

# Terms & Condition

## POS



## Definitions

The following terms and expressions shall have the meanings assigned to them in this Article:

### .1 Merchant Bank / The Bank

The concerned bank that is a member of the Saudi Payments Network (mada), which enters into a joint agreement with the Merchant under which it accepts POS transactions processed through the network provided by the Bank.

### .2 Issuing Bank

The bank that maintains the Cardholder's account and issues payment cards affiliated with the Saudi Payments Network (mada) for use in POS transactions.

### .3 EMV

A payment system standard (Europay, MasterCard, and Visa) that enables banks, merchants, and consumers to transact using chip-based cards equipped with enhanced security specifications and protection functions.

### .4 Forced Settlement

A process performed under exceptional circumstances and in case of Merchant failure to execute settlement within the allowed timeframe, whereby the Merchant Bank must carry out a mandatory settlement.

### .5 International Card Schemes

Global payment systems such as Visa, MasterCard, American Express, and others.

### .6 Merchant

Any company, establishment, governmental entity, or individual maintaining an account and a valid relationship with a SAMA-authorized Merchant Bank participating in the POS service of the Saudi Payments Network (mada), and who accepts valid bank cards as payment for goods and/or services in accordance with contractual and legal requirements.

### .7 Merchant Account

An account maintained by the Merchant Bank for settlement of POS transactions in accordance with SAMA rules and the provisions of this Agreement. Settlement shall be performed regularly and in accordance with Sections 5 and 7 of this Agreement.

### .8 Merchant Name

The name registered for the Merchant's POS service account as printed on the POS receipt and as displayed at the agreed sales outlets.

### .9 Merchant Outlet (Branch / Business Location)

Any retail outlet or business location operated by the Merchant where POS devices may be installed.

### .10 Offline Transactions

A payment transaction processed manually through an electronic chip within an approved limit and transmitted indirectly without direct online authorization at the time of execution.

### .11 Cash Withdrawal (Cashback)

A service enabled through mada POS devices allowing Cardholders to withdraw cash in conjunction with purchase transactions, subject to daily withdrawal limits and electronic authentication.

### .12 Operating Manuals

Manuals issued by the Merchant Bank containing system rules governing POS usage, subject to updates from time to time.

### .13 PCI DSS (Payment Card Industry Data Security Standard)

International standards established to ensure financial data security and protect cardholder information.

.14PCI PED (PIN Entry Device Standard)

International standards governing secure PIN entry devices used for payment authentication.

.15Saudi Payments Network (mada)

The national payment network developed and supervised by the Saudi Central Bank (SAMA).

.16mada Marks

The registered name and logo of the Saudi Payments Network (mada).

.17Bank Card

A chip-enabled EMV-compliant payment card issued by an authorized issuing bank for use in POS transactions under mada risk management standards.

.18POS Service of the Saudi Payments Network (mada)

The electronic system enabling transfer of funds through POS terminals.

.19Merchant Service Charge (MSC)

The fees payable by the Merchant in consideration of POS services.

.20POS Receipt

A document evidencing the transaction issued to the Cardholder upon purchase, refund, or other transaction.

.21POS Devices

Devices and software installed by the Merchant Bank at Merchant locations to accept mada or other approved card scheme transactions.

.22Installment Programs

Programs allowing cardholders to pay for goods or services in monthly installments while the Merchant receives the full purchase value in accordance with applicable regulations.

.23Alternative Payment Methods

Services allowing customers to pay through non-cash, non-traditional methods such as loyalty points, subject to applicable regulations.

(2) Use of mada Trademarks

A) The Merchant Bank grants the Merchant a non-transferable license to use the mada trademark and any other trademarks approved by SAMA strictly for POS service purposes and in accordance with Bank instructions.

The Merchant undertakes not to claim ownership of the mada trademark or challenge its validity.

B) The Merchant acknowledges that mada trademarks remain the exclusive property of the Saudi Payments Network and shall not be used except as authorized.

(3) Installation and Maintenance of POS Devices

A) The Merchant Bank shall install POS devices at Merchant locations in accordance with this Agreement and the Operating Manuals. The Bank shall bear installation and maintenance costs.

B) The Merchant authorizes the Bank or its appointed service providers to install POS devices at agreed locations and grants the Bank exclusive rights to do so.

C) The Merchant shall provide necessary infrastructure (electricity, communication lines, and appropriate space) at agreed locations.

D) The Bank shall provide POS devices in accordance with mada rules, subject to payment of applicable fees by the Merchant.

#### (4) Ownership of POS Devices

A) POS devices remain the sole property of the Merchant Bank regardless of their location. Upon termination or expiry of the Agreement, the Merchant shall immediately return the devices including logos and marketing materials.

B) The Merchant shall safeguard the devices and refrain from tampering with them or allowing unauthorized access. The Merchant shall compensate the Bank for any damage.

C) The Merchant shall not sell, assign, pledge, or otherwise dispose of POS devices.

D) Upon written request by the Bank (with at least 10 days' notice), the Merchant shall return the POS devices. The Bank shall not bear any related costs.

E) All software and encryption keys must be removed upon cancellation of the Agreement.

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## TERMS & CONDITIONS

### Point of Sale (POS) Service

#### (5) Opening of Merchant Account with the Merchant Bank

A) The Merchant shall open one or more accounts with the Merchant Bank for the purpose of processing POS transactions. The Merchant confirms the existence of a valid and ongoing business relationship with the Merchant Bank and authorizes the Bank to disclose this relationship to the relevant regulatory authorities for purposes of registration and participation in the Saudi Payments Network (mada.)

B) Upon allocating an account for POS transactions, the Merchant undertakes to comply with all procedures and requirements governing account opening and maintenance in accordance with applicable rules.

C) The Merchant Bank shall have the right, without liability, to reject or suspend any or all POS transactions credited to the Merchant account. The Bank shall not bear responsibility for limiting, rejecting, or suspending any such transactions.

D) If the Merchant Bank's membership in the Saudi Payments Network (mada) is terminated, the Merchant shall, upon written notification, designate another member bank to continue operating the POS service.

#### (6) Use of mada Cards and PIN-Based Transactions

If a cardholder possesses a chip or magnetic stripe card with a PIN that can be used through devices provided by the Merchant Bank, then all provisions of this Agreement shall apply to transactions executed using such cards.

#### (7) General Obligations of the Merchant

The Merchant shall:

A) Provide goods and/or services to cardholders at the same price charged for cash transactions, without imposing additional fees, commissions, or surcharges.

B) Use POS devices exclusively for transactions related to the Merchant's registered commercial activity and as specified in this Agreement.

C) Ensure that the Merchant name, registered trademark, and branch location appear clearly and correctly on POS receipts.

D) Not impose minimum or maximum transaction limits on cardholders wishing to use POS services.

E) Use only POS devices supplied or approved by the Merchant Bank in compliance with mada rules and applicable card scheme agreements.

F) Use POS devices with due care and ensure wireless devices are charged and securely stored.

G) Be responsible for safeguarding Merchant supervisor cards and PIN codes and indemnify the Bank against any loss arising from their misuse.

H) Ensure mada cards are used strictly for legitimate POS transactions.

I) Not hold the Bank liable for any issues related to goods and/or services provided by the Merchant.

J) Refrain from modifying POS devices or attaching unauthorized accessories without written approval from the Merchant Bank.

K) Use only authorized POS devices and not any external or unauthorized card-reading devices.

- L) Not pass on any Merchant Service Charges (MSC) or related fees to the cardholder.
- M) Ensure that only trained and authorized employees operate the POS devices.
- N) Restrict refund authorization passwords to qualified senior staff and bear full responsibility for misuse.
- O) Supervise employees' compliance with POS operational procedures at all times.
- P) Remain fully responsible for all actions of employees in connection with POS transactions.
- Q) Maintain active bank accounts. In case of account suspension, freeze, or expiration of required commercial documentation, the Bank may suspend POS devices without liability.
- R) Not alter system parameters of POS devices or display "Cash Only" without prior authorization from the Merchant Bank.
- S) Not use POS transactions for cash advances unless specifically authorized (Cashback with Purchase), and any such misuse may result in immediate termination of the Agreement.
- T) Securely store all POS receipts (temperature not exceeding 25°C and humidity below 20%) for two years from the transaction date and provide copies within five business days upon request. Failure to do so authorizes the Bank to debit the Merchant account for the transaction amount.
- U) Not enter into any other commercial agreement conflicting with this Agreement regarding the same outlets.
- V) Notify the Bank of any changes to contact details or responsible personnel.
- W) Accept adjustments to transaction limits as determined by the Bank in accordance with agreed rules.
- X) Acknowledge the Bank's right to retrieve POS devices if unused for 30 consecutive days, without affecting the validity of this Agreement.

#### (8) Responsibilities of Merchant POS Operations Team

- A) Unless otherwise agreed, the Merchant may only use devices supplied by the Merchant Bank.
- B) The Merchant shall accept only valid, authentic, unexpired cards issued by authorized banks and presented by the rightful cardholder.
- C) If identity verification is required, the Merchant may verify the cardholder's identity using an official government ID.

- D) Where required, the cardholder must enter the PIN directly through the POS device keypad.
- E) Cashback service may only be provided upon Bank authorization and subject to the following conditions:
- .1The card must be a mada card.
  - .2Cashback must accompany a purchase.
  - .3The cashback amount must not exceed the daily limit agreed with the Bank.
  - .4The amount must not be below the minimum agreed threshold.
  - .5Cashback is available exclusively for mada cards and subject to network conditions.
- F) The Merchant must obtain cardholder signature on both copies of the receipt where required.
- G) Offline transactions require explicit Bank authorization and must comply with defined limits.
- H) The Merchant must ensure all required communication channels are functional to support direct authorization.
- I) The Merchant shall ensure proper authorization is obtained before completing any transaction.
- J) The Merchant shall not split a single transaction into multiple transactions using the same card to circumvent limits.
- K) Failure to comply with procedures shall render the Merchant fully liable for any legal claims, costs, damages, or losses incurred by the Bank.

#### (9PCI Compliance

- A) The Bank shall provide initial and periodic training regarding PIN entry device standards and PCI DSS obligations.
- B) The Bank shall inform the Merchant of any updates to compliance regulations.
- C) The Merchant shall comply with all PIN entry and PCI DSS standards and required security controls.
- D) The Merchant shall ensure relevant employees are aware of compliance obligations.
- E) The Merchant shall maintain required certifications and successfully pass periodic compliance tests.
- F) The Merchant shall immediately notify the Bank of any security breach and cooperate in investigations.
- G) The Merchant shall fully indemnify the Bank against any liability resulting from non-compliance.

H) The Bank may terminate the Agreement if the Merchant fails to comply with PCI standards or incurs repeated penalties.

#### (10 Currency of Transactions

All POS transactions must be conducted in Saudi Riyals (SAR).

#### (11 POS Receipts

The Merchant shall provide the cardholder with a completed original receipt for each transaction and ensure all receipts comply with this Agreement.

#### (12 Rejected or Failed Transactions

If a transaction is declined by the issuing bank or for any other reason, the Merchant may agree with the cardholder on an alternative payment method. The Merchant shall inform the cardholder of the rejection and provide the transaction receipt.

If a transaction appears reversed or declined through POS records, the Merchant is prohibited from refunding the amount in cash.

#### (13 Reporting Malfunctions and Maintenance

A) Only the Merchant Bank or its authorized representatives may service or repair POS devices.

B) The Merchant shall report any malfunction immediately by contacting 920004550 or via email at POS@alrajhibank.com.sa.

C) The Merchant shall not process transactions using a malfunctioning device.

D) The Bank shall promptly repair or replace defective devices.

#### (14 Indemnification

The Merchant shall indemnify and hold the Bank harmless against all claims, losses, damages, costs, and expenses arising from:

- Fraud, misconduct, or negligence by the Merchant or its employees.
- Damage to POS devices due to improper operation.
- Any failure of communication systems affecting transaction processing.

#### (15) Disclosure

The Merchant authorizes the Bank to disclose transaction details and account information to regulatory or judicial authorities where required for investigations or disputes.

#### (16) Fees

A) The Merchant shall pay applicable POS service fees as determined by the Bank.

B) The Bank shall not bear costs related to cashback transactions.

C) Merchant Service Charges (MSC) shall be deducted in aggregate from settlement batches.

D) The Bank shall provide detailed account statements showing deducted fees.

E) The Bank may amend the fee schedule with written notice. If the Merchant does not object in writing within 30 days, the amendment shall be deemed accepted. If rejected, the Agreement shall be considered terminated without prejudice to prior obligations.

#### (17) Disputes and Claims

A) The Merchant shall resolve all complaints from cardholders related to goods or services as if the transaction had been paid in cash.

B) In case of disputes, transaction records held by the Merchant and Bank shall serve as reference evidence.

C) The Merchant authorizes the Bank to disclose necessary details relating to disputed transactions.

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## TERMS & CONDITIONS

### Point of Sale (POS) Service

#### (18) Access to Merchant Premises

The Merchant shall permit the Merchant Bank, upon request, and its authorized representatives, agents, contractors, or delegates, to enter the Merchant's premises during official working hours for the purpose of:

- Inspecting POS devices and related equipment.
- Verifying compliance with this Agreement and operating manuals.
- Conducting audits, reviews, or investigations related to POS transactions.

The Merchant shall provide full cooperation and necessary documentation during such visits.

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#### (19) Suspension of POS Service

The Merchant Bank shall have the right to suspend POS services, temporarily or permanently, in any of the following cases:

- A) Breach by the Merchant of any provision of this Agreement.
- B) Suspicion of fraudulent or unauthorized transactions.
- C) Failure to comply with PCI standards or mada regulations.
- D) Suspension, freezing, or closure of the Merchant's bank account.
- E) Expiry, cancellation, or non-renewal of the Merchant's commercial registration or required licenses.
- F) Upon instruction from regulatory authorities.

Suspension shall not relieve the Merchant from any obligations or liabilities arising prior to suspension.

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#### (20) Settlement of Transactions

- A) Settlement of POS transactions shall be made to the Merchant account in accordance with the settlement cycle determined by the Merchant Bank.
- B) The Bank reserves the right to delay settlement in cases of suspected fraud, chargeback, dispute, or regulatory requirement.
- C) The Bank may debit the Merchant account for any reversed, refunded, disputed, or invalid transactions.

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#### (21) Chargebacks and Adjustments

A) The Merchant acknowledges that the Bank may debit the Merchant account for:

- Transactions processed in violation of this Agreement.
- Transactions lacking required documentation.
- Fraudulent, unauthorized, or disputed transactions.

- Chargebacks imposed by mada or international card schemes.

B) The Merchant shall provide requested documentation within the timeframe specified by the Bank. Failure to do so shall entitle the Bank to debit the full transaction amount.

## (22Confidentiality

The Merchant shall maintain strict confidentiality of:

- Cardholder data.
- Transaction information.
- Security credentials and access codes.
- Any proprietary or confidential information obtained through this Agreement.

The Merchant shall not disclose such information to any third party except as required by law.

This obligation shall survive termination of the Agreement.

## (23Data Protection

The Merchant shall:

- Protect all cardholder data in accordance with PCI DSS standards.
- Implement necessary technical and organizational safeguards.
- Avoid storing sensitive authentication data unless expressly permitted.

Any data breach must be reported immediately to the Merchant Bank.

## (24Liability

A) The Merchant shall bear full responsibility for all transactions conducted through its POS devices.

B) The Bank shall not be liable for:

- Losses resulting from system outages beyond its reasonable control.
- Telecommunications failures.
- Actions of third-party service providers.

C) The Merchant shall indemnify the Bank against any direct or indirect losses resulting from breach of this Agreement.

## (25Force Majeure

Neither party shall be liable for failure or delay in performance resulting from events beyond reasonable control, including but not limited to:

- Natural disasters.
- War or civil unrest.
- Governmental actions.
- Telecommunications or network disruptions.

Obligations shall resume once the force majeure event ceases.

#### (26Assignment)

The Merchant may not assign or transfer its rights or obligations under this Agreement without prior written consent of the Merchant Bank.

The Bank may assign this Agreement to another authorized financial institution or entity subject to regulatory approval.

#### (27Amendments)

The Merchant Bank may amend the terms of this Agreement from time to time, subject to written notification to the Merchant.

Continued use of POS services after notification shall constitute acceptance of the amendments.

#### (28Notices)

All notices shall be made in writing and delivered through approved communication channels, including:

- Registered mail
- Official email
- SMS notifications
- Official Bank communication platforms

Notices shall be deemed effective upon dispatch unless otherwise specified.

#### (29Term and Termination)

A) This Agreement shall remain valid until terminated by either party.

B) Either party may terminate the Agreement upon written notice in accordance with the agreed notice period.

C) The Bank may terminate the Agreement immediately in cases of:

- Fraud or suspected fraud.
- Material breach of Agreement.
- Repeated regulatory violations.
- Non-compliance with PCI or mada rules.

Upon termination:

- All POS devices must be returned immediately.
- Outstanding fees and liabilities remain payable.
- The Bank may debit the Merchant account for any pending obligations.

(30Governing Law

This Agreement shall be governed by and construed in accordance with the laws and regulations of the Kingdom of Saudi Arabia.

(31Dispute Resolution

Any dispute arising from or relating to this Agreement shall be subject to the jurisdiction of the competent courts within the Kingdom of Saudi Arabia, unless otherwise required by applicable regulations.

(32Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes any prior agreements, representations, or understandings relating to POS services.

(33Severability

If any provision of this Agreement is declared invalid or unenforceable, the remaining provisions shall remain in full force and effect.

(34Immediate Termination Triggers

The Bank may immediately terminate this Agreement without prior notice if the Merchant:

- Engages in fraudulent activity.
- Misuses POS devices.
- Fails to comply with security standards.
- Violates regulatory instructions.
- Uses POS transactions for unauthorized cash advances.

Immediate termination shall not affect accrued rights or liabilities.

## Fees Table

| Category                   | Details  | Maximum per Transaction |
|----------------------------|--|-------------------------|
| Mada                       | 0.8% of each transaction amount of 100 SAR or more | 160 SAR                 |
| Mada                       | 0% on each transaction less than 100 SAR           | -                       |
| International Debit Cards  | 2.50%  | -                       |
| International Credit Cards | 2.50%  | -                       |
| Mada Credit Cards          | 1.50%  | 80 SAR                  |
| Mada (Fixed Fee)           | 0.07 SAR per transaction                           | 0.07 SAR                |
| Annual Fee                 | 3 SAR annually                                     | 3 SAR                   |

### (C) Other Fees:

First: A monthly fee of 100 SAR will be deducted in the event that two transactions are not completed totaling 15,000 SAR or more per device during the month.

Second: When distributing devices free of charge, if the device is lost or damaged, 1,500 SAR will be deducted from the merchant's account as compensation for the device. If the device is returned in good condition, no amount will be deducted.

Third: In the event the merchant wishes to cancel the point-of-sale device after receiving it, the bank has the right to recover the device.

Fourth: Value Added Tax (VAT) of 15% will be applied to all fees related to the service and banking transactions, in accordance with the regulations issued by the Zakat, Tax and Customs Authority.

Fifth: If the merchant wishes to cancel the service only during the first year of contracting with the bank, an amount of 2,500 SAR will be deducted from the merchant's account for each device.

Sixth: If the merchant requests replacement of the current device (that is functioning properly and not due to malfunction) with a new device, the bank will deduct a replacement fee of 1,500 SAR from the merchant's account.