

This Service Description is part of the Treasury Services Master Agreement, Global Treasury Management Services Master Agreement, or other master agreement for treasury and payment services (the “Master Agreement”) currently in effect between you and BMO Bank N.A. (“Bank”), and is subject to all of the terms and conditions contained in the Master Agreement. Any references herein to the Master Agreement shall be deemed to include the terms of this Service Description, including any User Guide and set-up form. Any capitalized terms not defined herein shall have the same meaning as set forth in the Master Agreement.

1. Services.

With our Comprehensive Payables service, we will process electronic funds transfers (“Funds Transfers”) or create paper checks, as instructed by you, and based on payment information (“Payment Details”) contained in data files transmitted or directed to us by you (the “Service”). The underlying transactions for the Service including Funds Transfers and checks are sometimes referred to as “Transactions”.

If you wish to use the Service to initiate Transactions of a type that are offered by us as a separate service, you must also sign up for that service and complete the applicable Service Documentation and setup process and we must agree to provide that service to you. If you wish to use the Service to initiate paper check Transactions, you must also sign up for our Positive Pay service and complete the applicable Service Documentation and setup process and Bank must agree to provide the service to you.

Payment Details may be transmitted to us directly through such file transfer services as we may offer or accept from time to time, or by other means expressly approved by us in writing in advance. You are responsible for complying with the requirements and procedures of the system you choose to transmit Payment Details to us.

2. Processing of Transactions.

Funds Transfer. Subject to the terms of this Service Description, we will process and effect settlement for Funds Transfers based on Payment Details in accordance with and on the terms of the service description, if any, for the particular Funds Transfer service, or if applicable, the Master Agreement or governing Account Agreement. In the event of any conflict between the terms of this Service Description and any such other agreement, the terms of this Service Description will control. We will originate Funds Transfers before the applicable deadlines, provided that you transmit or deliver Payment Details to us in compliance with (i) the applicable security procedures and (ii) the format requirements and cut off hours established by us from time to time.

Paper Checks. Subject to the terms of this Service Description, we will prepare and print paper checks based on the Payment Details as required, affix the authorized signature you provide to us, and mail the checks in our normal processing schedule. We will create a Positive Pay file of issued and outstanding checks to reflect the checks prepared and mailed by us.

You agree that you are solely responsible for the accuracy and completeness of all Payment Details you or your Vendor transmit or direct to us. We are not responsible for detecting errors contained in any of your Payment Details, and we are entitled to rely on the information contained in the Payment Details. We may treat Payment Details received by us after our cut off hours as received on the following Business Day.

3. Payment.

You agree to pay us for the amount of each Funds Transfer as provided in the service description for the particular Funds Transfer service, or if applicable, the Master Agreement or governing Account Agreement. We may, in our sole discretion, initiate reversals of Funds Transfers for which you have not paid us or for which there is not adequate prefunding or credit approval.

Checks will be drawn on the Account designated in the setup process and charged to that Account as provided in the governing Account Agreement and the Positive Pay service description.

4. Rejection of Transactions or Payment Details.

Except as otherwise expressly provided in a written agreement signed by us, we have the right to reject, and refuse to accept, any Payment Details for any reason, including your failure to maintain a sufficient balance of immediately available funds in the Account specified in the Payment Details. If you attempt to use the Service to initiate Transactions of a type that are offered by us as a separate service, and you are not subscribed for that service, then we will reject those Transactions. However, you nevertheless agree to pay us for the amount of any such Transaction which is not rejected. We will have no liability to you based on our rejection of any Payment Details or Transactions. If we reject any Payment Details or Transactions, we will endeavor to notify you, but we will have no liability to you based on the fact that we did not notify you.

5. Cancellation or Amendment of Transactions.

You have no right to cancel or amend any Payment Details after it has been received by us. However, we will make a reasonable effort to act on your request to cancel or amend Payment Details before we process your instructions, but we will have no liability if we are unable to effect such cancellation or amendment.

6. Security Procedures.

- (a) Subject to clause (c) below and Appendix A, you and we agree that the Payment Details transmitted or delivered by you or on your behalf be delivered to us pursuant to security procedures as provided in the Master Agreement and in this Service Description (including Appendix A hereto) (the "Security Procedures"). These Security Procedures include important security features which are available only if your Payment Instructions are transmitted in accordance with these procedures. You acknowledge that you have reviewed the Security Procedures and agree that they are commercially reasonable for you as a means of authenticating Payment Details communicated by you or on your behalf to us in light of the size, frequency, and amount of Transactions you expect to initiate. You acknowledge that the Security Procedures are used to verify the authenticity of, and not to detect errors in, the transmission of or content of Payment Details. Any Payment Details delivered or transmitted by you or in your name is effective as your payment instruction and will be enforceable against you whether or not authorized and regardless of the actual identity of the signer, sender, or transmitter, if such Payment Details are received in accordance with the applicable Security Procedures and we accept such Payment Details in good faith.
- (b) We may use additional procedures to verify or authenticate Payment Details, other than those described herein, and you agree to implement any other reasonable procedures established by us from time to time in order to further protect your Payment Details
- (c) If you choose not to accept any of the standard Security Procedures offered by us, then you are refusing the Security Procedures that we are offering and recommending as commercially reasonable for you, and you agree to be bound by any Payment Details, whether or not authorized, which are issued in your name and accepted by us in compliance with the Security Procedures chosen by you. However, we have no obligation to accept any Payment Details that are not transmitted or delivered in compliance with the Security Procedures and we will not be liable for any losses, damages or costs suffered by you or any third party as a result of (i) our refusal to act upon any Payment Details which have been transmitted or delivered to us other than in accordance with the Security Procedures and other procedures described herein after reasonable efforts to verify the authenticity of such Payment Details have failed, or (ii) our delaying such action until such verification is obtained.

7. Rules.

You agree to comply with all laws, regulations, and rules applicable to the Service, including, without limitation, the rules and regulations of the clearing house for the particular Transaction type.

8. Remittance Advice.

As an optional service for Transactions, we will provide your payment recipient with a remittance advice containing remittance details as instructed by you using delivery methods that we may offer or employ from time to time in our discretion.

9. **Delay.**

We are not responsible for any delay or failure to effect your Payment Details and Transactions due to circumstances beyond our control including disruptions in communications facilities, power or equipment failures and the neglect, action or failure to act of any other bank, intermediary, clearing house, or funds transfer system.

10. **Limitation of Liability**

We are not responsible for any delay or failure to effect your Entry Data and Transactions due to circumstances beyond our control including disruptions in communications facilities, power or equipment failures and the neglect, action or failure to act of any other bank, intermediary or ACH processor or funds transfer system.

THIS SERVICE DESCRIPTION HAS BEEN EXECUTED AS PROVIDED IN THE SCHEDULE OF SERVICES FORMING A PART OF THE MASTER AGREEMENT.

APPENDIX A

Comprehensive Payables Service Description Security Procedures

I. Transmission of Payment Details via File Transfer

A. Service Setup

We offer the ability to transmit Payment Details to us via the Internet using a direct, machine-to-machine file transfer capability. We will assist you with setup and testing of the file transfer capability. Through this process you are authorizing persons who have or obtain access to the secure transmission channel to transmit Payment Details to us via the transmission channel.

B. Security Procedures

Our standard Security Procedures for the transmission or delivery of Payment Details via file transfer are to require that all file be sent by means of a secure, encrypted channel established between you and us as part of the testing and service implementation process. The channel is secured via user ID and password as well as a public and private key-pair cryptographic system.

Our standard Security Procedures for the transmission or delivery of Payment Details via file transfer also include those security measures that we may offer and you may accept from time to time, such as device authentication, IP address verification, dollar limits, and international entitlements.

II. General

If you choose not to accept any of the standard Security Procedures offered by us (including, without limitation, having all files be sent by means of a channel secured by both user ID and password as well as a public and private key-pair system), then you are refusing the security procedures that we are offering and recommending as commercially reasonable for you, and you agree to be bound by any payment details, whether or not authorized, which are issued in your name and accepted by us in compliance with the security procedures chosen by you (which may include, without limitation, using a communication channel secured only by user ID and password or only by a public and private key-pair system, but not both).