

# Business Account and Banking Service Agreement

This agreement governs the main business banking services provided by National Bank of Canada (the “Bank”). The agreement is divided into six parts as follows:

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The general terms and conditions of part A (to be read in conjunction with the applicable definitions in part F) govern the client-Bank relationship and, along with the confidentiality policy set out in part E, apply as soon as the client enrolls in the first service. The client will only be bound by the conditions provided **in the other parts** if they enroll in or use the service in question.

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## A. General Terms and Conditions

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### 1. Enrollment in a service

To benefit from a service set out in this agreement, the client must meet the Bank’s eligibility criteria, provide the necessary information and complete any document it requires. The Bank is not obligated to provide a service.

Each document and every service user guide provided to the client when they enroll in a service, as amended periodically, constitutes an appendix to this agreement and is an integral part thereof as soon as the service is implemented.

### 2. Use of the account and services (unusual or irregular use)

The client will use every account and service in accordance with the conditions applicable and for legal and lawful purposes. A service cannot be used in an unusual or irregular manner notably to perform a fraudulent, illicit or dishonest activity or one deemed unsatisfactory by the Bank, a defamatory activity or one that might jeopardize the security, integrity or efficiency of the services of the Bank or any person.

The client must meet all the legal and regulatory obligations to which they are subject.

### 3. Authority of representatives and delegation of authority

The client agrees that any representative duly designated by them when opening an account or enrolling in a service has the authority to represent them, within the limitations and under the conditions stipulated in the designation (in the Application or enrollment form), and the client authorizes the Bank to deal with the representative in using the account or service in question.

In using certain services provided by the Bank governed by the parts below, the client may designate individuals to carry out designated and specific transactions. According to the service and level of authorization defined in the Application, these persons may be designated as “Administrator,” “User Administrator,” or “Authorized User.” Unless otherwise indicated, the client agrees that a person designated as an “Authorized User” does not have the authority to represent them with the Bank and is only authorized to carry out the transactions specifically designated by the client and stipulated in the Application or enrolment form for the service in question.

### 4. Guidelines and security

When a client uses a service, they must refer to and comply with the security guidelines that the Bank gives them and that may change periodically. Security guidelines are communicated to the client in the form of notices, brochures

and guides available at branches via the Bank's website (under *ABCs of security*), the Bank's ABMs or in any other manner decided from time to time.

The Bank will not be held liable for any actions, fraudulent acts, omissions and transactions or irregular transactions carried out by any representative or authorized user in using the service or managing the account.

## 5. Deadlines

For certain payment services and foreign exchange transactions, the Bank may define a deadline after which the client's instructions will be considered to have been received the next Business Day. The client may obtain deadline information from the Bank. This information can also be communicated on the transactional webpage in question, user guide or any other appropriate manner.

## 6. Pricing of services

The client must pay the Bank fees for the management of all accounts and services rendered. Unless a pricing agreement is negotiated between the Bank and the client, fees are payable in accordance with the rates and conditions stipulated in the *Fee Guide – Banking Services for Businesses* or the documentation specific to the service concerned (including in the service application form).

The Bank periodically reviews the fee structure of its products and services. If the client receives a statement of account, a notice with respect to the new fee structure will be sent to them thirty (30) days prior to the effective date thereof. If the client does not receive any account statements, posters announcing the new fee structure displayed sixty (60) days in advance at the Bank's branches and automated banking machines may be consulted to advise the client of the new fee structure. The revised version of the Bank's "Fee Guide - Banking Services for Businesses", which includes the fee structure for the Bank's main products and services, will also be available in branches sixty (60) days in advance.

## 7. Review of statements

- a) The Bank may from time to time provide the client or their representative(s) with a statement for their account. The client agrees to review all debit and credit entries appearing on the statement. They agree to notify the Bank immediately should statements not be received on the date they are normally received. In addition, the client will notify the Bank in writing, within forty-five (45) days of the end of the period covered by the statement, of any errors or irregularities concerning the statement and the debit or credit entries appearing therein. Upon expiry of forty-five (45)-day period (except for any errors or irregularities of which the Bank was previously notified in writing), the balance shown on the statement will then be deemed conclusively to be correct and the client will be unable to exercise any remedies against the Bank with respect to the debit entries appearing on the statement or the credit entries which should have appeared therein, even if the Bank was at fault or negligent. However, the foregoing does not prevent the client from contesting a payment made on the basis of an irregular endorsement if the irregularity was discovered after the period of forty-five (45) days and if subsections b) and c) below do not present an obstacle in this regard.
- b) The client will implement controls and take the required measures to avoid losses resulting from fraudulent action, failings, negligence, errors or omissions by their representatives, employees or agents. The client may not hold the Bank liable for these losses even if they send the Bank written notice of such error or irregularity within the timeframe stipulated in subsection a) hereof. The Bank will not check the signatures appearing on Items issued by the client or take measures to prevent losses that might arise from fraudulent action, failings,

negligence, errors or omissions on the part of its representatives, employees or agents.

- c) Even if the client notifies the Bank in writing of an error or irregularity within the timeframe stipulated in subsection a) above, the Bank will at no time be liable for losses when the irregularity is caused by a forged or unauthorized signature, alterations to an Item or a counterfeit Item unless:
  - i) The signature, alteration or counterfeit Item was at no time made by a representative, employee or agent of the client, and
  - ii) The client could not have avoided the loss despite the controls and measures stipulated in subsection b) hereof
- d) If the Bank receives written notice of an error or an irregularity as stipulated in subsection a) above and if the Bank is liable notwithstanding subsections b) and c) above, under no circumstances may the Bank's liability exceed the debit amount, which should not have appeared on the statement or the credit amount, which should have appeared thereon, as applicable.
- e) The Bank will not remit to the client any Item it has already paid unless a specific agreement to that effect has been signed by the Bank and the client.

## 8. Electronic communications

Any instruction communicated electronically that appears to come from the client is considered to be duly authorized by the client and is binding, including those received via *Digital Banking Solutions*. The Bank is authorized to accept this communication as valid and act upon it.

The Bank reserves the right to require additional verification of the sender's identity before acting upon a Payment Instruction communicated electronically, which may result in additional delays.

The client acknowledges that the Bank offers no guarantee regarding the confidentiality of information transmitted electronically and accepts the underlying risks.

## 9. Client's address and information

Any statement of account, notice, Item or document intended for the client may be sent by mail to the client's last address known to the Bank or, as applicable, by email to the email address provided by the client. Any loss resulting from such a transmission will be borne by the client.

The Bank is authorized to act upon the information that it has regarding the client until such time it is notified of any change in this information.

## 10. Recording of communications and reproduction of documents

The client consents to their communications with the Bank being recorded, saved and potentially used as proof in the event of a dispute between the Bank and themselves, or in any legal or administrative proceedings in which the Bank may be involved.

The client acknowledges that any Item or other document reproduced may be used by the Bank or any participant in any interbank clearing system. In this case, the original paper version may be destroyed.

The client acknowledges that any reproduction of an Item or other document or of another medium replacing the original constitutes proof of its contents and is admissible evidence in any legal or administrative proceedings.

## 11. Several clients or accounts

If a product or service (including an account) is opened in the name of several persons or entities, the term "client" also means each person or entity and is then jointly and severally liable with the others for all obligations set out herein. Should

the client have several accounts, this Agreement applies to each of their accounts.

## 12. Representations and warranties

The client represents and warrants the following:

- a) They are duly organized, have the right to use their name and possess all permits, authorizations and approvals required to conduct their activities.
- b) All information concerning the client (including information about any Related Person) in the Application is accurate, complete and up-to-date.
- c) Their constituting documents, by-laws and resolutions are compliant, in effect and do not limit their power to enter into contract and, if appropriate, borrow from the Bank.
- d) All the measures required by law, the articles of incorporation, regulations and agreements governing the client have been taken (i) to authorize the undersigned to make the representations and give consent specified herein and (ii) to grant the representatives the powers described in subsections e), f) and g) above. In particular:
  - 1) If the client is a corporation, its board of directors has adopted all required resolutions and its shareholders or members have given the necessary consent or approval.
  - 2) If the client is a general partnership, an association or a trust, these powers have been granted in accordance with the agreement or article of incorporation.
- e) Each of the persons designated in subsection 4.1 of the Application is authorized to act alone (or jointly with another, if so specified) on behalf of the client to enter into agreements with the Bank and carry out transactions of any nature whatsoever, and bind the client to the Bank in all matters, including:
  - i) entering into agreements relating to banking and financial services, and
  - ii) purchasing from or selling or assigning to the Bank securities or other financial assets, but
  - iii) excluding transactions and activities set out in subsections e) and f) belowEach of these same persons is authorized to delegate to any other person, in full or in part, the powers set out in subsection herein).
- f) Each of the persons designated in subsection 4.2 of the Application is, in addition, authorized to act alone (or jointly with another, if so specified) on behalf of the client to give the Bank instructions on making payments or debits directly through the client's account, as well as issue, sign, accept or endorse cheques, notes, bills of exchange and payment orders.
- g) Each of the persons designated in subsection 4.3 of the Application is authorized to act alone (or jointly with another, if so specified) on behalf of the client to:
  - i) Enter into agreements relating to loans granted by the Bank to the client, present drawdowns or requests with respect to the loans granted, and borrow or otherwise obtain credit from the Bank.
  - ii) Grant securities to the Bank on the client's movable and immovable property, both corporeal and incorporeal, present and future, to guarantee the obligations of the client or any other person to the Bank, present and future, direct and indirect.

The client undertakes to ensure that these statements continue to be true and accurate as long as they hold an

account at the Bank or use a service provided by the Bank. The client, therefore, agrees to notify the Bank immediately of any change likely to affect the accuracy of one or the other of these statements.

## 13. Modifications and termination

The Bank reserves the right to change or withdraw at any time any service provided to the client, including receipt of deposits and acceptance of payment instructions.

The Bank may amend this agreement by way of a prior notice of thirty (30) days given to the client. The amendment will be considered as having been accepted by the client if they continue to use the account thereafter.

## 14. Limitation of liability

Subject to the following, the Bank assumes no liability for loss or damage, except in the event that the loss or damage is directly attributable to negligence or willful misconduct on the part of the Bank.

In addition, even in the event of negligence on the part of the Bank and regardless of the cause of the action, the Bank will not be liable for loss or damage resulting from the following:

- (i) Actions, negligence or omissions by any other person (including the client and any other correspondent financial institution), excluding representatives and employees of the Bank acting in accordance with the specific instructions from the Bank.
- (ii) Incorrect or incomplete data or information provided to the Bank or its representatives.
- (iii) Force majeure or any situation beyond the Bank's control, including system failures or a breakdown in communication systems

In no event can the Bank be held liable for indirect, special, exemplary or incidental damage or damage for loss of income.

## 15. No advice

With the exception of the guidelines that must be complied with, the information communicated and issued by the Bank is of a general nature and purely indicative. It is understood that the information, communications and explanations related to the terms and conditions of the products and services provided by the Bank will not be considered legal, financial, sales or investment advice or recommendations. The Bank gives no guarantees as to the expected results of its products and services. The client will rely on the recommendations of their own advisors (who have no connection with the Bank) for the purpose of enrolling in a Bank product or using one of its services.

## 16. Unassignability

The agreement and rights resulting from any account, as well as the use of any targeted service, cannot be assigned or pledged, in whole or in part, by the client without the Bank's prior written consent.

## 17. Governing law

This agreement will be governed and construed in accordance with the legislation in effect in the province or territory in which the client has their principal place of business. If the client's principal place of business is located outside Canada, the agreement will be governed by i) the laws of the province where the main account is open in the client's name or ii) if no account is open in the client's name, the laws in effect in Quebec.

Any dispute will be submitted to the jurisdiction of the courts of the above province or territory.

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## B. Bank Accounts

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The conditions set out in part B govern the handling of bank accounts. The client consents to having any account and banking transaction carried out via any account be subject to the following conditions:

### 1. Account deposits

#### 1.1 Hold funds

Any sum credited to the account following a Payment Instruction will be, unless otherwise agreed, paid "subject to final collection." Therefore, any sum credited to the client's account by way of the deposit of an Item or a funds transfer may be withheld by the Bank until expiry of a time period allowing for the payment of the Item or upon effective receipt by the Bank of the sum of the transfer. Whether or not sum is withheld, the client remains responsible for reimbursing i) any Item that is subsequently returned unpaid or ii) any transfer credited to an account for which the funds are not received by the Bank. If the sum is not withheld or the withholding period expires, the Item or the transfer is not necessarily final.

#### 1.2 Waiver

The client is liable for the payment of any Item remitted to the Bank that they signed, accepted or endorsed, even if the Bank does not present this Item for acceptance or payment to the issuer. Consequently, the client will not contest any Item that they have signed, accepted or endorsed, and acknowledges that the Bank will not be obligated to notify them if the Item is not paid.

### 2 Account withdrawals

#### 2.1 Debit authorization

The client authorizes the Bank to debit the account:

- a) Any Payment Instruction issued, signed or accepted by the client.
- b) The amount of any Item or funds transfer previously paid to the client (by crediting an account or otherwise) for which the Bank has not received the payment or for which the payment has been cancelled or must be reimbursed by the Bank (pursuant to the rules of Payments Canada or otherwise).
- c) The amount of any Item previously paid to the client (by crediting an account or otherwise) that was stolen or is missing, except if the loss is a result of gross negligence on the part of the Bank.
- d) Any amount previously paid to the client by mistake (by crediting an account or otherwise).
- e) Any amount due to the Bank by the client, for whatever reason, even if this amount is not in the currency of the account concerned.

#### 2.2 Form of payment orders

Any Payment Instruction from an account must be given on an account intended for this purpose and, subject to section 4 below, in the currency of the account. Payment orders must be in a form authorized by the Bank. The Bank may refuse to pay an Item if such the Item has been drawn up on a form not approved by the Bank or if the form has been altered or does not comply with applicable standards, including those of Payments Canada.

#### 2.3 Recourse for unpaid items

The Bank may exercise, without being bound to do so, any remedy with respect to an Item debited to an account hereunder. The Item may therefore be withheld or held by the Bank as security for the payment of any sum owed by the client to the Bank.

### 2.4 Legislation and regulations applicable to payments

The client is responsible for complying with the applicable legal and regulatory provisions. The client represents and warrants to the Bank that the Items they issue do not, directly or indirectly, violate the laws and regulations (particularly sanctions) in effect in Canada or any other jurisdiction concerned. The Bank may suspend or refuse to process any Item, without any liability, if it has grounds to doubt the legality or compliance of the payment.

The client acknowledges that domestic or foreign regulations (including regulations on currency exchange control in effect in certain countries), the rules established by financial institutions or other events beyond the control of the Bank may result in delays, interruptions or a failure to execute the payment order. Specifically, the client acknowledges that processing Items from or payable in a sanctioned country may result in longer processing times. The Bank is not responsible for these delays or instances of non-payment.

### 3 Foreign currency accounts

The foreign currency account is governed by all laws and regulations applicable to the relevant currency and regulatory restrictions may limit conversions and transfers. The foreign currency account is also subject to the conditions governing corresponding assets held by the Bank with its foreign correspondent. These assets may, for example, bear negative interest in which case, the Bank may, further to a written notice to the client indicating the applicable rate and conditions, apply the interest charge to the amounts deposited in the account. The client acknowledges that any transfers to or from the account may be carried out via a foreign financial institution or clearing system, and that the transaction will be governed by the legislation and regulations applicable to that foreign financial institution or clearing system.

Foreign coins are not accepted for deposit to a foreign currency account and foreign cash is offered subject to availability. The currency of certain countries may present a higher monetary risk and the Bank assumes no liability for i) any increase or decrease in the value of the foreign currency account due to exchange rate fluctuations; ii) the unavailability of funds due to legal restrictions on the currency of the account; and iii) any withdrawal from the account required by competent regulatory authorities.

The foreign currency account in currencies other than the US dollar does not permit deposits or withdrawals in cash or the issuance of cheques. Depending on the currency of the account, other conditions and restrictions may apply to the management of the account.

Sums credited to a foreign currency account are not insured pursuant to the Canada Deposit Insurance Corporation Act.

### 4. Currency conversion

The Bank may, at its discretion, agree to process a Payment Instruction in a currency other than that of the account.

Unless the client benefits from a rate negotiated for the transaction concerned, if the amount to be debited from an account is in a currency other than the currency of the account, the Bank is authorized to convert this amount into the currency of the account at the spot rate set by the Bank in accordance with its usual practices for such a conversion on the date of the debit.

### 5. Overdraft

Unless otherwise agreed, overdraft authorization is not granted for the account. The client must reimburse the Bank for any amount overdrawn in their account with interest at the annual rate in effect at the Bank for overdraft. Interest may be debited from the account monthly.



## 6. Interest on credit balance

A credit balance in the account will bear no interest unless it is in accordance with the terms and conditions and at the interest rate that the Bank may agree to in writing.

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## C. Automated Services and Electronic Banking Solutions

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### 1. General conditions

The conditions set out in part C govern the use of the Bank's services accessible with a Card, via telephone or online banking services. By linking an account to a Card, by enrolling in the Telephone Banking Solutions or Digital Banking Solutions for Businesses, the client agrees to the following:

#### 1.1 Guidelines

When the client uses the service, they must consult and follow the guidelines given to them by the Bank and which are periodically amended. These guidelines are communicated to the client in the form of notices, brochures and guides available at branches, on the Bank's website, [www.nbc.ca](http://www.nbc.ca), at ABMs or in any other manner decided from time to time. If applicable, the client must read the Bank's guidelines with respect to security set out in the ABCs of Security section of its website, [www.nbc.ca](http://www.nbc.ca).

The client will follow and take all necessary measures to ensure that the Administrator and Authorized User read and follow these guidelines. The client agrees not to use the service in an illegal, fraudulent or illicit manner that might jeopardize the security, integrity or efficiency of the service. The Bank takes all reasonable measures at its disposal to ensure the confidentiality of all electronic exchanges of data and the security of the transactions carried out using the service. If the client chooses to send the Bank information or instructions by other means, notably by email on a public network, the Bank offers no guarantee as to the confidentiality of these exchanges and the client therefore releases the Bank from any and all liability in that respect.

#### 1.2 Consent

Every transaction carried out using: (i) the Card concurrently with the handwritten signature or Password at a Point-of-Service Device or (ii) the Card at a Point-of-Service Device without PIN or (iii) the Access Card Number or User Code concurrently with the Password when using an Electronic Access Device will have the same legal effect as if it had been performed in accordance with written instructions on paper signed by the Administrator or Authorized User on the client's behalf, even in the absence of confirmation from the Bank. The client is, therefore, deemed to have consented to this transaction and acknowledges that the posting of this transaction on their statement of account constitutes irrefutable proof that a service or goods were delivered, subject to the client's right to contest this transaction by the prescribed deadline.

#### 1.3 Account transactions

Transactions carried out using the service will be credited to or debited from the client's account in accordance with the instructions of the Administrator and Authorized User. The transaction record produced when the service is used will confirm their written instructions. The confirmation number produced and transmitted when a transaction is carried out via an Electronic Access Device will constitute proof that the transaction has been successfully completed. The client authorizes the Bank to make any corrections to the account in the event of inaccuracies or errors while using the service.

The client recognizes that there may be a delay between the time a transaction is carried out and the time it is posted to

the account. All transactions carried out using the service are final, irrevocable and consequently, may not be modified or cancelled. The client, therefore, acknowledges that no counter-orders may be made other than those the Bank may accept at its sole discretion upon request from the client.

If applicable, the client agrees to comply with the terms and conditions put in place by a supplier or a third party with whom the Bank has made arrangements for the service. If the client fails to comply with these terms and conditions, the Bank will not be bound to follow the client's instructions regarding a transaction they would like to carry out. These terms and conditions will be sent to the client in a timely manner and the client agrees to read them before carrying out any transactions.

#### 1.4 Protection of passwords and user codes

**The client must keep their Password and User Code secret and confidential at all times. The client must take all the necessary measures, including making sure that the Administrator and Authorized User read and comply with the Bank's guidelines.**

The client is liable for any losses incurred with respect to the use of the service and for any access gained to the information in their account if the client, Administrator or Authorizer User(s) are negligent, in particular, by disclosing the Password or User Code, by inadequately protecting them, or by using a Password based on the personal information of the Administrator or Authorized User such as their name, phone number, address, date of birth, or social insurance number. The client must notify the Bank immediately if the Password or User Code is revealed or if they suspect that another person knows them. The Bank will provide the client with a first Password to access the service, which the client will have to change when they first use it.

#### 1.5 Protection, loss and theft of card

The Card remains the property of the Bank and cannot be transferred to a third party. It must be given to the Bank on demand, notably if the client fails to comply with one of the conditions in this agreement. The client acknowledges that the Card is issued for the benefit of their company and is not to be used for the benefit of another person or on their behalf. The Bank may refuse any transaction for any reason whatsoever to protect the respective interests of the client and the Bank. The Bank may issue, renew, replace or revoke the Card if it deems appropriate. The client must report the loss or theft of the Card to the Bank. Unless the client does so promptly, they recognize that they may incur losses in their account.

#### 1.6 Mastercard credit card

If the card that the client uses is a Mastercard credit card issued by the Bank, the client and the Bank's respective responsibilities concerning direct and indirect cash advances or purchases of goods and services are set out in the agreement governing the issue and use of this card. However, the transactions that the Bank allows the client to carry out with the Mastercard credit card are governed by this agreement.

#### 1.7 Validation of account transactions

At the client's request and depending on the circumstances, the Bank may require that a merchant produce a receipt, bill or any other document confirming to the Bank's satisfaction that the service or goods were in fact delivered. The client's written request to this effect must be received within 45 days of the date of the statement on which the transaction in question appears.

#### 1.8 Foreign currency transactions carried out with the card

If the client carries out a transaction in a foreign currency with its Card, this transaction will be converted into Canadian dollars at an exchange rate that corresponds to the exchange rate of the Payment Card Network in effect when this transaction was posted to the account, to which a percentage

of 2.5% is added. If the client uses the Cirrus™ or Maestro™ network and this transaction is carried out in a foreign currency other than the US dollar, it will first be converted into US dollars by this network at its exchange rate. This amount will then be converted into Canadian dollars at this network's exchange rate in effect when this transaction was posted to the account, to which a percentage of 2.5% is added.

### **1.9 Withdrawal limits and hold funds orders**

The Bank sets limits for the use of the Card or electronic services. Some limits are daily, weekly or set based on the type of transaction. The maximum cash withdrawal amount and the purchase or transfer limit on the account using the Card for a given day will be determined in accordance with these limits. The Bank will inform the client about these limits at the appropriate time, particularly when they apply for a Card. Whenever possible, the Bank will allow the client to choose the limits that best meet their needs in accordance with the criteria defined by the Bank.

### **1.10 Liability**

#### **1.10.1 The client is responsible for:**

- a) Transactions carried out with their Card, Password or User Code before they the Bank of any loss, theft or unauthorized use.
- b) Transactions carried out with a Point-of-Service Device, a Point-of-Service Device without PIN, and an Electronic Access Device before the client has informed the Bank of the loss, theft or unauthorized use of their Card, Password, Access Card Number and User Code.
- c) Errors the client makes when using a Point-of-Service Device, a Point-of-Service Device without PIN or an Electronic Access Device under their control.
- d) Fraudulent or valueless deposits made with their Card and Password at a Point-of-Service Device.
- e) Losses affecting their account or access gained to their information or a loss of data if the client uses the service in an inappropriate manner or contrary to the Bank's guidelines, in particular, those concerning the protection of their Password, and User Code.
- f) Losses affecting their account if an unauthorized person succeeds in penetrating the security systems protecting the Electronic Access Device under their control or if these systems are inadequate.
- g) Losses affecting their account resulting from a communication problem or their enrollment in other Internet services or any network that places an Electronic Access Device under their control in contact with other devices. Consequently, the client accepts the risks inherent in the communication and transmission of information via these networks.
- h) Checking entries to their account on a monthly basis and notifying the Bank by the prescribed deadline of any error or irregularity relating to these entries.
- i) Complying with the obligations under this agreement and the guidelines that the Bank may periodically give concerning the service.
- j) Participating in fraudulent, criminal or dishonest activities with regard to the use of the service.
- k) Accessing the service with an Electronic Access Device which the client should reasonably know contains an application that may reveal to anyone the client's Password and User Code, or compromise them in any way.

However, the client is not responsible for the transactions mentioned in subsections a) and b) if (i) the client can prove that they adequately protected at all times their Password and User Code, as well as any Electronic Access Device under their control, and that (ii) their Password and User Code were obtained by fraud, theft, coercion, force or intimidation, ruse or trickery provided the client promptly notify the Bank of

such incident, file a complaint with police authorities and cooperate fully with any investigation into the circumstances surrounding their unauthorized use, as well as that of any Electronic Access Device under their control.

#### **1.10.2 The Bank is responsible for:**

- a) Losses affecting the account if the Card, Access Card Number and User Code is expired or has been cancelled.
- b) Losses affecting the account further to cancellation of the service.

In the event of a breakdown of any device controlled by the Bank or an interruption in the service, the Bank is responsible for taking all reasonable business measures to restore them to proper working order as quickly as possible.

However, the Bank is not responsible for indirect, punitive or exemplary damages suffered by the client regardless of the cause, in whole or in part (in particular, service interruptions, losses of data, information and income, or any other loss of an economic nature), even if the Bank were notified of the possibility of these damages.

#### **1.11 Verification of account entries**

The client must check the entries to their accounts further to any transaction as part of the service and notify the Bank of any irregularity or error under the same conditions as those stipulated in the agreement that governs use of the service. The client acknowledges that the Administrator and Authorized User may have access to the accounts through the service and that regular verification of all entries in the accounts is required for the client to protect itself against improper use of the service and to ensure sound management of the accounts. The client must also implement security and control measures for this purpose, and release the Bank from any and all liability for losses resulting from the client's negligence to do so.

#### **1.12 Collection, use and disclosure of personal information**

The client agrees to have the Bank collect, use and communicate for the purposes described below, personal information about themselves or any representative designated under the service. This information is necessary to identify the client and enable the representative to access the services, and may be communicated for the same purposes to any person who works for or with the Bank. Said information consists of the name, address, telephone and fax numbers, email address, financial information, and any other useful information such as information or numbers relating to bills or the numbers of the accounts held with participating merchants. Any representative designated under the service permits the Bank to use its social insurance number to facilitate their identification.

The client and their representatives expressly consent to have the Bank use their personal information for the purposes indicated above. However, a representative may, at any time, withdraw their consent to use their social insurance number by giving reasonable notice and the service will not consequently be refused or withdrawn.

When the client accesses documents via the services, the client and their representatives expressly agree that the Bank, any firm that processes documents and participating merchants who have chosen to present documents via the services may gather and exchange among themselves the personal information of the clients and their representatives.

#### **1.13 Media and proof**

The recording of transactions that the Bank keeps on electronic or other media constitutes proof, in the same manner as written proof, and is final and binding for the client. The client agrees that a document reproducing data recorded on an electronic medium will constitute admissible evidence in any legal proceeding and will have precedence over any data the client will have stored regarding such transactions. When the service provides access to a

document, the client chooses to receive it only in electronic format and no other. The client recognizes that the document in electronic format thus received will have the same legal weight as documents received on paper. The client undertakes to follow the Bank's instructions concerning document presentation via the service.

#### **1.14 Limitation of liability**

The Bank's liability is limited to taking the necessary measures to ensure that the services comply with the security standards normally used in the financial services and banking industry. In the event of an interruption in a service following a breakdown in the Bank's systems or those of a third party with whom the Bank has signed an agreement under the service, the Bank's liability will be limited to taking all reasonable measures to ensure the service is restored as quickly as possible. The Bank will not be held liable for any losses the client may incur, in any manner whatsoever, in connection with the use of the services, except in the case of gross negligence on the Bank's part.

The client acknowledges that transactions may be refused in accordance with compliance regulations adopted by the Bank in applying anti-money laundering and terrorist financing measures. The Bank is not responsible for any losses which the client may incur following a failure of communication methods and networks or functionalities of a supplier or third party with whom the client does business. The Bank accepts all the risks inherent to the communication and transmission of information on such networks. The Bank is not responsible for any actions, omissions, fraud or irregular transactions carried out through the use of the service by any third parties who breach the client's access or security systems.

The Bank does not make any express or implied warranties with respect to the service, the Internet, browsers or an Electronic Access Device under the client's control, notably warranties as to merchantability and fitness for a particular purpose. The Bank is not liable for the deeds, actions, acts or omissions by any network connector or for any problems with the software the client uses.

The Bank will not be held liable for any damages suffered by the client, the Administrator or the Authorized User in the event of an accident, act of aggression or theft when using the services while on the premises where they are made available in the event this agreement is cancelled or in the event the Bank withdraws all or part of the services for a reasonable motive.

#### **1.15 Settlement of disputes**

The client must inform the Bank in the event of any disagreement concerning a transaction carried out using the Services by contacting one of its representatives directly. If the problem cannot be settled by the representative, the Bank will conduct an investigation as quickly as possible. Any decision about a reimbursement for a transaction will depend on the results of the investigation. The client agrees to cooperate with the Bank and upon request provide it with a statement or affidavit, information, paper or computer files, or any other document required as part of this investigation. The Bank will communicate to the client the outcome of its investigation and the reasons, if applicable, for the failure to resolve the dispute to the client's satisfaction.

If the client is not satisfied with the outcome of the investigation conducted by the Bank, one of their representatives will refer the client to the person to be contacted as a last resort. The client may access the Bank's complaint settlement policy directly on its website.

Any request, question, complaint or problem related to a document or the goods and services obtained from a merchant, supplier or third party with whom the client does business must be resolved between client and the parties. The Bank will not be liable for any failure by such participating merchant, supplier or third party to credit any amount

whatsoever to the client's account or for the application by this participating merchant, supplier or third party of additional charges, in particular late charges or a penalty.

#### **1.16 Modifications and termination**

The Bank may amend the conditions relating to this agreement by sending the client a written notice at least 30 days in advance or by way of a written notice posted at ABMs, the website ([www.nbc.ca](http://www.nbc.ca)) or by interactive voice response. A copy of the amended agreement will be available on the Bank's website. The Bank may also amend at its entire discretion the nature of the service by informing the client in the most appropriate manner under the circumstances. The client's first use of the services following such amendment will be deemed as confirmation of their acceptance thereof.

After giving reasonable notice, the Bank may terminate this agreement at any time by issuing a notice and may withdraw in full or in part the services. However, the Bank reserves the right to immediately terminate a service if it detects activities that are not in accordance with applicable conditions. The client may terminate a service at any time by simply giving notice.

## **2. Service options**

The following particular terms and conditions apply to the different options in which the client may enroll as part of the service (certain transactions specifically require enrollment in Digital Banking Solutions for Businesses).

### **2.1 Deposits to ABMs**

The Bank's books and records concerning the contents deposited into ABMs are binding for the client. The contents deposited are subject to verification and acceptance by the Bank. All transactions made Monday through Friday before 9 p.m. are processed the same day. Transactions after the cut-off time or on Saturdays, Sundays and non-business days are processed the next banking day.

### **2.2 Around-the-clock depository service and combo deposits**

To make deposits using the Night Depository, the client must use the wallets provided for this purpose and credit their account for the amount of the deposits using the ABM near the Night Depository. To that end, the client authorizes the Bank to withdraw and process the contents of the wallet deposited in the Night Depository vault as of the moment the deposit is made. The Bank will not process the deposit made in an envelope or container other than the wallet intended for this purpose. As applicable, the content will be remitted to the client in the following business days. The client agrees to return the access key of the Night Depository's exterior door of their business branch upon request. If the key is lost, the client undertakes to reimburse the Bank for expenses incurred to replace said key. As well, the client must purchase the wallets from the Bank. The Bank is not bound to take back a wallet that the client is not using. The contents of the wallet will be processed by two authorized Bank employees and their affidavit will constitute conclusive evidence of the wallet's contents. The Bank remains the owner of the contents of the wallet until such time as the contents are verified by its authorized employees.

### **2.3 Wire transfers**

If the client does not subscribe to the foreign currency conversion option or if they deal with the Bank's Treasury department, the Bank's exchange rate in effect at the time of the transaction will apply for all wire transfers (fund transfers requiring the Bank to send instructions by telex or the SWIFT network) in amounts less than \$50,000 USD.

The client acknowledges that wire transfers are carried out solely on the basis of the payee's account number, the payee's bank and any intermediary bank, even if the account number identifies an individual or bank other than the payee's name, the payee's bank or an intermediary bank, as

applicable. The Bank will not be held liable in the event of an error in a SWIFT code entered.

## 2.4 Salary deposits

Salary deposit lists must be signed no later than 11:59 p.m. (Eastern time) two Business Days prior to the scheduled salary deposit date. If the client does not comply with this cut-off time or the salary deposit list is signed on a weekend or holiday, the salary deposits will be carried out the business day following the original deposit date. Salary deposits can be postdated up to 13 months in advance. The client has until the cut-off time two Business Days prior to the scheduled deposit date to make changes.

## 2.5 Inter-account transfers

For any transfer involving a currency conversion, the Bank's exchange rate in effect at the time of the transaction will apply for all amounts less than \$50,000 USD, unless the client subscribes to the foreign currency conversion option or deals with the Treasury department.

## 2.6 Foreign exchange transactions

Any account transaction involving a foreign exchange transaction will be refused if it exceeds the authorized foreign exchange limit. Further to the Bank's authorization, the following foreign exchange transactions may be carried out via the service: a) forward foreign exchange transaction, in which the client agrees to buy or sell currency, as applicable, at a future date for a pre-determined price; b) A spot foreign exchange transaction in which the client agrees to buy or sell currency, as applicable, at the market rate in effect on the transaction date. Foreign exchange transactions are subject to any agreement governing foreign exchange transactions under which the Bank and the client are bound, namely, the master agreements of the International Swaps and Derivatives Association (ISDA).

The Bank is authorized to debit one of the accounts for the losses it incurs further to the cancellation of a foreign exchange transaction initiated by the client, but for which the instructions are not communicated prior to the applicable deadline.

## 3. Digital Deposits Service

By using the Digital Deposits Service ("Digital Deposits"), the client agrees to comply with the conditions herein, the Bank's guidelines and the standards of Payments Canada with regard to cheque imaging available at [www.payments.ca](http://www.payments.ca).

### 3.1 Capture and transmission of the image

By carrying out a digital deposit, the client accepts a mandate to create an image in the Bank's name. The client must themselves carry out this mandate or entrust it to one of their employees equipped to use digital deposits. The Bank exchanges this image with another participating financial institution and if necessary, creates a clearing replacement document ("CRD") based on this image.

### 3.2 Scanner and software

The client must obtain and maintain at their expense a scanner compatible with the software from NCR Canada Ltd. for digital deposits for which the licence is attached to the enrollment form for the Service. The scanner and NCR Canada Ltd. software are subject to the terms and conditions of the supplier. The Bank does not charge a fee to use the software.

### 3.3 Eligible items

The service can only be used to deposit cheques, certified cheques (non-perforated), money orders, bank drafts and travellers' cheques (except those issued by Thomas Cook). However, the client will not be able to deposit, as part of the service, any Item ("ineligible item"), that is:

- a. Issued by a financial institution located outside Canada [or the United States – not yet in effect]
- b. A cheque that has been postdated or the date of which is six months prior to the date of deposit

- c. Stamped "non-negotiable," "refused item" or other reasons preventing negotiation
- d. Returned marked "insufficient funds" or for any other reason
- e. A coupon or paper-based remittance
- f. A savings bond, bond, debenture or coupon in accordance with Payments Canada Rule H5
- g. A Government of Canada Treasury bill, Old Style Canada savings bonds and coupons, Government of Canada marketable bonds and compound interest "Blocks," as specified in paragraph 16(a) (iii) of Payments Canada Rule G3
- h. A returned item carrier envelope

Transmitting the image of any eligible item may result in the immediate termination of the client's access to the service.

### 3.4 Specifications

Deposited Items must be duly completed. The image transmitted must be legible and meet these requirements:

- a. Include the name of the Payor and the Payor's financial institution, the Payor's signature and the magnetic encoding line (MICR)
- b. Show both sides of the Item

The quality of the image must meet the Bank's requirements, as well as those established by the rules of Payments Canada or any other regulatory authority or association. A digital deposit may be rejected if it does not meet these requirements.

### 3.5 Receipt of the image

The Bank checks the image upon receipt. The acknowledgement of receipt of the image does not necessarily mean that it meets the Bank's standards or that it is free from errors, and the Bank may accept it or reject it at its sole discretion. In the case of a rejection, the client must negotiate the original Item using other means that the Bank has made available to it. The fact that the Bank may immediately reject an image in no way diminishes the client's liability.

### 3.6 Return

An Item may be returned by the Payor's financial institution for various reasons, including if it deems that the image cannot be processed, is illegible, is unacceptable or does not meet its requirements. The Bank will then return the CRD or the image refused for payment in accordance with Payments Canada rules. The Bank may debit the account even if an Item is not accepted or has been refused for payment if the usual clearing timeframe has passed, and even if doing so results in the account becoming overdrawn. The client is responsible for any overdraft charges.

### 3.7 Retention and destruction

The client must securely retain all Items deposited for 15 days after the Date of Deposit and then destroy them. During this 15-day period, the client must check that the deposit amount has been credited to their account and reconcile account entries.

The client must secure all deposited Items in a place that can only be accessed by their employees and ensure reasonable measures are in place for the security, storage and destruction of deposited Items. In particular, these measures must prevent: (i) original Items being presented again for payment; (ii) the theft or reproduction of original Items; (iii) access to information of original Items. Once destroyed, the original Item must no longer be accessible or legible and must not be able to be reconstructed.

Upon request, the client must provide the Bank with the original paper copy of the deposited Item and as needed, the client will be responsible for any and all costs associated with obtaining a replacement for lost or destroyed Items, if



applicable. As a default measure, the Bank may debit the client's account even if this results in the account being overdrawn.

### 3.8 Maximum number and amount

The Bank has set limits for the amount and the number of Items the client may deposit. These limits may be modified at any time and a digital deposit may be refused if it does not comply with these limits. Acceptance of a digital deposit in excess of these limits should not be construed as an agreement on the Bank's part to change the limits.

### 3.9 Availability of funds

The client's account will be credited immediately on the day the digital deposit image is received. However, a hold funds may apply to the funds deposited in the account. Conditions concerning access to funds are set out in the Bank's *Access to Funds Policy* and apply to digital deposits.

### 3.10 Representations

The client attests to the following for each digital deposit:

- a. Each image transmitted is a faithful and accurate reproduction of the front and back of an original paper-based Item that is eligible, has not been altered, and whose Payor has not indicated their intention to object to its payment.
- b. All original Items are drawn on a financial institution located in Canada [or the United States – not yet in effect]
- c. The amount, payee, signature and endorsement, date and MICR line appearing on the original Item are legible, genuine and accurate.
- d. There are no other images of the original Item in circulation.
- e. The original Item has not been previously deposited or cashed, nor will it be negotiated again.
- f. Each original Item has been duly authorized by the Payor.
- g. All information about the client in the Application for the service is accurate.
- h. The client has not neglected to communicate important information.
- i. The client will store the original Item after a digital deposit for at least 15 days and no more than 120 days.
- j. The client will take appropriate security measures in order to prevent images from being reproduced by any other person.
- k. The client will not use the Digital Deposits service for any illegal, unlawful or improper purpose. The client will comply with all applicable rules, laws and regulations.
- l. The client will comply with all applicable rules, laws and regulations.

In addition, for each deposit of an Item payable to a financial institution located in the United States, the client agrees to be bound by the presentment and transfer warranties set out in Articles 3 and 4 of the Uniform Commercial Code.

### 3.11 Unavailability

The Digital Deposits service may be unavailable during system maintenance or due to technical difficulties. If digital deposits are interrupted or not available for a certain period of time, the client can deposit Items using the other methods made available by the Bank.

### 3.12 Cooperation during an investigation

The Bank may conduct investigations when a digital deposit is not compliant, shows evidence of an irregular transaction, if the image transmitted is defective or to resolve a complaint about the service. During an investigation, the client must cooperate in good faith and provide, as applicable (without any additional cost for the Bank), the original Item deposited or a high-quality copy as applicable, as well as any relevant information.

### 3.13 Limitation of liability

The Bank is not responsible for any damages or costs incurred by the client due to:

- a. The poor quality of an image
- b. Any image that is corrupted or only partially received when transmitted
- c. Any rejected Item or image
- d. Any delay in crediting the account
- e. Any inaccurate information concerning an Item
- f. Any Item that the Bank does not receive
- g. Any hardware or software required to use digital deposits that is provided by third-party suppliers
- h. Any action taken by the client's employees
- i. The client's failure to maintain adequate security measures for their hardware and software
- j. The client's failure to implement and maintain adequate security measures for storing and destroying Items

The client must notify the Bank immediately if they are aware of any irregular use of the digital deposit. The client must ensure that only their employees have access to their business' financial and banking information.

### 3.14 Indemnification

The client undertakes to indemnify the Bank for any and all losses, costs, claims and damages incurred as a result of:

- a. A failure by the client or any of their employees
- b. Gross negligence or willful misconduct by the client or their employees
- c. Any transmission or instruction, authorized or not, from the client and processed in good faith by the Bank

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## D. Specialized Payment and Cash Management Services

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Part D sets out the conditions applicable to various payment and cash management services provided by the Bank. By enrolling in any of these services, the client agrees to be bound by the conditions applicable to the service concerned described in this part.

### 1. Corporate file transfer

#### 1.1 Conditions applicable to all services

The conditions of subsection 1.1 apply to the payment services and statements accessible through the Bank's Corporate File Transfer (CFT) platform.

To benefit from the service, the client must comply with the terms and conditions of this agreement, complete all documents required by the Bank and comply with the user guide given to the client when enrolling in the service and the guidelines communicated to them as notices or messages or by any other means the Bank may use from time to time, in particular through its website [www.nbc.ca](http://www.nbc.ca). Each of these documents constitutes an appendix to this agreement and becomes an integral part of this agreement when the service is implemented. The Bank's records are proof that the service is provided to the client.

#### 1.1.1 CFT Administrator, CFT User Administrator, CFT Approver and CFT User

The client agrees that the CFT Administrator and the CFT User Administrator are authorized to represent them and authorizes the Bank to deal with them for the authentication or use of the service.

The client may change the person designated as the CFT Administrator or CFT User Administrator provided they follow the Bank's instructions on how to do so. The client agrees that the CFT Approver and the CFT User are not authorized to represent them at the Bank and that they are only authorized

to carry out transactions specifically determined by the CFT Administrator or CFT User Administrator.

**The Bank will not be held liable for actions, fraudulent acts, omissions or irregular transactions carried out by a CFT Administrator, CFT User Administrator, CFT Approver or CFT User through the service. The client must adopt security and control measures within their company and notify the Bank as soon as they suspect there has been a breach in confidentiality or unauthorized use of a Password and User Code or that an action or failure on the part of a CFT Administrator, CFT User Administrator, CFT Approver or CFT User is likely to cause damage or loss when using a service.**

#### **1.1.2 Electronic communications**

Any communication or instructions sent electronically by the client to the Bank is deemed to have been carried out and duly authorized by the client and, therefore, binds them. "Electronic" communications means any form of communication that the Bank authorizes from time to time, in particular online, by email, fax or any other electronic means.

The Bank is authorized to accept such communication as valid and act upon it. For example, the client may communicate an instruction electronically to the Bank in order to carry out a transaction authorized by the Bank. The client acknowledges that a transaction recorded on their account statement is conclusive proof subject to their right to contest the transaction within the prescribed timeframe.

#### **1.1.3 User guides and security instructions**

The client must consult the service user guide and comply with the Bank's security guidelines indicated on the Bank's website. The user guide is available from a Bank representative and may be periodically modified by the Bank through a notice given to the client within a reasonable timeframe.

#### **1.1.4 Monitoring use of the service**

The Bank may monitor and examine without notice the way in which the client uses the service and take the measures it deems necessary to prevent illegal or irregular use of the service, in particular limiting, suspending, refusing or revoking access or refusing to honour a transaction.

The Bank may notify any regulatory authority of and provide such authority with any information relating to the monitoring of the service and assume no responsibility with respect to the client.

#### **1.1.5 Modifications to systems**

The Bank may modify at any time its systems, including any software used as part of the service by giving 90 days' notice. However, if such modifications are imposed by a governmental or regulatory authority, the client acknowledges that this notice period may be shorter if so required by the authority.

#### **1.1.6 Document format, transfer to another format and proof**

The client consents to (i) their communications with the Bank being recorded, saved and used as proof in the event of a dispute between them or in any legal or administrative proceedings in which the Bank may be involved, and (ii) the recording of the client's transactions carried out by the Bank and saved on a technological or other medium constituting proof, in the same way as written proof on paper, and this recording being final and binding on the client.

The client acknowledges that any Items, cheques or other documents may be transferred onto a technological or other medium that may be used by the Bank or any participants in any interbank clearing system. In such a case, the original version of the document may be destroyed by the Bank without being returned to the client. The client acknowledges that (i) any transferred Items, cheques or other documents have the same legal value as the original version; (ii) an Item,

cheque or other document reproduced or transferred to another medium constitutes proof of its contents and is eligible to be used as proof in any legal or administrative proceedings; and (iii) they may choose to receive a notice, document or other piece of information on a technological medium if so allowed by a service provided by the Bank and on no other medium.

#### **1.1.7 No warranties**

Subject to the provisions subsection 1.1, the Bank makes no declarations and offers no warranties whatsoever with respect to the quality, performance, non-occurrence of counterfeiting, merchantability or intended use of the service for a particular means, in particular regarding communication networks, file quality, the actions of any intermediaries, software, any Electronic Access Device controlled by the client or immunity in the event of a cyberattack or other harmful act targeting the Bank's systems and websites. The Bank does not guarantee that the service will be free of errors or will not be interrupted. The client acknowledges that the Bank offers no warranties with respect to the confidentiality of communications or instructions made electronically and accepts the inherent risks.

In addition, as part of the **intercurrency multipayment service**, the Bank does not guarantee the comprehensiveness of the information or restrictions applicable to payments made to certain countries using certain currencies.

#### **1.1.8 Indemnification**

The client agrees to indemnify the Bank and hold it harmless from and against any and all damages, losses, costs, fees and expenses suffered or incurred by the Bank and from and against any claims or lawsuits brought against them by reason of (i) the client's failure to comply with their obligations as set out in the terms of the Agreement; (ii) the Bank's acting upon erroneous, inaccurate, incomplete, fraudulent or unauthorized instructions from the client; or (iii) damage or injury suffered or incurred by third parties, including, but not limited to, a processing financial institution, resulting from the provision by the Bank of the service at the client's request.

#### **1.1.9 Dispute settlement**

The client may notify the Bank of a dispute concerning a transaction or task carried out using the service by contacting one of the Bank's representatives. If the representative cannot resolve the problem, the Bank will conduct an investigation. The client agrees to cooperate with the Bank and provide it with all information and documents, regardless of the medium used, that the Bank may request in the course of the investigation. The outcome of the investigation and the reasons, if applicable, for the failure to resolve the dispute to the client's satisfaction will be forwarded to them. The client and the supplier or third party must resolve any questions, complaints or problems related to the goods and services obtained from a supplier or third party with whom the client does business.

#### **1.1.10 Confidentiality and security**

The client and the Bank agree to keep confidential all data and information communicated to them by the other party or to which they may have access in connection with their function with respect to the other party under the Agreement and to protect such data and information in the same manner as they would protect the data and information related to their own business.

The client and the Bank must take all commercially reasonable measures to protect the security of electronic transmissions and prevent unauthorized access to their systems.

#### **1.1.11 Duration**

The agreement for the service concerned will be effective for an indeterminate period of time commencing on the

enrollment date and can be terminated in accordance with the provisions in paragraph 1.1.12 (Termination).

#### 1.1.12 Termination

The Bank or the client can terminate the agreement at any time by giving at least 30 days' notice in writing.

The Bank can terminate the agreement without notice in the following cases:

- a) A regulatory authority or applicable legislation requires it to do so.
- b) It has reasonable grounds to believe that the client is violating applicable legislation and regulations, is not complying with the Agreement or the instructions for the service or is compromising the security of the Bank's systems.
- c) A force majeure is identified.
- d) The client is dissolved or liquidated.
- e) It determines at its discretion that it is likely there will be an unfavourable change in the client's financial position that will impact a service.

#### 1.1.13 Assignment

Access to a service may not be assigned, in whole or in part, by the client without the Bank's prior written consent. Termination in any way releases the client from their obligations and responsibilities.

#### 1.1.14 Other agreements

All terms and conditions governing agreements the client has already signed with the Bank will remain in force and apply concurrently with the terms and conditions hereof. In the event of any contradiction between such agreements and these conditions, this agreement shall prevail.

#### 1.1.15 Laws, regulations, rules and standards

The client agrees to be bound by, comply with, and adhere to all the relevant provisions of the *Canada Payments Act* and all the regulations, rules and standards in effect and applicable to the service, including, but not limited to, confirmation requirements, pre-notifications, waivers of pre-notifications or provisions concerning cancellation in accordance with the rules of Payments Canada.

The client acknowledges that the payments made under the Intercurrency Multipayment Service are governed by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and its related regulations. The client warrants that the payment of funds under the service will not violate the laws applicable in the province of Quebec or the country of the Payee's financial institution and, in particular, any legislation regarding anti-money laundering and terrorist financing. Under the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Bank will comply with certain disclosure obligations regarding payments made to the authorities concerned and payments made in violation of the list of undesirable persons and entities under this Act. The client acknowledges that the Bank, at its discretion, reserves the right to refuse a payment order for which the Bank has valid reason to believe that it does not comply with applicable legislation.

#### 1.1.16 Notices

Any and all notices sent by either of the parties hereto will be deemed to have been received by the recipient thereof if delivered to the other party at the addresses set out in the application form for the service targeted.

Any notice will be deemed to have been received by the recipient thereof at the time of delivery in the case of delivery by courier, or on the fifth (5th) Business Day following the mailing thereof, or on the day of delivery if sent electronically. Either party must notify the other party of a change of address.

## 1.2 Conditions for use specific to the pre-authorized debit service

### 1.2.1 Cancellation of a PAD agreement

When the client receives from a Payor clear written or verbal instructions to cease issuing PADs or otherwise revoking a Payor's PAD Agreement or authorization to issue PADs, they will do everything necessary to cancel the PAD in the next business, billing or processing cycle, but no later than 30 days following the notice and will, with no further notice, cease issuing new PADs for such Payor and will not issue any new PADs to such Payor unless they have first obtained a new PAD Agreement from the Payor.

### 1.2.2 Re-presenting a PAD

The client may re-present a PAD returned due to "*insufficient funds*" or "*funds not cleared*" for the same amount as the original debit amount and within 30 days of the original debit. No interest, service fees or other charges for insufficient funds may be added to the original PAD amount for this new item.

### 1.2.3 Client's obligations

The client undertakes to:

- a) Sign for clearing and settlement purposes, the payee's letter of undertaking (this Agreement) which reiterates the mandatory elements to be included as set out in Appendix I of Rule H1 – Pre-authorized Debits (Payor's PAD Agreement);
  - b) As a payee, send the electronic processes they intend to use to establish the Payor's PAD Electronic Agreements to the Bank, which will act as a sponsor, before they are implemented to ensure that they are satisfactory and meet Rule H1 requirements. The forms and/or electronic processes used for the Payor's PAD Agreement must include all the mandatory elements set out in Appendix II of the Payments Canada's Rule H1 ([payments.ca](http://payments.ca)).
- The seven mandatory elements:**
- Date and Signature. Authority to Debit Account. PAD Category. Amount, Timing, or Specified Event/Action. Cancellation of Agreement. Contact Information. Recourse/Reimbursement Statement.**
- c) Bring to the Payor's attention the conditions of the Payor's PAD Agreement, obtain the consent of each Payor before issuing a PAD on their account through the service and to the extent possible, give them a copy of the agreement after they sign it. The client acknowledges that such agreement is necessary for the Bank to debit each PAD amount to the Payor's account. The client will obtain the Payor's authorization in proper form for each sporadic PAD in accordance with applicable Payments Canada rules.
  - d) Upon request or in case of a dispute, show proof of a Payor's PAD Agreement within a reasonable timeframe at the request of a Payor, an authorized representative of the Payor (including the Payor's financial institution) or the Bank.
  - e) Inform the Payor, before issuing PADs on their account, of possible recourses, the meaning of the notice and the other provisions of Payments Canada rules that are of interest to the Payor.
  - f) Verify the deposit notices, vouchers, reports and account statements that the Bank sends to the client and notify the Bank within the timeframe provided for in section 7 of part A hereof, of any errors, irregularities or omissions appearing thereon in connection with the service. At the end of such timeframe, the client will be deemed to have examined all deposit notices, vouchers, reports and account statements. The data indicated on such documents will then be definitively considered to be

accurate and the client will renounce their right to any form of recourse whatsoever against the Bank for any PAD that should have appeared thereon.

- g) Keep a copy of the information and data that the Bank sends to the client for a period of 10 Business Days for reference purposes.
- h) Disclose to the Bank all the information and data necessary for use of the service, in accordance with the methods and guidelines and within the timeframe specified by the Bank in the service user guide, and comply with these methods and guidelines.

#### 1.2.4 Assignment of a PAD agreement

The client may not assign a Payor's PAD Agreement that has been concluded, directly or indirectly, through the application of legislation, a change in control or otherwise to another party, unless:

- a) In the case of assignment of a paper agreement, the Payor's PAD Agreement contains a prominent provision to that effect and that they have given the Payor 10 days' written notice before the next PAD is issued on behalf of the assignee of all details of such assignment, including the identity and contact information of the assignee.
- b) In the case of assignment of an Electronic Agreement, the confirmation contains, aside from the provisions on the compulsory form set out in the user guide, a prominent provision for assignment to such effect and they have given 10 days' written notice before the next PAD is issued on behalf of the assignee of all details of such assignment, including the identity and contact information of the assignee.

#### 1.2.5 Representations

The client guarantees that each Payor on whose behalf any PAD is deemed to have been drawn or any order is deemed to have been given has signed a Payor's PAD Agreement or otherwise Authorized them to issue a PAD and, where applicable, has given them the order pursuant to such authorization to issue a PAD as though it were signed or otherwise Authorized by such Payor.

The client guarantees that each Payor's PAD Agreement or each authorization from a Payor in the case of Cash Management PADs has been signed or otherwise duly Authorized by the Payor in a form that constitutes permanent, but revocable, authorization.

The client guarantees that any Payor's PAD Agreement they use complies with the requirements set out in the Payments Canada rules. The client agrees that the Bank can terminate the service at any time if the client fails to comply with these requirements.

#### 1.2.6 Software

If the client uses the Bank's software to capture and send data related to the service, the client acknowledges having obtained hereunder a non-exclusive and non-transferable right to use the software for the term hereof, the whole being subject to the agreement which may bind the Bank to a software supplier. The client will obtain a licence for each central processing unit. The client cannot connect with or process data for other persons by way of telecommunication lines or by other means.

The client undertakes not to alter or reproduce the software, standards, documentation and user guide to which the client has access under the service without the prior consent of the Bank. Any and all software, standards, documentation and user guide made available to the client under the service will remain the property of the Bank or supplier, where applicable. The client undertakes to refrain from disclosing the same or from making the same available to a third party without first obtaining the Bank's consent.

#### 1.2.7 Validation and authorization of file transfers

By signing up for the "Validation and Authorization of File Transfers" option, the client acknowledges that all file transfers must be validated and approved by a CFT Administrator or a CFT Approver other than the person who made the file transfer. The Bank may notify the client that a file has been sent to them. However, even in the absence of notification or if it is not received by the client for reasons that are out of the Bank's control, the client must take the necessary measures to process files within the prescribed timeframe by taking internal measures to verify the transmission of files to the Bank on a daily basis. The Bank is not liable if the client fails to validate the transmission of files to the Bank on a daily basis, even in the absence of notification from the Bank.

### 1.3 Conditions for use specific to the intercurrency multipayment service

#### 1.3.1 Client's obligations

The client undertakes to:

- a) Transmit payment orders to the Bank in Files through CFT
- b) Indicate a single Transaction Date for all payment orders contained in a single File
- c) Prepare and send the Files in accordance with the terms and conditions specified in the user guide
- d) In order for the funds transferred to be credited to a Payee's account on the desired date, send the File in accordance with the deadlines set out in paragraph 1.3.4
- e) Have the destination countries and currencies for the payment orders approved by the Bank and added to their profile
- f) Submit the payment orders in the required format as set out in the user guide and the CFT guide and indicate in the File any information required for the Bank to process the payment orders

#### 1.3.2 Bank's obligations

The Bank undertakes to:

- a) At the client's request, provide them with software to transmit Files electronically through CFT
- b) Use the SWIFT or EUROGIRO networks or any other similar secure electronic systems to transmit payment orders
- c) On receipt of the Files, validate the File content structure and format
- d) Notify the client as quickly as possible that the payment orders contained in the File cannot be processed if the File is incomplete or does not comply with the requirements set out in the user guide or CFT guide.

#### 1.3.3 Payments returned

The client acknowledges that payments transmitted as part of the service may be returned by the Payee's financial institution for various reasons (e.g., a closed account, death). If a payment is returned, the amount will be credited as soon as possible to the client's account.

#### 1.3.4 Payments processing

Payment orders for payments to be made by transfer will be transmitted by the Bank to the Payee's financial institution (and, if applicable, through intermediary banks) and credited to the Payee's account on: (i) the Transaction Date for payments in Canadian or US dollars, or (ii) the second Business Day following the Transaction Date for payments in any other currency.

The client acknowledges that a payment may not be credited to the Payee's account on the value date indicated on the Bank's payment order and that processing by intermediary banks may cause delays.

For payments to be made by cheque, a cheque will be issued by a Bank correspondent in accordance with the orders



received from the client and mailed to the Payee's address indicated in the File.

### 1.3.5 Currencies and countries authorized by the Bank

The currencies authorized by the Bank are listed in the user guide. This list may be modified on written request by the client and the client undertakes to contact the Bank before requesting a payment in a currency or to a country that is not listed in the client's profile.

The client acknowledges that restrictions may apply to payments made to certain countries or in certain currencies (in particular for fund outflows or exchange controls).

Payments via electronic funds transfer must be made in the legal tender of the Payee's country (except in Canada where payments in USD may also be made via electronic funds transfer).

If the currency of the payment is not the legal tender of the Payee's country, the payment order may be included in a File provided that the currency of the payment is freely convertible. The client acknowledges that any such order may be processed and charged separately and that the Payee may not have access to the funds within the deadlines specified in paragraph 1.3.4.

Payments by cheque are restricted to the currencies in which the Bank's correspondents may issue cheques.

### 1.3.6 Limitation of liability

Subject to the following, the Bank assumes no liability for loss or damage, except in the event that such loss or damage is directly attributable to negligence or willful misconduct on the part of the Bank.

The Bank's liability will be limited to taking the necessary measures to ensure that the service complies with the standards normally in effect in the financial services and banking industry. In the event of an interruption in the service following a breakdown in the Bank's systems or those of a third party with whom the Bank has signed an agreement, the Bank's liability will be limited to taking all reasonable measures to ensure the service is restored as quickly as possible.

The client acknowledges that their transactions may be refused in accordance with the compliance regulations adopted by the Bank to prevent money laundering and terrorist financing.

The Bank will not be liable for loss or damage resulting from the following:

- > Actions, negligence or omissions by any other person (including any other correspondent financial institution), excluding representatives and employees of the Bank acting in compliance with the specific instructions of the Bank.
- > Actions, negligence or omissions by the client, the client's representatives and their CFT Administrators, CFT User Administrators, CFT Approvers and CFT Users.
- > Incorrect or incomplete data or information provided to the Bank or their representatives or agents.
- > Failure by the client to check reports sent to them by the Bank.
- > Failure by the client to notify the Bank within the prescribed timeframe of an error or irregularity, despite any previous agreements between the Bank and the client.
- > Actions, omissions, fraud or irregular transactions carried out through the use of the service by any third parties who breaches the client's access or security systems.
- > Failure of communication methods and networks or functionalities of a supplier or third party with whom the client does business. The client accepts all the risks inherent in the communication and transmission of information on such networks.

- > Force majeure or any situation beyond the Bank's control, including a failure or breakdown in communication systems over which the Bank has no control or cyberattacks through saturation techniques or otherwise.
- > Failure of a supplier or third party to credit any amount whatsoever to the client's account following a request by the client or the application of additional charges by the supplier or third party, in particular, late payment charges or penalties.
- > Viruses or other malware received by accessing the Bank's website, service, tools or applications, as well as problems, bugs, errors or inaccuracies on the Bank's websites, service, tools and applications.

Under no circumstances can the Bank be held liable for indirect, special, exemplary or incidental damages or damages for loss of income, actions, deeds, acts or omissions by any network supplier, any problems with the software the client uses or damage suffered by the client, their representatives, CFT Administrators, CFT User Administrators, CFT Approvers and CFT Users in the event of an accident, act of aggression or theft when using the service while on the premises where it is made available or in the event the Agreement is cancelled.

All information the client accesses via the service is for information purposes only. The Bank is not liable for any loss or damage of any nature whatsoever resulting from the communication of this information and the use of this information by the client.

### 1.3.7 Rules applicable to payment instructions

The client acknowledges that the payments made under the service are governed by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and its related regulations. The client warrants that the payment of funds under the service will not violate the laws applicable in the province of Quebec or the country of the Payee's financial institution and, in particular, any legislation regarding anti-money laundering and terrorist financing. Under the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Bank will comply with certain disclosure obligations regarding payments made to the authorities concerned and payments made in violation of the list of undesirable persons and entities under this Act. The client acknowledges that the Bank, at its discretion, reserves the right to refuse a payment order for which the Bank has valid reason to believe that it does not comply with applicable legislation.

### 1.3.8 Software

If the client uses software provided by the Bank, they are granted a non-exclusive and non-transferable right to use the software for the duration of the Agreement. The client undertakes not to amend, distribute to any third party or reproduce (in whole or in part) the software or the user guide. The software remains the property of the Bank and must be returned to it on request. Furthermore, the client acknowledges that the Bank shall not be held liable for any damage caused to the client's computer systems or data as a result of the use of the software.

## 1.4 Conditions for use specific to the BAI account statement service

### 1.4.1 Client's obligations

The client undertakes to:

- a) Send to the Bank the List of Accounts that they want to be integrated into the service and the list of agents authorized to access the service and to immediately inform the Bank of any changes
- b) Provide the Bank upon request (verbal or otherwise) the information required to fulfill the Agreement

#### 1.4.2 Bank's obligations

On receipt of any new List of Accounts, the Bank undertakes to change the account numbers already integrated into the service.

### 1.5 Conditions for use specific to the bill payment and computerized deposit processing services

#### 1.5.1 Client's obligations

The client undertakes to:

- a) Use Payment Stubs, envelopes, deposit slips, bills and any other documents required as part of the service that complies with the Bank's specifications. All the required information on said documents must be accurate and, if applicable, comply with the Payments Canada rules.
- b) Use the CCIN in effect, when required, as part of the service. The client must use the CCIN solely for the purposes set out in the Agreement and not for any other purposes that hinder or could hinder the processing of payments or payment Items not covered herein.
- c) Use the Concentrating Agent Service exclusively and not any other similar service provided by another financial institution. The client can choose different options for the Concentrating Agent Service, such as processing of electronic and paper payments, and manual or automated processing, as determined herein.

#### 1.5.2 Bank's obligations

The Bank undertakes to credit the client's account specified on the application form the amounts it collects on the client's behalf. Amounts collected via Automated Services will be credited to the account no later than two Business Days following the Payment Date.

#### 1.5.3 Dispute settlement

The client may notify the Bank of a dispute concerning a transaction or task carried out using the service by contacting one of the Bank's representatives. If the representative cannot resolve the problem, the Bank will conduct an investigation. The client agrees to cooperate with the Bank and provide all information and documents, regardless of the medium used, that the Bank may request in the course of the investigation. The outcome of the investigation and the reasons, if applicable, for the failure to resolve the dispute to the client's satisfaction will be forwarded to them. The client and the supplier or third party must resolve any questions, complaints or problems related to the goods and services obtained from a supplier or third party with whom the client does business.

#### 1.5.4 Client's representation

The client represents that their own customers will have paid any amount owed in full or in part on the Payment Date.

### 1.6 Conditions for use specific to the cheque reconciliation service

#### 1.6.1 Client's obligations

The client undertakes to:

- a) Issue cheques using proper controls in order to prevent losses, including those that could result from the actions of their employees and representatives, and they further undertake to send the Issued Cheques File to the Bank before sending such Issued Cheques to the payees.
- b) Verify, upon receipt, the Report of Paid Cheques Not Transmitted and any reconciliation and management reports sent to them by the Bank and to notify the Bank of any cheque they refuse to honour before 2 p.m. (Eastern Time) on the same day the report is received. After this deadline and notwithstanding any agreements that may

have been entered into between the Bank and the client, all cheques will be deemed to have been accepted by the client and they will not be able to make any claim in relation to such cheques or dispute such cheques unless the endorsements thereof are forged or unauthorized.

- c) Verify the information in the Summary Report of Issued and Cancelled Cheques Received that the Bank sends them electronically on the day following receipt of the Issued Cheques File. The client will notify the Bank (i) of any discrepancy between the amounts indicated on the Issued Cheques File and on the Summary Report of Issued and Cancelled Cheques Received or (ii) if they do not receive this report.
- d) Send the Bank another Issued Cheques File, at the Bank's request, if the Bank is unable to properly process this file.
- e) Comply with the printing guidelines of the Bank and with the rules and standards of Payments Canada as described in the user guide. The Bank will not be bound to provide the service if the client does not comply with said standards.
- f) Use *Internet Banking Solutions – Businesses* to perform any searches and other operations with respect to their cheques.

#### 1.6.2 Bank's obligations

The Bank undertakes to:

- a) Provide the client with any reports to which they have agreed according to the frequency agreed upon between the parties
- b) Provide the service promptly to satisfy the needs of the client in accordance with the provisions hereof
- c) Reconcile the cheques cleared with the Issued Cheques File received from the client on a daily basis
- d) Provide the client with their Report of Paid Cheques Not Transmitted before 8 a.m. (Eastern Time) on the second Business Day following the date on which these cheques were processed
- e) Keep cheque images on a technological report for seven years as the original paper cheques are destroyed

#### 1.6.3 Validation and authorization of file transfers

By signing up for the "Validation and Authorization of File Transfers" option, the client acknowledges that all file transfers must be validated and approved by a CFT Administrator or a CFT Approver other than the person who originally made the file transfer. The Bank may notify the client that a file has been sent to them. However, even in the absence of notification or if the notification is not received by the client for reasons that are out of the Bank's control, the client must take the necessary measures to process files within the prescribed timeframe by verifying the transmission of files to the Bank on a daily basis. The Bank is not liable if the client fails to validate the transmission of files to the Bank on a daily basis, even in the absence of notification from the Bank.

### 1.7 Conditions for use specific to the Accelerated Transfer service

#### 1.7.1 Client's obligations

The client undertakes to:

- a) Deliver an authorization to each financial institution at which deposits and accelerated transfers will be posted, whereby the client agrees to the transfer of funds to the Bank whenever the Bank draws debits.
- b) Communicate to the Bank, in accordance with the established procedure, the amount to be transferred daily, and to do so before 9 p.m. every Business Day for deposits from other institutions. The client acknowledges that after 9 p.m., the Bank will not accept any changes to the information already communicated.

- c) Agree to the transfers being made electronically if the deposits are made to a Bank branch. Deposits made in the same day will be considered as one transfer and the total amount of these deposits will be transferred.
- d) Examine the daily deposit reports delivered by the Bank and notify the Bank immediately of any errors, irregularities or omissions regarding current operations carried out through the service.
- e) Upon expiry of the 45-day period provided for subsection 7 of part A hereof, the client will have examined all the reports described in the previous paragraph and have found them to be compliant and without error, barring of course any items previously indicated as wrong or false. The client also acknowledges that after such period, no claims may be made and any claims which are made after this period will then be prescribed or barred by limitation.

### 1.7.2 Bank's obligations

The Bank undertakes to credit the client's main account on the same day for the total credits received before 9 p.m. on each Business Day. All pre-encoded debits and electronic debits drawn by the Bank shall be deposited in the account designated by the client.

## 1.8 Conditions for use specific to the Direct Deposit service

### 1.8.1 Client's obligations

The client undertakes to give the Bank, within the timeframe indicated in the user guide, all the information required for the Bank to make the Deposits, in accordance with the written instructions issued by the Bank from time to time and given to the client. The client acknowledges that the Bank is not bound to make the Deposits requested by the client if there are insufficient funds in the account it has designated for the service.

### 1.8.2 Bank's obligations

The Bank undertakes to:

- a) Transfer the Deposits to the designated payees on the Deposit Date, if the Deposits are made to a National Bank account.
- b) Transfer the Deposits to other banks or financial institutions governed by Payments Canada, the Bank will transfer the Deposits to these banks or financial institutions in time for them to be transferred on the Deposit Date.

## 2. Conditions of the Cash Management service MT940/101

The conditions set out in section 2 apply to the wire transfer and reporting service using the interbank communications network SWIFT.

### 2.1 Description of service

This service is used to carry out the following transactions:

- a. The transmission of account statements in MT940 format, setting out in detail the transactions in the Designated Account(s) (MT940 sent by the Bank, "MT940 OUT"), to an affiliate of the client.
- b. The transfer of funds from a Designated Account upon receipt of and in accordance with a transfer order received in MT101 format (MT101 received by the Bank, "MT101 IN").

### 2.2 Procedure

#### MT940 OUT

If the client selects the MT940 OUT option, the client agrees and authorizes the Bank to transmit the Account Statement in MT940 format to a SWIFT Intermediary (designated by the client in the application form) to be subsequently remitted to the Authorized Ordering Party (designated by the client in the

application form). If the Authorized Ordering Party has direct access to the SWIFT network (SCORE model), the Account Statement will be forwarded directly to the Authorized Ordering Party.

The Account Statement will be prepared and forwarded by the Bank based on the frequency specified by the client. Unless expressly indicated otherwise, the information and balances indicated in an Account Statement are up-to-date at the close of the Banking Day (in Montreal) preceding its transmission.

#### MT101 IN

If the client selects the MT101 IN option, the client agrees and authorizes the Bank to process any transfer order received (in MT101 format) from a SWIFT Intermediary (designated by the client in the application form) by debiting the requested amount to the Designated Account and transferring it in accordance with the instructions in the MT101 received. If the Authorized Ordering Party has direct access to the SWIFT network (SCORE model), the Bank is authorized to process, in the same manner, any transfer order received (in MT101 format) from such Authorized Ordering Party. It is understood that the Bank's sole obligation with respect to prior diligence will be to verify that the client's designation in the application form matches the SWIFT Intermediary (or as applicable, the Authorized Ordering Party) and the information included in the MT101 received via SWIFT matches. Furthermore, the client acknowledges that any transfer order received in MT101 format may not be revoked once it has been entered into the Bank's processing system.

### 2.3 Liability and interpretation

Prior to processing any request for information (MT940 OUT product) or a transfer request (MT101 IN product), the SWIFT Intermediary may require the Authorized Ordering Party to sign their standard agreements to execute such requests. Furthermore, the SWIFT Intermediary may require acceptance of their own conditions applicable to exchanges (between the Bank and the SWIFT Intermediary) of SWIFT messages MT940 and MT101. The Bank cannot be held liable for any delays caused by the implementation of the service owing to the negotiation of such conditions.

The client acknowledges that the Bank relies solely on the information and data provided in the MT101 and will not assume any liability with respect to this information. Moreover, the client acknowledges that the payment made in execution of an MT101 may be credited solely based on the payee's account number provided in the MT101, even if this number corresponds to a different person.

The client acknowledges and agrees that sending an MT940 for a Designated Account does not replace the bank statement sent in accordance with the General conditions of this agreement and does not alter the provisions of such agreement pertaining to the client's review of statements. In the event of a discrepancy between the data of an MT940 and the content of an account statement periodically issued by the Bank, the latter will take precedence.

It is agreed that the transmission by the Bank of an MT940 is done at the client's express request and, as such, cannot be considered an unauthorized disclosure of confidential information or data. Moreover, as part of the service, the Bank is also authorized to exchange freely any information and documents required to carry out the transactions with the SWIFT Intermediary.

If the Designated Account is closed, the service will also be considered cancelled with respect to the transactions relating to the closed Designated Account.

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## E. Confidentiality Policy

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### 1. Collection, use and disclosure of information

The collection, use and communication of non-public and personal information (the “information”) are governed by the Bank policy available on its website at [www.nbc.ca](http://www.nbc.ca).

#### Collection of information

The Bank will collect information about the client and their representatives in order to offer the client regular financial services related to products and services, as well as to protect the interests of the client and the Bank. The Bank will further collect information in order to understand and meet the client’s needs and to determine their eligibility for various Bank products and services. The information thus collected will be recorded in the client’s file.

This information will be collected from the client and their representatives or from persons and entities likely to have or be able to confirm the accuracy of such information (credit reporting and assessment agencies, financial institutions, public registers, regulatory authorities and organizations, employers, professionals, persons with whom they have a business relationship, the Bank’s Subsidiaries and affiliated companies and Crown corporations or other organizations offering financing or supplementary guarantee programs).

### 2. Use and disclosure of information

The information that the Bank collects and requires in order to provide the products and services requested may be used by the Bank and disclosed to the persons and entities mentioned in the previous paragraph, any person or entity working with or for the Bank, including its suppliers, service providers, representatives and agents, as well as any other third party, as permitted by law, for the following purposes:

- a) To evaluate the financial position of the client and their representatives and to determine their eligibility for the various products and services requested, as well as to verify the authenticity of the information provided.
- b) To provide the client and their representatives, on a continuous basis, with the financial products and services requested.
- c) To allow for data processing and storage, cheque printing, statement preparation or mailing, as well as the collection and monitoring of transactions in order to protect the client and their representatives and the Bank from errors and fraud.
- d) To allow the Bank to compile data for statistical purposes, assess the quality of its customer service and, in general, conduct its activities and ensure its compliance, thereby authorizing the Bank to record and monitor telephone conversations and other electronic exchanges with the client and their representatives.
- e) To share information with other financial institutions (outside Canada) related to the administration and management of the client’s accounts, particularly for the purpose of processing and clearing cheques, bill payments and transfers.
- f) To enable the Bank to adopt the measures required and exchange with its Subsidiaries and affiliated companies the information required to manage risk and update the profile of the client and their representatives, as well as to comply with applicable legislation in their sector of activity, particularly tax legislation requiring the production of tax slips which must include the business identification number (BIN), Social Insurance Number (SIN) of an individual, and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.
- g) In general, to prevent, detect or control fraud and avoid or correct errors.

h) To make it easier to identify the client and their representatives, and to differentiate them from the Bank’s other clients and their representatives, with credit reporting and assessment agencies, financial institutions, public registers, regulatory authorities and organizations, employers, professionals and individuals with whom they have business relationships, as well as with the Bank’s Subsidiaries and affiliated companies and Crown corporations or other organizations offering financing or supplementary guarantee programs. The client’s representatives authorize the Bank to use their Social Insurance numbers for these specific purposes, unless they decline to disclose them to the Bank when opening the account.

- i) To enable interested persons or companies to perform due diligence in the event of the sale, disposal or transfer of the client’s business.
- j) To convey the credit files of the client and their representatives to credit reporting agencies, credit product insurers or other lenders in order to preserve the integrity of the credit origination process, as applicable.
- k) To assess, if necessary, together with Crown corporations or other organizations offering financing or supplementary guarantee programs, the eligibility of the client and, if applicable, of their representatives to these programs which authorize the Bank and the Crown corporations or organizations to share information about them.
- l) In cases and under conditions where the Bank is permitted by law to use and exchange personal information without the consent of the client or their representatives.

Some of the client’s identity and financial information may also be used and disclosed for the following purposes:

- a) To offer the client, by way of telemarketing or other means, other products and services provided by the Bank or its Subsidiaries and affiliated companies. This information will be added to the client lists that the Bank draws up and uses for this purpose.
- b) To allow the Bank to disclose this information to its Subsidiaries and affiliated companies, as permitted by law, so that they may offer their products and services to the client through telemarketing or other method.

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## F. Glossary

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In this agreement, unless otherwise defined, the terms starting with an upper-case letter have the meanings given below: The words in the Agreement have the usual meaning unless they start with an upper-case letter and are defined in the following section.

**Access Card Number:** means the number indicated on the front of the Card.

**Account Statement** in the context of the cash management system MT940/101, refers to an account statement showing the transaction recorded in the Designated Account.

**Application** refers to the bank form titled “Application for Opening a Business Account or Changing an Existing Account” duly completed by the client, including its potential appendices and successive amendments.

**Authorized** in the context of the pre-authorized debit service means a signature, ratification or adoption by a Payor, including, but not limited to, use of a user ID and Password combination or other commercially reasonable method to indicate the Payor’s consent and agreement in accordance with applicable laws.



**Authorized Ordering Party** refers to the entity affiliated with the client specified in the application form and authorized to issue MT101s or receive MT940s for a Designated Account.

**Automated Services** means the Bank's banking services that enable clients to carry out a transaction via the Card and a Password at a Point-of-Service Device or via the Card to a Point-of-Service Device without PIN. In the context of bill payment and computerized deposit processing services, **Automated Services** means the Bank's services enabling clients to make bill payments via ABMs.

**Business Day**, in the context of the Intercurrency Multipayment Service, means a day other than a Saturday, a Sunday or a legal holiday on which banks are open in Quebec and in the country where the central bank of the payment currency is located.

**Card** means a debit card (usually called a Business Client Card at the Bank), a Mastercard credit card and any other valid payment card the Bank has issued in the client's name or, if applicable, in the name of an Administrator or Authorized User. The Card identifies the client when they access a service to carry out a transaction or obtain a banking service at a branch.

**Cash Management PAD** means a PAD drawn on a Payor's account to transfer, consolidate or reposition funds between accounts held at different financial institutions by the same business or closely affiliated businesses (transfers between a parent company and its Subsidiary).

**CCIN** is the Corporate Creditor Identification Number.

**CFT Administrator** means the person designated by the client to, among other things: (i) create profiles and manage accesses for CFT Users and CFT Approvers, (ii) manage the various Passwords assigned to CFT Users and CFT Approvers, (iii) activate and receive notifications, (iv) transfer/retrieve (initiate, retrieve, consult) files, and (v) validate and approve file transfers if the client has signed up for the "Validation and Authorization of File Transfers" option.

**CFT Approver** is the person designated by the CFT Administrator or the CFT User Administrator to: (i) transfer/retrieve (initiate, retrieve, consult) files, (ii) receive notifications, and (iii) validate and approve file transfers if the client has signed up for the "Validation and Authorization of File Transfers" option.

**CFT User Administrator** means the person designated by the client to manage access and whose responsibility is to: (i) create the profile and manage access for CFT Users and CFT Approvers and (ii) manage the various Passwords assigned to the CFT Users and CFT Approvers.

**CFT User** means the person designated by the CFT Administrator or CFT User Administrator to transfer/retrieve (initiate, retrieve, consult) files.

**Concentrating Agent Service** means the service whereby the Bank receives on behalf of the client the amounts indicated on the Payment Stubs provided by the client's customers with their payment made at other financial institutions that can receive such payments.

**Corporate File Transfer (CFT)** means the platform described in part D of this agreement and the related user guide for the sending of Files electronically.

**Deposit Date** means the day on which the deposits must be made by the Bank.

**Deposit** in the context of the Direct Deposit Service means any deposit to be made by the Bank or another bank or financial institution to the accounts of the payee(s) designated by the client.

**Designated Account** refers to the, or each of the bank account(s) of the client held with the Bank and designated for purposes of the cash management system MT940/101.

**Electronic Access Device** means a personal computer, a telephone, a cell phone, a PDA or any other digital or electronic device giving access to the Bank's services.

**Electronic Agreement** means the non-paper Payor's PAD Agreement that has been authorized in accordance with Payments Canada rules, by way of Internet, email, telephone or other electronic means.

**Electronic Banking Solutions:** means the Bank's banking services that enable the client to carry out a transaction with an Access Card Number and a Password via the automated banking service or with a User Code and a Password via Digital Banking Solutions, concurrently with an Electronic Access Device.

**File** in the context of the intercurrency multipayment service means the electronic document sent by the client in the required format and containing the payment orders to be processed.

**Issued Cheques File** means the file on technological media sent electronically by the client to the Bank that contains information on all Issued Cheques.

**Issued Cheques** in the context of the Cheque Reconciliation Service means cheques drawn by the client on their Reconciliation Account (identified as such in the application form).

**Item** means any cheque, note, bill of exchange, payment order or other similar instrument, whether or not it is negotiable. In the context of the wholesale lock box, bill payment and computerized deposit processing services, **Items** means any cheque or instruction issued by the client's customers in connection with a payment of any amount owed to the client and sent to the Bank as part of the service.

**List of accounts** means any list of bank accounts sent by the client to the Bank and containing the information required by the Bank to provide the BAI account statement service.

**MT101** refers to the SWIFT message standard for the transfer request debited to an account held with the institution receiving the SWIFT message and credited to an account held with the sending institution.

**MT940** refers to the SWIFT message standard for the transmission of the content of a statement for bank account held with the institution sending the SWIFT message.

**Night Depository** means a deposit device, namely, a special vault which is accessible from outside the premises of one of the Bank branches and in which the client may make deposits.

**PAD** means pre-authorized debit or payment Item issued by the client or a member payee, drawn on the Payor's account at a financial institution.

**Paid Cheques Not Transmitted** means the cheques paid to payees but which do not appear on the Issued Cheques File sent by the client to the Bank.

**Password** means any temporary or permanent authentication code belonging to the Administrator and Authorized User(s) to access a service, including a Personal Identification Number, confidentiality code, secret identification code or code generated by a SecurID™ key, as well as any answers to online identification questions. As part of the wholesale lock box and bill payment services, **Password** means any temporary or permanent authentication code belonging to the CFT Administrator, CFT User Administrator, CFT Approver and CFT User and used to access the Corporate File Transfer (CFT) platform, including answers to identification questions.

**Payee** in the context of the intercurrency multipayment service means the final recipient of a payment order. When the payment is made by electronic funds transfer, the payee is the holder of the account designated on the order for the final credit of the funds. When the payment is made by cheque, the payee is the person to whom the cheque is issued.

**Payment Card Network** means an electronic payment system used to accept, send or process Transactions made with the client's Card in exchange for cash, goods and services, and transfer information and funds between the client and issuers, purchasers and participating merchants. The Interac, Cirrus, NYCE, The Exchange and Maestro networks are Payment Card Networks.

**Payment Date** means the date on which the Bank received a payment in the client's name from the client's customer or, in the case of a payment during extended hours or ABM transaction, the Business Day following the date the customer made the payment.

**Payment Instruction** means any instruction ordering or requesting the Bank to carry out a debit, a credit or a payment.

**Payment Stub** means the detachable part of the bill that the client issues to its customers and that is provided with their payment.

**Payor** means the person whose account held at a member financial institution of Payments Canada is to be or has been debited with the amount of a PAD.

**Payor's PAD Agreement** means the authorization, in writing or another form, permanent but revocable, signed or otherwise verifiable, which sets out the mandatory provisions required for application, given by a Payor in favour of the client and which authorizes the client to draw PADs on the Payor's account at his financial institution.

**Point-of-Service Device** means a device that the client activates with the Card and a Password to carry out a transaction (e.g., an ABM, a point-of-sale terminal at a participating merchant or an in-home debit card terminal).

**Point-of-Service Device without PIN** means a device that the client activates via a payment application used to carry out a Transaction without a PIN (e.g., a payment application on the Card, a key tag or a cell phone).

**Related Person** means any authorized representative, owner, shareholder or director of the client designated in subsections 3.1, 3.2 and 3.3 of the Application.

**SCORE** (Standardized Corporate Environment) refers to the environment that enables authorized users to interact directly with financial institutions through the SWIFT network.

**Summary of Issued and Cancelled Cheques Received** means a summary produced by the Bank and sent electronically to the client that contains information on Issued and Cancelled Cheques.

**SWIFT Intermediary** refers to a financial establishment that is a member of the SWIFT network or a SWIFT "service bureau" with which the Bank has agreed to exchange MT940 and MT101 format messages.

**SWIFT** stands for the Society for Worldwide Interbank Financial Telecommunication, which operates an international communications network that is used to exchange information and facilitate interbank payment traffic.

**Transaction Date** means the date indicated as such in a File and corresponding to the date on which the processing is initiated and the payment orders are sent by the Bank. If the date indicated as such in a File does not correspond to a Banking Day, the Transaction Date will be the next Banking Day.

**User Code** means an identification number belonging to the Administrator and Authorized User(s) that allows them to be identified when using Electronic Banking Solutions. For the Specialized Payment and Cash Management Services (part D), **User Code** means an identification number belonging to the CFT Administrator, the CFT User Administrator, the CFT Approver, the CFT User or any other authorized user enabling them to be identified when using the service.

In addition, the following key terms (whether or not they start with an upper-case letter) have the following meaning herein:

**Account** means any account held at the Bank in the client's name, including transaction, loan and investment accounts.

**Client** designates the client indicated in the Application or enrollment form for a service.

**Non-public information** means any information about a business that is not public knowledge such as financial information or information about habits with regard to the use of banking services.

**Personal information** means any information about an individual which, taken alone or together with other information, makes it possible to identify him/her, such as identity information, financial information and information about habits with regard to the use of banking services.

**Service** designates, depending on the context, any service, including an account, provided by the Bank or the service described in a given section or article.

**Transaction** means a deposit, withdrawal, payment, funds transfer, balance inquiry, authorization request or any other transaction on the client's account that the Bank allows via a service.