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DepositEdge Service Schedule

This is a Schedule to the Treasury Services Master Agreement (the "**Master Agreement**"). All capitalized terms not defined in this Schedule shall have the meaning given to them in the Master Agreement or in any other applicable Schedule. In addition to the terms and conditions in the Master Agreement, the Client agrees to the following:

1. Nature of Service and Appointment

1.1. The DepositEdge remote deposit service described in this Schedule (the "**DepositEdge Service**") is a web-based service allowing the Client to create digital representations of cheques which the Client would otherwise have provided physically to BMO for deposit ("**Cheques**") and transmit such representations to BMO for credit to the Client's designated BMO accounts (the "**Account(s)**"), all upon and subject to the terms and conditions in this Schedule. In order to provide the DepositEdge Service to the Client, BMO hereby appoints the Client to act on its behalf as its agent for the sole purpose of creating digital representations of Cheques intended to be deposited to the Account(s), and the Client hereby accepts such appointment.

2. DepositEdge Service

2.1. The Client is authorized to use the DepositEdge Service, using the Image Capture Equipment (defined below) at locations designated by the Client on the User Documentation or otherwise approved by BMO, to capture a digital representation of the front and back of Cheques (the "**Images**"). The DepositEdge Service allows the Client to create a file of the Images (each, a "**File**") for transmission to BMO for processing in order to present the Images, as Images or in another permitted form, to the payor's bank for payment and subsequent credit to the Account(s), all in accordance with the requirements in any User Documentation.

2.2. The Client is responsible for the preparation of deposits, including Images and Files, in accordance with this Schedule and the User Documentation.

2.3. For the purposes of this Schedule, the term "**User Documentation**" as defined in the Master Agreement also includes any user guide, instructions, manuals or other documentation provided by BMO with respect to the Image Capture Equipment (defined below).

2.4 Fees payable by the Client in connection with the use of the DepositEdge Service shall be as set out in a fee schedule provided to the Client, in the User Documentation, or as advised to the Client by BMO from time to time.

3. Image Capture Equipment

3.1. *Acquisition and Licensing.* At the Client's election, either (a) BMO will supply the Client with the equipment necessary to scan Cheques the Client receives from its Clients for deposit with BMO (the "**Image Capture Hardware**"), and license to the Client the software to install on a computer provided by the Client that will allow for the electronic capture and transmission of the scanned Cheques (the "**Image Capture Software**") (the Image Capture Hardware and Image Capture Software collectively referred to as the "**Image Capture Equipment**"), or (b) the Client will acquire the Image Capture Hardware and license the Image Capture Software from a third party.

3.2. *BMO-Supplied Image Capture Equipment.* BMO will provide for the initial set-up of BMO-supplied Image Capture Equipment as indicated by the Client and as agreed upon by BMO in the User Documentation. BMO, and/or its licensors or suppliers, shall retain and own all right, title and interest and all intellectual property rights (including, without limitation, copyrights, trade secrets, trademarks and patent rights) in and to the BMO-supplied Image Capture Equipment, and nothing herein transfers or conveys to the Client any ownership or other proprietary rights in or to the BMO-supplied Image Capture Equipment or any license right with respect thereto not expressly granted in this Schedule. The Client agrees not to move or use any BMO-supplied Image Capture Equipment outside of Canada or the United States of America unless otherwise previously agreed in writing by BMO. BMO shall provide the Client with support services for the Image Capture Equipment in accordance with the User Documentation. If the Image Capture Hardware does not function substantially in accordance with the specifications in this Schedule and the User Documentation, BMO's sole liability and the Client's exclusive remedy for such malfunction will be to provide a replacement of the Image Capture Hardware. If at any time, any Image Capture Hardware is lost, stolen, or damaged, or sold, leased, mortgaged, transferred, assigned, encumbered, or not returned, the Client shall pay BMO the undiscounted retail value of such Image Capture Hardware, together with any costs incurred by BMO in seeking possession of such Image Capture Hardware.

3.3. *Third-Party Image Capture Equipment.* The use of Image Capture Equipment acquired or licensed by the Client from a third party is subject to BMO's approval, and BMO may advise from time to time of required system specifications in respect of such use. Image Capture Equipment acquired or licensed from a third party may have a separate software or other license, purchase, or usage agreement in addition to the terms provided in this Schedule. The Client agrees to comply with and abide by any such agreement and further, with respect to the relationship between the Client and BMO, if the terms of any such agreement conflict with the terms of this Schedule, the terms of this Schedule shall prevail.

3.4. *Use of Image Capture Equipment.* The Client understands and agrees that the DepositEdge Service will only be available, and the Client may only access the DepositEdge Service, by using Image Capture Equipment supplied by or approved by BMO. The Client agrees that it will update the Image Equipment within a reasonable time, but no more than 5 Business Days, after BMO provides the Client with notice of the need to update any Image Capture Equipment. The Client shall be solely responsible for the availability and integrity of the power, environmental, and connectivity requirements of the Image Capture Equipment, including any other equipment, software (other than the Image Capture Software), consumables, or other items necessary to operate the Image Capture Equipment in connection with the DepositEdge Service.

4. Prohibited Items/Actions; Scanning; Image Processing

4.1. *Prohibited Items.* The Client agrees that it will not use the DepositEdge Service to deposit or attempt to deposit any Cheque or other item that:

(a) is payable to any person or entity other than the Client, unless deposit of such items is expressly permitted pursuant to an existing agreement between the Client and BMO;

(b) is prohibited by the User Documentation, or is in violation of any Applicable Law, rule or regulation including, without limitation, the Bills of Exchange Act (Canada) and the CPA Rules;

(c) the Client knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Cheque is drawn;

(d) is drawn on financial institutions that are located outside of Canada and the United States of America or its Territories;

(e) would not be acceptable to BMO for deposit into the relevant Account under the terms of the agreements governing such Account (each such agreement an "**Account Agreement**");

(f) is not correctly Magnetic Ink Character Recognition (MICR)-encoded;

(g) is not denominated in Canadian or U.S. dollars; or

(h) is a U.S. domestic money order.

4.2. *Prohibited Actions.* The Client agrees that it will not attempt to employ the DepositEdge Service with respect to Cheques that have previously been scanned or other electronic images of cheques or other payment items, in order to ensure that no financial institution, drawee, drawer or endorser receives presentment or return of a Cheque, or is otherwise charged for the same Cheque, more than once in any form. The Client agrees that no Cheques presented for deposit using the DepositEdge Service shall be restrictively endorsed, in order to permit BMO to present and process such Cheques in compliance with Applicable Law.

4.3. *Scanning Cheques.* The Client may scan Cheques on and in compliance with the terms of the User Documentation using the Image Capture Equipment and submit the resulting Images and Files to BMO for deposit processing. The Client agrees that it will scan for deposit processing only original Cheques and that all Images submitted to BMO will meet the standards for image quality required by Rule A10 of the CPA Rules, or other standards established by BMO or by Applicable Law from time to time.

4.4. *Cut-Off Times.* To be eligible for processing on the day transmitted, the entire File must be received by BMO no later than BMO's established cut-off time (the "Cut-Off Time"), and the File must balance and conform to all applicable technical requirements. For purposes of determining when a File has been delivered and received, BMO's records shall be determinative. A File which is received after the Cut-Off Time shall be deemed to have been received on the business day following the business day on which the File is actually received by BMO. BMO reserves the right to change the Cut-Off Time at any time and from time to time.

4.5. *Deposit Limits.* BMO may, at any time and from time to time, in respect of the DepositEdge Service generally or with respect to its use by the Client specifically, establish limits with respect to:

(i) the number of Files that may be transmitted in a day or other period of time,

(ii) the number of Cheques whose Images may be included in a File,

(iii) the dollar amount of any Cheque or of the Cheques whose Images are included in a File in the aggregate, and/or

(iv) the aggregate amount of deposits made using the DepositEdge Service in a day or other period of time.

(v) If the Client attempts to make any deposit using the DepositEdge Service in violation such limits established by BMO, BMO may, but is not required to, refuse to accept the affected File or any Image contained therein.

4.6. *No Obligation.* The Client agrees that BMO has no obligation to accept a File and, therefore, may reject any File or the Images or other information contained therein submitted by the Client. BMO will endeavor, but has no obligation, to notify the Client of the rejection of a File or the Images or other information contained therein. The Client acknowledges that email or other confirmations or deposit reports received through the DepositEdge Service do not constitute acceptance by BMO of any File or the Images or other information contained therein submitted by the Client, and are not statements with respect to the Accounts for the purpose of any Account Agreement.

4.7. *Receipt of File.* Upon receipt of a File submitted by the Client, BMO may examine such File and the Images and other information contained therein to ensure that the Client has complied with this Schedule and the User Documentation. If BMO determines that the Client has not complied with this Schedule or followed the User Documentation or if errors exist in the Images or other information contained in the File, BMO may, in its discretion, either reject the File or elect to correct the error and accept and process the corrected File (a "Corrected File"). BMO may, at its option, perform a risk management analysis of any File submitted by the Client to detect potential risks (including, but without limitation, Images which may represent fraudulent Cheques), and, in BMO's sole discretion, BMO may reject any such File or the Images or other information contained therein.

4.8. *Constructive Delivery.* The Client intends that the transmission by the Client of any Image of a Cheque and its acceptance by BMO shall be deemed to be a constructive delivery of such Cheque to BMO for the purpose of deposit and collection by BMO. If BMO accepts a File or the Corrected File, as applicable, BMO will submit the Images contained therein, as Images or in another permitted form, for clearing and settlement under applicable CPA Rules. Thereafter, all requirements applicable to deposit of original Cheques will apply to such Images and the Images will be treated as if the original Cheques had been deposited at a BMO branch.

4.9. *Client's Responsibility.* The Client will accept responsibility and be liable for any deposits made using the DepositEdge Service which are returned by a deposit-taking financial institution (including by BMO) for any reason including, without limitation, if Cheques had forged signatures, were altered, were duplicated, were counterfeit or were for any reason unauthorized or fraudulent.

4.10. *Provisional Credit.* Notwithstanding the fact that BMO may have accepted a File or the Corrected File, as applicable, for deposit, any credit made to the Client's Account(s) shall be subject to final payment of the Cheques and subject to the terms of the applicable Account Agreements, and the Client shall remain liable to BMO for any errors, inaccuracies, breaches of warranty and any other loss sustained by, or claim made against, BMO. For the purpose of determining availability of funds, BMO may hold funds for the period of time permitted by Applicable Law or the applicable Account Agreements.

5. Storage and Destruction Contingency

5.1. *Storage and Destruction.* The Client shall securely store all original Cheques deposited through the DepositEdge Service for a period of at least 45 calendar days, but not more than 120 calendar days, from the date of creation of the Image of the relevant Cheque (such period, the "**Retention Period**"). During the Retention Period, the Client shall take appropriate security measures to ensure that:

(a) only authorized personnel shall have access to original Cheques,

(b) the information contained on such Cheques shall not be altered or disclosed to third parties,

(c) such Cheques will not be duplicated or rescanned,

(d) such original Cheques will not be deposited or negotiated in any form, and

(e) each original Cheque shall contain a stamp or other mark identifying such Cheque as having been deposited through the DepositEdge Service. During the Retention Period, the Client will promptly (but in all events within 10 business days) provide any original Cheque to BMO upon request.

5.2. *Destruction.* The Client shall destroy original Cheques upon the expiration of the Retention Period applicable to such Cheques. Upon BMO's request, the Client shall provide satisfactory evidence (in BMO sole discretion) of such destruction and compliance with this Section 5.2. For greater certainty, satisfactory evidence may include a certificate of an officer of the Client.

6. Representations, Warranties and Covenants

6.1. In addition to the representations, warranties and covenants set forth in the Agreement and otherwise provided for by the Account Agreements or Applicable Law, the Client hereby represents, warrants and covenants the following:

- the Client shall only deposit Cheques that are authorized by this Schedule, the User Documentation and the Account Agreements;
- each Image transmitted by the Client contains an accurate representation of the front and the back of each Cheque, and complies with the requirements of this Schedule and Applicable Law in order to be treated as an "official image" within the meaning of the *Bills of Exchange Act* (Canada);
- the Client is not a consumer, and the DepositEdge Service and Image Capture Equipment shall be used for business purposes only and only in connection with the business of the Client previously disclosed to BMO;
- the Client shall inform BMO of any change in its business activities previously disclosed to BMO, its use of the DepositEdge Service or the information it has provided on the User Documentation; and
- the Client shall conduct its business, submit Images and Files, destroy original Cheques, and otherwise perform all its obligations hereunder, in compliance with this Schedule, the User Documentation and Applicable Law (including, without limitation, the CPA Rules).

7. Returned Cheques

7.1. Unless otherwise instructed by BMO, the Client agrees not to deposit the original Cheque if an Image of such Cheque, as an Image or in another permitted form, is dishonored or otherwise returned unpaid for any reason including, but not limited to, issues relating to the quality standards of such Image.

8. Required Equipment; Security Procedures

8.1. *Required Equipment.* The Client agrees to provide and maintain Internet-connected computer equipment capable of operating and communicating with the Image Capture Equipment and supporting the DepositEdge Service, as provided for in the User Documentation and otherwise as advised by BMO. The Client agrees to physically restrict and otherwise limit access to such computer equipment, the Image Capture Equipment, and any Cheques to representatives and employees having direct involvement with the DepositEdge Service. The ability to access such computer equipment and the Image Capture Equipment and the Client's ability to submit Images of Cheques and Files will be protected by passwords and user identifiers or other security measures (the "**Security Devices**") in order to prevent unauthorized access to the DepositEdge Service and transmission of unauthorized Files or Images. BMO may also provide the Client with, or require the Client to establish, a site key, security phrase, and/or challenge questions and other procedures (together with the Security Devices, the "**Security Procedures**") to access the DepositEdge Service. BMO may require the Client to designate authorized users and/or user administrators for the purpose of the Security Procedures. BMO reserves the right to amend the Security Procedures, with or without prior notice to the Client.

8.2. *Security.* The Client agrees to comply with and safeguard the confidentiality and security of the Security Procedures and notify BMO immediately if the Client has any reason to believe the Security Procedures have been or are likely to be breached. The Client's use of the DepositEdge Service constitutes the Client's acceptance of the Security Procedures as commercially reasonable and as a means of authenticating Files and Images received by BMO from or on behalf of the Client. The Client acknowledges that the Security Procedures are used only to verify the authenticity and source of, and not detect errors in, the Images and Files received by BMO.

8.3. *Binding Instructions.* The provision of Files and Images to BMO through the DepositEdge Service will be binding on the Client as instructions to BMO as if the original paper Cheques to which the Images relate were deposited at a BMO branch, regardless of the actual identity or authorization of the sender.

8.4. *Client's Responsibility.* It is the Client's sole responsibility to take all necessary precautions to ensure that any computer hardware, software and related materials that the Client uses to access the DepositEdge Service, including by way of example browser software, are free of defects, bugs, viruses, malware and other items of similar destructive nature. BMO is not responsible for, and the Client hereby releases BMO from any and all claims or damages resulting from, or related to, any of the foregoing.

9. Information; Inspection

9.1. *Requests for Information.* BMO may from time to time request reasonable information from the Client in order to evaluate a continuation or modification of the DepositEdge Service and/or adjustment of any limits set by this Schedule or the User Documentation. The Client agrees to provide the requested information immediately upon request, in the form required by BMO. The Client authorizes BMO to investigate or reinvestigate at any time any information provided by the Client in connection with this Schedule or the DepositEdge Service and to request reports from credit bureaus and reporting agencies for such purpose.

9.2. *Inspection.* The Client agrees to permit BMO or its Representatives to conduct on-site visits and/or assessments or alternatively, if requested by BMO, the Client will complete a self-assessment of its operations, facilities, management, staff, systems, internal controls, security arrangements, training and risk management practices that would otherwise be reviewed by BMO in its own assessment of the Client.

9.3. *Termination/Suspension.* If the Client refuses to provide the requested information, or if BMO concludes, in its sole discretion, that the risk to BMO of continuing to provide the DepositEdge Service to the Client is unacceptable, or if the Client refuses to give BMO access to its premises, BMO may terminate or suspend the Client's access to the DepositEdge Service.

10. License - BMO-Supplied Image Capture Equipment

This Section 10 applies solely with respect to BMO-supplied Image Capture Equipment.

10.1. *License*. BMO hereby provides the Client with, and the Client accepts, a limited, personal, non-exclusive, and nontransferable license to use, for purposes of using the DepositEdge Service, scanning and imaging Cheques and sending Images to BMO, the Image Capture Equipment during the time that this Schedule is in effect.

10.2. *License Terms*. The Client acknowledges and agrees that:

(a) the Client shall not have any ownership or other proprietary rights in the Image Capture Software or any documentation supplied to the Client in connection with the Image Capture Equipment;

(b) the Image Capture Software is protected by the copyright laws of the United States and Canada;

(c) the Client shall only use or copy the Image Capture Software and any documentation for the purposes of the DepositEdge Service as described in this Schedule and at the location designated by the Client on the User Documentation or otherwise approved by BMO;

(d) the Client shall be responsible for all the acts or omissions of its employees, agents or representatives in connection with their use of the Image Capture Equipment;

(e) the Client shall not alter, change or modify or otherwise create derivative works of the Image Capture Software or any documentation supplied to the Client in connection with the Image Capture Equipment; and

(f) the Client shall not sublicense, rent, distribute, or otherwise transfer the Image Capture Software.

11. Limitations of Liability; Exclusions

11.1. BMO will not have any liability, in tort, contract or otherwise, for any Damages that the Client sustains from use of the DepositEdge Service, except for direct Damages solely attributable to BMO's gross negligence or willful misconduct.

11.2. In no event will BMO be liable to the Client or any third party for any indirect, special, punitive, incidental or consequential Damages that result from the use of or inability to access the DepositEdge Service. This includes, but is not limited to, lost business, profits, or revenue, whether or not BMO is advised of the possibility of such loss or damage with respect to any such Damages.

11.3. For greater certainty, but without limiting Sections 11.1 and 11.2, in no event will BMO have any liability arising out of:

(a) an event or series of events beyond BMO's control including, without limitation, accident, disaster, electrical fault, power surges, lightning, internet connection fault, vandalism or burglary;

(b) the Client's use, storage or handling of the Image Capture Equipment other than in accordance with this Schedule and the User Documentation;

(c) unauthorized repairs or repair of damage caused by personnel (other than personnel authorized by BMO) installing or modifying the Image Capture Equipment;

(d) the availability and integrity of the power, environmental, and connectivity requirements of the Image Capture Hardware, and any other equipment, software, consumables or other items necessary to operate the Image Capture Equipment in connection with the DepositEdge Service;

(e) accepting and processing in good faith any File or Image purportedly sent by the Client using the Image Capture Equipment, whether or not it was actually sent by the Client;

(f) the Client's inability to image a Cheque or transmit an Image or File whether due to the failure of any part of the Image Capture Equipment or the Client's inability to use the DepositEdge Service over the Internet or otherwise;

(g) the monitoring, interception, rerouting, altering, copying or use by unintended parties of data transfers to or from BMO through the DepositEdge Service, or any other known or unknown hazards of Internet use;

(h) rejection by BMO of a File or the Images or other information contained therein, or for the failure to notify the Client of such rejection; or

(i) any failure by BMO to process a deposit through the DepositEdge Service because of the application of relevant deposit limits or the lawful exercise of any right or obligation of BMO not to accept such deposit, or the relevant Files or Images, under the Agreement, this Schedule, the Account Agreements or otherwise in accordance with Applicable Law.

11.4. Except as expressly provided for herein, BMO makes no representations or warranties, either express or implied, of any kind with respect to the DepositEdge Service, or that its operation will be error-free or uninterrupted. BMO hereby disclaims all liability in connection therewith, and expressly disclaims any warranty with respect to the imaging or character recognition process, any implied warranty of merchantable quality, fitness for a specific purpose, infringement or other implied contractual warranty, and those arising by statute or otherwise in law or from a course of dealing or usage of trade. The Client hereby agrees and acknowledges that BMO shall not have any liability whatsoever for any of the matters set forth in this Section.

12. Indemnity

12.1. In addition to the indemnification provided in the Master Agreement or in any other agreement between BMO and the Client, the Client will indemnify and save BMO and its Representatives harmless against any and all Claims directly or indirectly incurred by BMO or its Representatives which are the direct or indirect result of:

(a) the Client's use of the DepositEdge Service;

(b) any non-receipt, delayed receipt or receipt with errors, corrupted data, or receipt in a format not acceptable to BMO, of a File or the Images or other information contained therein, including inaccurate or incomplete data received by BMO;

(c) BMO's obligations as a "Capturing Member" as defined in the CPA Rules (including, without limitation, Rules A10 and G3) relating to Images created by the Client (as agent for and on behalf of BMO) using the Image Capture Equipment, or similar obligations of BMO under any modification of or replacement for such rules;

(d) use of Image Capture Equipment including use contrary to the terms of Section 6 above; or

(e) any claims by makers of any Cheques that the Client deposits with BMO using the DepositEdge Service, unless such Claims are a direct result of BMO's gross negligence or willful misconduct.

(f) giving BMO full control and sole authority over the defense and settlement of such claim, provided settlement fully releases the Client and is solely for monetary damages and does not admit any liability on behalf of the Client.

BMO shall have no obligation to indemnity, defend or hold the Client harmless hereunder to the extent that a claim is caused by or results from any:

(i) use of the Image Capture Equipment not in accordance with this Schedule or the User Documentation or for purposes not intended by BMO and not specifically licensed pursuant to this Schedule; or

(ii) use of the Image Capture Equipment other than the latest unaltered and unmodified version after BMO provides the Client with notice of the need to update the version of the Image Capture Equipment.

13. Termination, Suspension or Changes to terms of DepositEdge Service

13.1. In addition to any rights of termination as set forth in the Master Agreement, BMO may terminate this Schedule immediately or immediately suspend providing the DepositEdge Service to the Client for any reason including, without limitation, if:

(a) the Client engages in or is suspected of any fraudulent or unlawful activity using the Image Capture Equipment, processing of any Cheque or otherwise using the DepositEdge Service;

(b) in BMO's good faith judgment, BMO determines that the risk profile or loss or chargeback history of the Client's business changes adversely; or

(c) the Client fails or refuses to (i) allow BMO to access or assess the Client's DepositEdge operations or (ii) complete an attestation as to the Client's practices and procedures regarding the DepositEdge Service that is reasonably requested by BMO.

13.2. Upon termination of this Schedule, all licenses granted herein shall be immediately terminated, and the Client agrees to return any BMO-supplied Image Capture Hardware and all copies (or, at BMO's request only, destroy all such copies) of any BMO-supplied Image Capture Software within 30 days of termination.

13.3. The Client will comply with any changes to specifications, instructions, or User Documentation BMO may make available from time to time, as well as any implementation instructions, terms of service, and Security Procedures applicable to the DepositEdge Service BMO may apply or amend from time to time.

14. CPA Rules

14.1. The Client will comply with the CPA Rules pertaining to the creation of Images, the use of Clearing Replacement Documents and Return Replacement Documents (as defined therein), and related matters, and all other Applicable Law which may now or in the future affect the DepositEdge Service.

14.2. The Client will sign and/or obtain any further documentation which BMO may reasonably request or which may be required from time to time by the CPA Rules with respect to the DepositEdge Service.

14.3. The Client acknowledges that future changes to the CPA Rules may require modification to or the termination of the DepositEdge Service.