date, to the same information on the Charge Record; and
 - ensure the name that prints on the Charge Record (if applicable) matches the name on the front of the Card.
- If your POS Terminal fails, then in addition, you must seek a voice Authorization (as further described in section 2 below).
- If the magnetic stripe is unreadable, the Charge may be keyed into the terminal manually and you must obtain an imprint of the Card to verify that the Card was present. If you do not take a manual imprint where required, and make it available to us on request, we will have Chargeback rights for such Charge. Where a Charge is keyed into the terminal manually, we will have Chargeback rights as set out in section 1.2.1 (4) above.

1.2.3. In Person Charges – Contactless

- Where the Charge amount is SAR 300 or less (or any other amount that may be determined by the Saudi Central Bank (SAMA) in the future), you may read the Card via Contactless Technology. When presented with a Chip Card or Mobile Device to be read via Contactless Technology, you must:
 - Capture the Charge Data using the contactless reader; and
 - Obtain Authorization.
- If the Charge amount is over SAR 300 (or any other amount that may be determined by the Saudi Central Bank (SAMA) in the future), or if prompted by your terminal, you will need to follow the process set out in section 1.2.1 above (In Person Charges – Chip Cards) of this Schedule A.
- For Digital Wallet Contactless-initiated Transactions, a CDCVM is permitted if the Mobile Device and the point of sale terminal are capable of performing

CDCVM. For these Charges, you must create a Record of Charge as described in 1.1. above. To ensure proper point of sale acceptance for Digital Wallet Contactless-initiated Transactions, you should comply with the most current American Express contactless-enabled POS Terminal requirements. We will not exercise a missing imprint, counterfeit or lost/stolen/non-received fraud Chargebacks for Contactless or Digital Wallet Contactless-initiated Transactions if the Establishment successfully verifies the Cardmember and meets all of the criteria and requirements listed above. This does not apply to Disputed Charges involving dispute reasons other than fraud.

1.2.4. In Person Charges – Unattended Terminals

- 1) We will accept Charges for purchases at your unattended terminals (e.g. CATs or payment kiosks) subject to the requirements of section 1.2 above and the following additional requirements:
 - Include all requests for Authorization, the full magnetic stripe data stream;
 - Ensure the Charge complies with the specifications, including flagging all requests for Authorization and all Charge submissions with a CAT indicator;
 - Follow any additional Authorization procedures that we may provide to you if you accept the Card at an unattended terminal that is part of, or attached to, a fuel dispenser (for example); and
 - Ensure that the unattended terminal notifies the Cardmember if the transaction is declined.
- 2) In the event that an unattended terminal is not configured for Chip and PIN transactions, then you may still accept the Card and the provisions of sections 1.2 and 1.2.1 above shall not apply in relation to entering the PIN. However, if you do so, you will be liable for any losses and we will have Chargeback rights for fraudulent Charges if the Charge was not a Chip and PIN transaction.

1.3. Card Not Present Charges

- 1) For Card Not Present Charges, you must:
 - create a ROC as described in 1.1 above, including an indicator that the transaction is Card Not Present;
 - obtain the Cardmember's name as it appears on the Card, the Card account number and expiry date, the Cardmember's billing address, and the delivery address;
 - obtain Authorization;
 - if the order is to be shipped or delivered more than seven (7) days after the original Authorization, obtain a new Authorization before shipping or delivering the order; and
 - immediately notify the Cardmember if the transaction is declined.
- 2) If the goods are to be collected by the Cardmember, the Card must be presented by the Cardmember upon collection and you should treat the transaction as an In Person Charge and comply with sections 1.2 to 1.2.3 above.
- 3) We have Chargeback rights for any Card Not Present Charge that the Cardmember denies making or authorizing. We will not exercise our Chargeback rights for such Charges based solely upon a Cardmember claim that he or she did not receive the disputed goods if you have verified with us that the address to which the goods were shipped is the Cardmember's billing address and obtained a receipt signed by an authorized signer verifying the delivery of the goods to such address.

1.3.1. Card Not Present Charges – Digital

- 1) We will accept Charges for Digital Orders subject to the requirements of 1.3 above and the following additional requirements. You must:
 - send Charge data concerning any Digital Order via the internet, e-mail or other digital network only to the Cardmember who made the Digital Order, or us;
 - submit all Charges for Digital Orders electronically;
 - use any separate Establishment Numbers that we provide you for Digital Orders in all your requests for Authorization and submissions of Charges for Digital Orders; and
 - provide us with at least one (1) month's prior written notice of any change in your website address.
- 2) We may dispense with the notice period referred to in clause 16.5 of the Agreement and immediately introduce additional requirements which are necessary for reasons of security of Digital Orders and/or Cardmember Information and/or for the prevention of fraud.
- 3) We will not be liable for fraudulent Digital Orders and we will have the right to Chargeback for those Charges. Additionally, if a Disputed Charge arises involving a Card Not Present Charge that is a Digital Delivery Transaction, we will exercise our Chargeback rights for the full amount of the Charge.
- 4) You must ensure that your website or applicable digital medium notifies the Cardmember if the transaction is declined for Authorization.
- 5) For Digital Wallet Application-initiated Transactions, a CDCVM is permitted if the Mobile device is capable of performing CDCVM. For these Charges, you must create a Charge Record as described in section 1.1 above. For these Charges to qualify as a Digital Wallet Application-initiated Transaction, you must include an indicator that the transaction is a Digital Wallet Application-initiated Transaction on the Charge Record. We will not exercise a missing imprint fraud Chargeback for Digital Wallet Application-initiated Transactions if the Establishment meets all off the criteria and requirements set out in this section 1.3.1. This does not apply to Disputed Charges involving dispute reasons other than fraud (e.g. it does not apply to goods or services disputes).
- 6) Where you accept Charges for Digital Orders that are verified by the American Express SafeKey Programme, we may offer the Cardmember the option to pay for their purchase with points. This does not impact the relationship between you and us and does not change either party's rights or obligations under this Agreement. However, if you prefer that we do not offer this functionality to Cardmembers using your digital platform, then please write to us at American Express Saudi Arabia, P.O. Box 6624, Riyadh 11452, Kingdom of Saudi Arabia.
- 7) For Digital Wallet Application-initiated Transactions that are also Recurring Billing Charges, you must follow the process set out in section 1.4 of this Schedule A. The Charge Record should include indicators that the Charge is a Recurring Billing Charge and not a Digital Wallet Application-initiated Transaction.

1.3.2. Card Not Present Charges – American Express SafeKey

- 1) To protect against unauthorized activity, you must support solutions allowing us to perform Strong Customer Authentication of the Cardmember for Charges made by Digital Orders. If you fail to allow us to perform Strong Customer Authentication as set out in this paragraph, Charges made by Digital Orders may be declined.
- 2) We will accept Charges for Internet Orders made by Establishments participating in the American Express SafeKey Program subject to the following requirements:
 - Implement the American Express SafeKey Program as advised by us and or provide access to the Establishment's website and other relevant systems to ourselves or our agents to implement, review or monitor the American Express SafeKey Program as required by us, without any restrictions. You shall also positively respond to any written recommendations made by us that result from our periodic review of your Establishment's electronic hardware and software pertaining to this service within a period of time not exceeding fifteen (15) days from the date of the notification. You shall explicitly display in your website full and complete information about your Establishment including but not limited to address contact number etc. the goods/services, details and particulars of delivery, refund policy, recovery policy and procedures and other terms and conditions and obtain Cardmembers' consent explicitly agreeing to these terms and conditions before proceeding with completing the transaction.

- 3) Establishments participating in the American Express SafeKey Program must complete and maintain compliance with:

- (a) SafeKey certification procedures;
- (b) the SafeKey Implementation Guide;
- (c) "Card Identification Digits" (CID) also known as 4 digit PCSC and "Automatic Address Verification" (AAV) or "Address Verification Service" (AVS) as notified by us from time to time;
- (d) the SafeKey Logo Guidelines;
- (e) a fraud to sales ratio of less than 1% on Charges containing SafeKey data or as otherwise detailed by us in the Authorization and submission specifications;
- (f) good standing with us as reasonably determined by us; and
- (g) any other requirements which we may introduce or change from time to time.

- 4) The American Express SafeKey Program only applies to "Card Not Present" Charges made on Cards that are eligible for SafeKey authentication processing, by Internet Orders through your Establishments, and that meet the following criteria and requirements:

- (a) the Charge indicates it was fully SafeKey authenticated or a SafeKey authentication was attempted;
- (b) the additional SafeKey authentication data was provided in both the Authorization request and the submission record;
- (c) the Cardmember disputed the Charge as fraud; and
- (d) the Card is issued in a market specified by us to you from time to time

- 5) If, at any time, you do not meet the requirements listed above, or if we receive a disproportionate number of disputed Charges or high instance of fraud then:

- (a) you must work with us to reduce the number of disputes and fraudulent transactions;
- (b) we may, in our sole discretion, modify or terminate your Establishment's participation in the American Express SafeKey Program.

- 6) The American Express SafeKey Program does not apply to disputed Charges involving any other types of disputes, including customer service or goods or services disputes.

- 7) We will not exercise Full Recourse for Charges if both the Establishment and Charge comply with the foregoing SafeKey requirements. The American Express SafeKey Program does not prevent us from taking other protective action, such as those listed in Section 4 of this Schedule A.

- 8) We may suspend, terminate or modify the American Express SafeKey Program at any time, without any liability or obligation to you in the event we suspend, terminate or modify the American Express SafeKey Program. If you do not agree with the current or modified American Express SafeKey Program, you must:

- (a) cease participating in the American Express SafeKey Program;
- (b) surrender your SafeKey certification status; and
- (c) return or destroy all confidential information provided to you pursuant to the American Express SafeKey Program.

1.4. Recurring Billing Charges

- 1) If you offer Cardmembers the option to make recurring Charges automatically for a series of separate purchases or payments, Cardmembers must sign a continuous authority form ("Continuous Authority Form") authorizing you to charge their Card ("Recurring Billing Charges"). You must obtain a Continuous Authority Form before submitting the Recurring Billing Charge. The Continuous Authority Form must include:
 - a. The Cardmember's name;
 - b. The Card number and signature;
 - c. The Card expiry date;
 - d. The expiry date of the Continuous Authority Form;
 - e. The Cardmember's billing address;
 - f. The frequency of the Recurring Billing Charges e.g. weekly, monthly, quarterly; and
 - g. A statement that the Cardmember may cancel the Continuous Authority Form at any time. Any renewal of authority will require a new Continuous Authority Form to be filled. You must retain Continuous Authority Forms for twenty-four (24) months from the date you submit the last Recurring Billing Charge. Before submitting to us each Recurring Billing Charge, you must obtain Authorization and submit to us a listing in a form and content agreed by us, which shall include details of your Establishment, the Cardmember and the Recurring Billing Charge in question, or complete a ROC with the word "Recurring" in the Cardmember's signature panel. Once the Cardmember has provided written advice that he/she desires cancellation of your services relating to a Recurring Billing Charge, and where such cancellation does not violate any contractual or legal obligation on the part of the Cardmember, all future dealings must cease or will be at your financial risk.

1.5. Advance Payment Charges

- 1) You must follow the procedures below if you offer Cardmembers the option, or require them, to make Advance Payment Charges.
- 2) For an Advance Payment Charge, you must:

- State your full cancellation and refund policies, clearly disclose your intent and obtain written consent from the Cardmember to bill the Card for an Advance Payment Charge before you request an Authorization.

The Cardmember's consent must include:

- (A) his or her agreement to all the terms of the sale (including price and any cancellation and refund policies); and
- (B) a detailed description and the expected delivery date of the goods and/or services to be provided (including, if applicable, expected arrival and departure dates);

- obtain Authorization; and

- complete a Charge Record. If the Advance Payment Charge is a Card Not Present Charge, you must also:

(A) ensure that the Charge Record contains the words "Advance Payment"; and

(B) within twenty-four (24) hours of the Charge being incurred, provide the Cardmember written confirmation (e.g. e-mail or facsimile) of the Advance Payment Charge, the amount, the confirmation number (if applicable), a detailed description and expected delivery date of the goods and/or services to be provided (including expected arrival and departure dates, if applicable) and details of your cancellation/refund policy.

- 3) If you cannot deliver goods and/or services (e.g. because custom-ordered merchandise cannot be fulfilled), and if alternate arrangements cannot be made, you must immediately issue a Credit for the full amount of the Advance Payment Charge which relates to the goods or services which cannot be delivered or fulfilled.
- 4) In addition to our other Chargeback rights, we may exercise Chargeback for any Disputed Advance Payment Charge or portion thereof if, in our sole discretion, the dispute cannot be resolved in your favour based upon unambiguous terms contained in the terms of sale to which you obtained the Cardmember's written consent.

1.6. Aggregated Charges

1) If we classify you in an internet industry, you may process Aggregated Charges provided the following criteria met:

- You clearly disclose your intent and obtain written consent from the Cardmember that their purchases or refunds (or both) on the Card may be aggregated and combined with other purchases or refunds (or both) before you request an Authorization;
- Each individual purchase or refund (or both) that comprises the Aggregated Charge must be incurred under the same merchant number and on the same Card;
- Create a Charge Record for the full amount of the Aggregated Charge;
- The amount of the Aggregated Charge must not exceed the amount as notified to you by us, or the amount for which you obtained Authorization, if lower;
- Submit each Charge Record within our thirty (30) days. A Charge will be deemed "incurred" on the date of the first purchase or refund (or both) that comprises the Aggregated Charge; and
- Provide the Cardmember with an e-mail containing:

(A) The date, amount, and description of each individual purchase or refund (or both) that comprises the Aggregated Charge; and

(B) The date and the amount of the Aggregated Charge.

2. Authorization

2.1. You must obtain Authorization for all Charges. Each Authorization request must include the full Card account number and be for the full amount of the Charge, including applicable taxes. Furthermore:

1) If any Charge or series of Charges by any one Cardmember during any one day at any one of your locations exceeds the limit established by us for that location as set in the Application (the "Floor Limit"), you shall obtain Authorization electronically if you have a POS terminal or otherwise by telephoning our designated Authorizations Center before the Charge is completed ("Authorization").

2) Authorization shall not be deemed or construed to be a representation, promise or guarantee that we will accept the Charge, nor is it a guarantee that the person incurring the Charge is the Cardmember.

3) You shall seek Authorization for all Card Not Present Charges regardless of the amount.

4) Authorization must be sought:

- a. on the date of any Card not present transaction that is for goods or services to be dispatched or rendered more than five (5) days after the date of such transaction; and
- b. again immediately before dispatch or rendering of the goods or services purchased.

5) You shall not evade Authorization by the submission of two or more ROCs below your Floor Limit for a single transaction or by making more than one request for Authorization for a single transaction.

6) You shall not seek or obtain Authorization on behalf of any third party.

7) If you receive a negative file directly from American Express Saudi Arabia or from a data broadcast service/list that incorporates Card numbers and requires you to telephone for Authorization, you shall request Authorization, regardless of the amount of the Charge in question.

8) All provisions of this Agreement, particularly in the requirement set out in clause 4 of the main Agreement (Accepting the Card) must still be complied with. If not fully complied, we shall have Full Recourse for the Charge involved, even if Authorization has been provided by us.

9) Validity of an Authorization obtained is up to five (5) days (excluding, if you are a merchant whose primary business is lodging or car rental or cruise lines where the Authorization is valid for a single continuous life (not for multiple times) of the lodging, cruise line stay or car rental agreement) within which period of the transaction should be presented either through electronic settlement or manually.

2.2. Where you obtain Authorization for an estimated amount, you must obtain the Cardmember's consent to such estimated amount prior to requesting the Authorization. You must submit the corresponding Charge as soon as you become aware of the full amount to be charged. If the full amount of the Charge exceeds the amount for which you obtained an Authorization, you must obtain a new Authorization (for which you will require the Cardmember's consent).

2.3. When you process In Person Charges electronically, you must ensure all Authorization requests comply with the Specifications. If the Card data is unreadable and you have to key-enter the transaction to obtain an Authorization, you must take a manual imprint of the Card to validate Card presence.

2.4. If your point of sale terminal is unable to connect to our computer authorization system for Authorization, or you do not have such a terminal, or we ask you to do so (i.e. a referral), you must obtain Authorization for all Charges by calling us at our Authorize telephone number. We reserve the right to charge you a fee for each Charge for which you request Authorization by telephone, unless such failure to obtain Authorization electronically is due to the unavailability or inoperability of our computer authorization system.

3. Disputed Charges

3.1. With respect to a Disputed Charge:

- 1) We have Chargeback rights, prior to contacting you, if we have sufficient information to substantiate the Cardmember's claim and resolve the Disputed Charge in their favour; or
- 2) We may contact you prior to exercising our Chargeback rights.

In either case, you will have no more than fifteen (15) calendar days after we contact you to provide to us a written response containing the information we request, including the full Card account number. We have Chargeback response containing the information we request, including the full Card account number. We have Chargeback rights (or our previous decision to exercise our Chargeback rights will remain in effect) for the amount of the Disputed Charge if, by the end of the fifteen (15) calendar days period, you have not either provided the Cardmember with a full refund, or provided us with the information requested.

3.2. If we determine, based upon the information provided by you and the Cardmember, to resolve the Disputed Charge in the Cardmember's favor, we will Chargeback rights for that Disputed Charge, or our previous exercise of our Chargeback rights will remain in effect. If we resolve the Dispute Charge in your favor, we will take no further action (if we have not previously exercised our Chargeback rights) or we will reverse our previous exercise of our Chargeback rights.

3.3. The foregoing does not affect procedures under any special Chargeback program (such as fraud full recourse) that apply to you and under which you do not receive inquiries or notices regarding certain types of Charges prior to our final exercise of our Chargeback rights.

3.4. In certain instances, we may exercise our Chargeback rights where a Cardmember disputes a Charge for actual or alleged fraud, and you will have no right to request a reversal of our decision to exercise our Chargeback rights.

3.5. In certain instances, may place you in a fraud full recourse program under which:

- we receive a disproportionately high number of Disputed Charges relative to your prior history or industry standards;
- you engage or participate in fraudulent, deceptive or unfair business practices, illegal activities, or permit (or fail to take reasonable steps to prevent) prohibited uses of the Card; or
- you accept the Card for Digital Delivery Transactions or at automated fuel dispensers.

This list is not exhaustive, and at any time we may, at our sole discretion, for reasons of managing risk and exposure to fraud place you on the fraud full program on written notice to you, or terminate the Agreement on written notice to you.

For the avoidance of doubt, if you have been placed on the fraud full recourse program, the program will apply to all fraud related Cardmember disputes, including disputed transactions that precede the application date of the program to you by up to six (6) months.

3.6. If we exercise our Chargeback rights with respect to a Disputed Charge that would have been avoided had our Card acceptance procedures been followed (an Avoidable Chargeback), we may charge you a fee equal to the real damages caused, which we will notify to you. We will provide you with a list of Avoidable Chargebacks upon request.

3.7. You shall retain all records pertaining to Charges and Credits processed by you for a minimum of two (2) years from the transaction date thereof, and will permit AESA to examine and verify same at any reasonable time.

3.8. You understand and acknowledge that we retain the right to hold any payment due to you for any suspicious transaction until our internal investigations are completed or until the Cardmember's dispute period is over. For the avoidance of doubt, although we may have made or released the payment of the suspicious transaction, we may hold the payment of future transactions or amounts due to you from other related outlets and accounts.

4. Security

4.1. We shall be entitled to withhold from you any payment due under this Agreement or any other agreement you have with us, or take any other action deemed appropriate by us if, in our reasonably exercised judgment, there is a risk that you will be unable or unwilling to perform your contractual obligations to us under this Agreement. In particular, but without limitation, we shall be entitled to:

- change your payment plan, as specified in clause 7.1 of the Agreement;
- exercise Full Recourse for any Charge or Disputed Charge without first sending notice of such Charge/Disputed Charge;
- suspend or stop any payments to you;
- introduce additional Authorization procedures; and
- hold any payment due to your Establishment for any suspicious transactions until our internal investigations are completed or until the Cardmember's dispute period is over.

4.2. In the event your account with us shows a negative (debit) balance and in case you did not pay that debit balance within thirty (30) days following the day on which your account first showed a negative (debit) balance, in addition to our Full Recourse mentioned in Section 3 above, we shall be entitled to refer your account to a third party (which may be a firm of lawyers) for collection and to charge you a referral fee and all associated costs.

5. Data Security

a. **Standards for Protection of Information:** You must comply with our global Data Security Operating Policy, a copy of which is available at: www.americanexpress.com/datasecurity and which we may amend from time to time. You have additional obligations under that policy which is hereby incorporated by reference, including (i) providing to us documentation validating your compliance with the current version of the Payment Card Industry Data Security Standard (PCI DSS, which is available at www.pcisecuritystandards.org); and (ii) liability for data incidents and costs, fees and losses, as set out in the policy, relating to each data incident.

Under the Data Security Operating Policy, we have the right to charge you non-validation fees equal to the real damages caused, and terminate the Agreement if you fail to comply with your obligations detailed in that policy.

b. **Data Sharing:** You must not share any Cardmember Information obtained either from the Cardmember at the point of sale or during Authorization or submission or otherwise with any third parties other than your Covered Parties, without the express consent of the Cardmember. At the point of gathering consent, you must clearly inform the Cardmember what data will be shared, with whom, for what purposes and which entity is making the offer of

goods or services, so that the Cardmember can clearly distinguish you from any other party involved in the sale and make an informed decision as to whether to proceed with the purchase or not. Otherwise, we have the right to charge you a non-compliance fee equal to the real damages caused, suspend Card acceptance privileges at your Establishment or terminate this Agreement in accordance with Section 13.c. The information that you collect to facilitate the Charge must be provided directly to you by the Cardmember or us and not from a third party.

- c. Fraud Prevention Tools:** You should use our Automated Address Verification (AAV), Address Verification Service (AVS), Enhanced Authorization and CID services (or any other similar fraud prevention tools that we may make available to you from time to time). These are methods to help you mitigate the risk of fraud, but are not guarantees that a Charge will not be subject to Chargeback. You must be certified for AAV, AVS and Enhanced Authorization in order to use these fraud prevention tools. We may suspend, terminate, amend or prevent access to the fraud prevention tools at any time. We shall not be liable and shall have no obligation to you in the event we suspend, terminate, amend or prevent access to the fraud prevention tools.
- d. Transactional Websites.** You must ensure your websites that permit Cardmembers to make Digital Orders are identified by extended validation certificates or by other similar authentication methods in order to restrict the use of fraudulent websites. You must employ appropriate controls to separate payment related processes from your online shop to enable the Cardmember to determine whether they are communicating with you or us.

6. Fraudulent Transactions

- 6.1. We will notify you in the event your Establishment is engaged in business within unusual transaction categories in which instance we will have Full Recourse for any Charges that we are unable to collect due to fraud.
- 6.2. We will notify you in the event your fraud to billings percentage exceeds two percent (2%) (or such other percentage as we shall from time to time notify you) and in this instance we will have Full Recourse for any Charges that we are unable to collect due to fraud with effect on a date five (5) calendar days after our notification to you.

Schedule B Special Terms and Conditions for Specific Industries

If you conduct business in any of the following industries, you also must comply with the following provisions (as applicable):

1. Lodging

a. Authorization

- i. Upon check-in, if a Cardmember wishes to use the Card to pay for a lodging stay, you must obtain Authorization for the full estimated amount of the Charge based upon the room rate and the number of days that they expect to stay, plus taxes and other known ancillary amounts (Estimated Lodging Charge). An Authorization for an Estimated Lodging Charge is valid for the duration of the lodging stay. You must not overestimate the Estimated Lodging Charge. If you fail to obtain Authorization for an Estimated Lodging Charge, and submit the Charge, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the full amount of the Charge.

(ii) Upon check-out:

- if the final Charge is no greater than the Estimated Lodging Charge plus 15% of the Estimated Lodging Charge, no further Authorization is necessary; or
- if the final Charge is greater than the Estimated Lodging Charge by more than 15%, you must obtain Authorization for any additional amount of the Charge that is greater than the Estimated Lodging Charge. If you fail to request such Authorization for the additional amount, or your request for such Authorization is declined, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the amount of the Charge in excess of the Estimated Lodging Charge.

Notwithstanding the Authorization procedures set out above, you must still obtain the Cardmember's consent to the full exact amount of the Charge. Any additional amount may only be submitted if you treat it as a separate Charge and obtain the Cardmember's consent to the full exact amount of the Charge.

b. Periodic Charges

In the case of any Cardmember who incurs Charges at one or more of your Establishments over a period of time rather than at the end of the stay, you must obtain Authorization for each Charge before accepting each Charge. You must submit the Charge Record in accordance with this Agreement.

c. No-Show

- (i) If we classify you in one of the following industries, you may process No Show Charges equivalent to one (1) day's rental or one (1) night's stay, as appropriate, provided that the criteria set out in this paragraph c are met:
- lodging;
 - trailer park/campground; or
 - vehicle, aircraft, bicycle, boat, equipment, motor home or motorcycle rentals.
- (ii) If the Cardmember made a reservation with you and failed to show, you may process a No Show Charge if:
- the Cardmember has guaranteed the reservation with their Card and you have explicitly communicated the "no show" policy and grantee requirements and terms and conditions and have acknowledgement from card member accepting such terms before such reservation was made;
 - you have recorded the Card number, its expiry date and the Cardmember's billing address;
 - at the time of accepting the reservation you provided the Cardmember with the applicable daily rate and a reservation number;
 - you held the accommodation/vehicle for the Cardmember until the published check-out/return time the day following the first day of the reservation and you did not make the accommodation/vehicle available to any other customers; and
 - you have a documented "No Show" policy, which reflects common practice in your industry and is in accordance with the prevailing law, which policy has been advised to the Cardmember at the time they made the reservation.
- (iii) You must obtain an Authorization for any No Show Charges prior to submitting them. If the Cardmember does not honour their reservation, you must include in the Charge Record an indicator that the Charge is a "No Show Charge".

d. Cheques and Cash Advance

We will not be held responsible for any cheques cashed by the Cardmember. You can accept up to three hundred dollars US\$ 300 in cash per stay at the hotel for a period of thirty days from Cardmembers registered as guests, provided you have the authorization for the amount submitted.

2. Car Parking

- a. If a Cardmember agrees with you a specific number of days to leave a motor vehicle with you, you must submit the Charge immediately.
- b. Where you provide a parking pass for a pre-determined number of days, you must submit the Charge immediately.
- c. Where the number of parking days is not known when the Cardmember leaves the motor vehicle with you, you shall not submit the Charge to us until the last day of parking.
- d. We have Chargeback rights for all Charges that we are unable to collect due to fraud.

3. Car Hire

- a. When a Cardmember wishes to use the Card to hire a vehicle, you shall obtain Authorization for the full estimated amount of the Charge ("Estimated Rental Charge"). The Estimated Rental Charge shall be determined by multiplying the rate by the rental period reserved by the Cardmember. You shall not overestimate this amount and shall not include an amount for any possible damage to or theft of the vehicle. If you fail to obtain such Authorization for the Estimated Rental Charge and submit the Charge, and the Cardmember fails to pay the Charge for any reason, we shall have Full Recourse for the full amount of the Charge. Upon return of the vehicle, the following terms shall apply:
- (i) If the final Charge is no greater than the Estimated Rental Charge plus 15% of such a Charge, no further Authorization shall be necessary;
- (ii) If the final Charge is greater than the Estimated Rental Charge by more than 15%, you shall obtain Authorization for any additional amount of the Charge, which is greater than the Estimated Rental Charge. If you fail to request such Authorization for the additional amount, or you request Authorization for the additional amount but Authorization is declined, and the Cardmember fails to pay the Charge for any reason, we shall have Full Recourse for the full amount of the Charge in excess of the Estimated Rental Charge; and
- (iii) We have the right to periodically monitor your Establishment's compliance with the Authorization procedures set forth above. If we notify you that your Establishment is not complying with these procedures, you agree to rectify such non-compliance. If, after thirty (30) days from the date you were notified of the non-compliance, your Establishment continues to fail to comply with these procedures, then we shall have Full Recourse for the full amount of any Charge made at your Establishment during such period on continued non-compliance. For the purposes of this provision, "non-compliance" shall occur when more than five percent (5%) of your Establishment's Authorizations or more than five percent (5%) of your Authorizations, do not comply with these Authorization procedures.

b. Collision Damage Waiver

When renting out a vehicle to a Cardmember who is eligible for the Collision Damage Waiver benefit, the following procedures shall be followed:

- (i) You shall contact us for Authorization and obtain Authorization for the Estimated Rental Charge only.
- (ii) You shall submit the Rental Charge in accordance with the General Terms and Conditions if the vehicle is returned to you undamaged.
- (iii) If the vehicle is returned damaged, you shall submit the Rental Charge in accordance with the General Terms and Conditions and carry out the following procedure:
1. Obtain a written agreement of responsibility for the damage from the Cardmember using your own damage report form;
 2. Give the Cardmember an estimate for repair of the damage, or send it to him/her if he/she is not present at the time of the vehicle's return; and
 3. Either submit to us a Charge for a reasonable estimate for repair or submit a final Charge when the repair costs are known.
 4. A Charge submitted to us in accordance with the procedure in (ii) above is limited to five hundred US Dollars (US\$ 500) total for all claims in respect of administration fees, storage, towing or loss of use.
 5. Where a reasonable estimate for repair has been submitted, you shall obtain additional Authorization if the final Charge exceeds the estimate by more than ten percent (10%).
 6. You shall support all Charges with documentary evidence to the Cardmember as they occur to enable the Cardmember to make his/her own claim. Copies of all supporting documentation shall be retained by you in case of non-receipt by the Cardmember.
 7. You shall advise the Cardmember to submit his/her claim directly to: American Express Saudi Arabia, P.O. Box 6624, Riyadh 11452, Kingdom of Saudi Arabia.

Cardmember Eligibility

The following Cardmembers are eligible for Collision Damage Waiver:

- (i) All holders of US Dollar, Canadian Dollar and Latin American Dollar Cards, i.e. Personal, Gold, Platinum, Optima and Company ("small market"), but not Corporate Card ("large market"); and
- (ii) Any Cardmember renting a vehicle for thirty-one (31) days or less and who is covered for theft or damage.

Car Exclusions:

- (i) Vans (except mini vans); and
- (ii) Vehicles for off-road use, i.e. 4-wheel drive.

c. Upon return of the car:

- (i) if the final Charge is no greater than the Estimated Hire Charge plus 15% of such Estimated Hire Charge, no further Authorization shall be necessary; or
- (ii) if the final Charge is greater than the Estimated Hire Charge by more than 15%, you shall obtain Authorization for any additional amount of the Charge that is greater than the Estimated Hire Charge. If you fail to obtain such Authorization for the additional amount, or your request for such Authorization is declined, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the amount of the Charge in excess of the Estimated Hire Charge.

If we notify you that an Establishment is not complying with these Authorization procedures, you must cure such non-compliance within thirty (30) days. If, after thirty (30) days from the date of such notice, you continue not to comply with these procedures, then we will have Chargeback rights for the full amount of any Charges made at that Establishment during such continued non-compliance. For purposes of this provision, "non-compliance" occurs when more than 5% of either your total or any one Establishment's Authorizations do not comply with the preceding procedures.

Notwithstanding the Authorization procedures set out above, you must still obtain the Cardmember's consent to the full exact amount of the Charge. Any additional amount may only be submitted if you treat it as a separate Charge and obtain the Cardmember's consent to the full exact amount of the Charge.

4. Motor Vehicle Sales

- a. We will accept Charges for the deposit payment or the entire purchase price of new and used motor vehicles only if:
 - (i) the amount of the Charge does not exceed the total price of the motor vehicle after deduction of applicable discounts, rebates, cash down payments, and trade-in values; and
 - (ii) you obtain Authorization for the entire amount of the Charge.
- b. If the Cardmember denies making or authorizing the Charge and you have not transferred title or physical possession of the motor vehicle to the Cardmember, we will have Chargeback rights for such Charge.

5. Restaurants

For your restaurant Establishments:

- (i) if the final restaurant Charge is no greater than the amount for which you obtained Authorization plus 20% of that amount, no further Authorization is necessary; or
- (ii) if the final restaurant Charge is greater than the amount for which you obtained Authorization by more than 20%, you must obtain Authorization for any additional amount of the Charge that is greater than that amount.
Notwithstanding the Authorization procedures set out above, you must still obtain the Cardmember's consent to the full exact amount of the Charge. Any additional amount may only be submitted if you treat it as a separate Charge and obtain the Cardmember's consent to the full exact amount of the Charge.

6. High Risk Industries

There are certain industry categories and transaction types which American Express considers to be high fraud risk in relation to which we may place you in a fraud full recourse program (as described in Schedule A, paragraph 3 (3.5) above) for any Charge that we are unable to collect due to fraud. The transaction types that we consider to be high risk are transactions at automated fuel dispensers and Digital Delivery Transactions. We reserve the right to add additional transaction types and specific merchant categories to this list from time to time.

7. Insurance

- 7.1. If any of your goods or services are sold or billed by independent agencies, then you must provide to us a list of such independent agencies and notify us of any subsequent changes in the list. We may use this list to conduct mailings that encourage such independent agencies to accept the Card. We may mention your name in such mailings, and you will provide us with a letter of endorsement or assistance as we may require.
- 7.2. From time to time, and subject to Section 4 of the Agreement, we may establish marketing campaigns that promote Card acceptance specifically at your Establishments or, generally, at insurance companies. You acknowledge that a necessary purpose for which you submit Cardmember Information that is responsive to such marketing campaigns includes our use of that information to perform back-end analyses to determine the success of such marketing campaigns. This Agreement does not authorize either party to enter into any marketing or cross-selling arrangements for insurance products.
- 7.3. We undertake no responsibility on your behalf for the collection or timely remittance of premiums.
- 7.4. You will indemnify, defend, and hold harmless us and our Affiliates, successors, and assigns from and against all damages, liabilities, losses, costs, and expenses, including legal fees, to Cardmembers (or former Cardmembers) which we or our Affiliates, successors or assigns do or will suffer or incur and which arise or are alleged to have arisen from your termination or other action regarding their insurance coverage.
- 7.5. In this paragraph 7, references to 'you' and 'your' include independent agencies that conduct business in the same industry as you. Agency means any entity or line of business that uses your Marks or holds itself out to the public as a member of your group of companies. Independent Agency means an entity or line of business that sells your and other's goods or services for which it may receive either payment or commission from you or an Agency.

8. Payment Aggregators

- 8.1. If your business model requires you to accept the Card on behalf of third parties (Sponsored Merchants), you are for the purposes of this Agreement a Payment Aggregator and you must not accept the Card under this Agreement. If you wish to act as a Payment Aggregator for transactions made with American Express Cards then you must contact us.

9. Business to Business (B2B) Transaction Processing

- 9.1. If Your business model includes or requires You to process B2B transactions as a supplier, You should ensure that the underlying transaction is valid business transaction according to the usual transaction types of Your business. All necessary documentation of the transaction should be complete and in order and should be provided to the Card member before such B2B transactions are processed by Your establishment. The invoiced amount shall be pre-agreed by both yourself and Your customer and the transaction should be processed for the invoiced amount. AESA will not be responsible to validate the underlying transaction or the terms and conditions of the transaction between yourself and Your customer, on whose Card account such B2B payments are processed.