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Electronic Funds Transfer Service Schedule¹

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. EFT Service

- 1.1. The Client engages BMO to transfer funds electronically to or from specified accounts using BMO’s Electronic Funds Transfer Service (the “**EFT Service**”). The Client will provide BMO with the instructions and the information needed to debit or credit the accounts of other parties and credit or debit the Client’s account, including the information BMO specifies in any User Documentation or other instructions or manuals BMO provides (collectively “**File Transfer Information**”). BMO is not required to verify or confirm the File Transfer Information.

2. Accountholder Payment Obligations

- 2.1. The Client will pay to BMO, promptly upon request, the total amount BMO is to credit to other accounts.
- 2.2. BMO is not obliged to make any payments or to provide any of the services hereunder unless and until such time as BMO receives the payments specified.

3. Pre-Funding Option

- 3.1. Where the Client selects the Pre-Funding Option in connection with credits processed to accounts of other parties (collectively, the “**Payees**”) from the Client’s account, the Client acknowledges that:
 - BMO will place a hold on the amount of funds in the Client’s account equal to the amount(s) to be credited to the Payee(s) as specified in the File Transfer Information (collectively, the “**Credit Amounts**”). The hold will last from the date BMO receives the File Transfer Information until the date that the Credit Amounts are to be withdrawn from the Client’s account as specified in the File Transfer Information;
 - During the hold period, the Client will not have access to the Credit Amounts in the Client’s account.
- 3.2. BMO will not be obligated to process any payments from the Client’s account or be obliged to provide the EFT Service unless the Credit Amount is available in the Client’s account on the date BMO receives the File Transfer Information. BMO will not be liable for any damages, direct or indirect, incurred as a result of its refusal to process any payments from the Client’s account due to the Client’s account balance on the date BMO receives the File Transfer Information being less than the Credit Amount.

4. Debits from Other Accounts

- 4.1. This section only applies where the Client processes Pre-Authorized Debits (“**PADs**”) from the accounts of parties whose accounts are to be debited (collectively, the “**Payors**”), as described in the CPA Rules.

¹ Also applicable for the service formerly known as DEFT – Direct Electronic Funds Transfer (non-internet-based EFT Service)



Electronic Funds Transfer Service Schedule¹ (cont'd)

- 4.2. In accordance with the CPA Rules, the Client accepts and agrees to be bound by the terms of the Payee Letter of Undertaking attached hereto as Appendix I and will obtain from each of the Client's Payors a Payor's PAD Agreement authorizing the Client to issue each PAD.
- 4.3. Without limiting the foregoing, the Client will sign and obtain from the Client's Payors any further documentation as BMO may request or as prescribed by the CPA Rules.
- 4.4. The Client will abide by the CPA Rules pertaining to PADs and all other Applicable Law.

5. Indemnity

- 5.1. 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 or taken against BMO or its Representatives which are the direct or indirect result of:
 - (a) incorrect transit and account numbers provided to BMO;
 - (b) incorrect name of the account payee (which the Client acknowledges BMO is not required to confirm or verify);
 - (c) any claim made by a Payor in accordance with the CPA Rules; and
 - (d) any claim BMO pays as a result of a stop payment or declaration filed by a Payor alleging that a PAD has been improperly debited from the Payor's account.

The Client will also reimburse any other processing institution for any payment made for a claim under this section.



**Appendix I to Electronic Funds Transfer Service Schedule
Payee Letter of Undertaking - Business and/or Personal PAD Plan**

Capitalized terms that are not otherwise defined in this Payee Letter of Undertaking are defined in CPA Rule H1. In consideration of BMO agreeing to collect PADs as instructed by us, and in consideration of other financial institutions ("Processing Members") agreeing, through the CPA Rules, to accept PADs drawn on accounts of Payors, we undertake and agree as follows:

1. (a) We agree to be bound by, comply with, respect and apply all relevant provisions of the Canadian Payments Act and all related by-laws, rules and standards in force from time to time as they apply to PADs including, without limitation, the Confirmation and Pre-notification requirements or waiver of Confirmation and/or Pre-notification requirements, and cancellation requirements as set out in CPA Rule H1. Without limiting the foregoing, we agree not to initiate any debits which do not comply with the eligibility or other requirements set out in the CPA Rules.
 - (b) BMO shall not be liable for any delay, damage, penalty, cost, expense or inconvenience to us or any other person resulting from BMO's failure to perform any of the services herein contemplated by reason of any cause beyond BMO's control.
 - (c) We shall be solely responsible for the accuracy and completeness of all information furnished to BMO. We agree that BMO shall not be responsible in any way for errors resulting from the inaccuracy or incompleteness of any information furnished to BMO by us or any officer, employee or agent of ours. We agree that BMO and other Processing Members may rely on the transit and account numbers provided and that BMO and other Processing Members shall not be required to confirm the correctness of the Payor's name, the existence or obligations of any Payor, the existence or validity of any Payor's PAD Agreement or to compare any account number with account name.
 - (d) We shall indemnify and hold BMO and all Processing Members harmless from and against all losses, costs, fees, damages, expenses, liabilities, claims, suits and demands whatsoever that BMO or any Processing Member may suffer, incur or be under or that may be made or brought against BMO or any Processing Member, by whomsoever made or brought, by reason of or in any way arising out of the action in drawing and issuing any PAD as instructed or issued by us, including, without limitation, for any amounts that may be erroneously paid by BMO or any Processing Member pursuant to any PAD issued in accordance with our instructions or resulting from the inaccuracy or incompleteness of any information furnished to BMO by us or any officer, employee or agent of ours.
 - (e) We shall indemnify and hold BMO and all Processing Members harmless from and against and reimburse BMO and any Processing Member for payment of any claim, made in accordance with the CPA Rules Manual or otherwise, and in respect of any disputed PADs including, without limitation, for any interest claims, claims resulting from stop payments and any declaration filed by a Payor or other person in accordance with the CPA Rules or any claim by a Payor or Processing Member alleging that a PAD was not drawn in accordance with the Payor's PAD Agreement, that the Payor's PAD Agreement was revoked, that any pre-notification was not received by the Payor as required by the CPA Rules or the Payor's PAD Agreement, that no contractual relationship ever existed between the person making the claim and ourselves or that no Payor's PAD Agreement was ever signed by the Payor. We acknowledge that this indemnification is enforceable by BMO notwithstanding any assertion by us respecting the validity of any Payor's declaration or claim.
2. We agree that we shall accept responsibility for, and that BMO may debit our account for, the amount of any PADs returned by Processing Members for any reason, including disputed, countermanded or "NSF" PADs, and that such items may be treated by BMO as other payment items which are credited to our account and subject to other agreements between us, except as otherwise modified herein.
 3. (a) We represent, warrant and guarantee to BMO that prior to initiating any PAD against a Payor's account the Payor will have executed or otherwise duly Authorized Payor's PAD Agreement with us substantially in the form set out as Samples of Pre-authorized Debit (PAD) Agreements in Appendix II of CPA Rule H1 (or any replacement thereof) or



otherwise containing all mandatory provisions and requirements as provided in CPA Rule H1.

- (b) We agree to initiate PADs strictly in accordance with the Payor's PAD Agreement executed or otherwise duly Authorized by each Payor.
- (c) We represent, warrant and guarantee to BMO that each Payor on whose behalf any debit purports to have been drawn or direction purports to have been given, will have signed or otherwise duly Authorized and delivered to us an authority instructing us to issue debits, and where applicable, given a direction pursuant to such an authority to issue a debit as though it were signed or otherwise duly Authorized by such Payor instructing such direction to be acted upon as though it were a Written instruction signed by such Payor. In addition, we confirm that:
 - (i) the Payor's PAD Agreement will have been signed or otherwise duly Authorized by the valid signing authority(ies) for the Payor's account; and
 - (ii) the signature or otherwise duly Authorized method employed by the Payor meets the requirements of CPA Rule H1 and is in a form that constitutes proper authority for the Payor's Processing Member to debit the Payor's designated account as may be set out in the Payor's account agreement with its Processing Member.
- (d) We agree that we will, prior to issuing debits against a Payor's account, inform the Payor of the recourse, notification and all other provisions of CPA Rule H1 relevant to Payors. Where possible, we will provide each Payor with a copy of the Payor's PAD Agreement signed or otherwise duly Authorized by the Payor.
- (e) We agree to provide BMO, within 5 business days of BMO's request, a copy of any Payor's PAD Agreement in respect of which we have issued a PAD. We authorize BMO to provide any Payor's PAD Agreement received by BMO to the Payor and the Processing Member. We also agree that we will make the terms and conditions of the Payor's PAD Agreement available to the Payor. Where possible, we will provide each Payor with a copy of the Authorization signed by that Payor.
- (f) When issuing Sporadic PADs or One-Time PADs against a Payor, we agree and undertake to obtain due Authorization from the Payor in accordance with Rule H1 for each and every Sporadic PAD or One-Time PAD that we issue.

4. Cancellation

- (a) Subject to subsection 4(b) below, where the Payor instructs us to cease issuing PADs, or otherwise revokes the Payor's PAD Agreement or an Authorization to issue PADs, we shall:
 - (i) use best efforts to cancel the PAD in the next business, billing or processing cycle;
 - (ii) within not more than 30 calendar days from the notice, cease to issue any new PADs against that Payor; and
 - (iii) not issue any further PADs against the Payor without that Payor first providing us with a new Payor's PAD Agreement, provided the Payor has made available their instructions or revocation in Writing, or orally with proper Authorization.
- (b) Where the Payor we have entered into an agreement (including a Payor's PAD Agreement) that clearly sets out a cancellation period that does not exceed 30 calendar days, a cancellation or revocation under subsection (a) may become effective at the end of that period.
- (c) We may terminate a Payor's PAD Agreement only in accordance with the terms of that agreement or, where the agreement does not address termination by us, by providing at least 30 calendar days Written notice to the Payor unless otherwise Authorized by the Payor in Writing or orally.



- (d) Where we terminate a Payor's PAD Agreement pursuant to Authorization from the Payor under subsection 4(c), we shall provide or make available a Written statement specifying the date of the final PAD and the effective termination date of the Payor's PAD Agreement within 10 calendar days of the final PAD.

5. Change of Sponsoring Member/Termination

We undertake and agree to reimburse BMO and/or any Processing Member for payment of any claim made by a Payor in accordance with the CPA Rules Manual.

This Payee Letter of Undertaking may be terminated by us or BMO provided that written notice of such termination is given by the terminating party to the other party not less than 30 days prior to the day upon which such termination is to take effect.

Notwithstanding any termination of this Payee Letter of Underwriting, the provisions of CPA Rule H1 and the indemnification provisions of this Payee Letter of Undertaking will remain in full force and effect with respect to any PAD drawn and issued or other media delivered by BMO in accordance with the provisions of this Payee Letter of Undertaking prior to the date upon which such termination takes effect.

6. Assignment of This Payee Letter of Undertaking by the Payee

This Payee Letter of Undertaking may not be assigned by us (the Payee), whether directly or indirectly, by operation of law, change of control or otherwise, without the prior Written consent of BMO (Payee's Sponsoring Member).

7. Assignment of Payor's PAD Agreement by the Payee

No Payor's PAD Agreement entered into by us may be assigned by us whether directly or indirectly, by operation of law, change of control or otherwise except:

- (a) if we have prominently displayed (e.g. in bold print, highlighted or underlined) an assignment clause in the Payor's PAD Agreement or the Confirmation and we have provided to the Payor Written notice of the full details of such assignment, including the identity and contact information of the assignee; or
- (b) we have provided to the Payor prior Written notice of the full details of such assignment, including the identity and contact information of the assignee, a minimum of ten (10) calendar days in advance of any PAD being issued in the assignee's name.

8. Notice of Payee Name Change

We will provide a minimum of ten (10) calendar days written notice to the Payor in advance of the next PAD, where our name has changed.

9. Time Limitation for Reimbursement

We agree to reimburse BMO for any claim paid by BMO as a result of a Reimbursement Claim filed by a Payor or other person alleging that a PAD was not drawn in accordance with its Payor's PAD Agreement, a Payor's PAD Agreement was revoked, any required Pre-notification was not given at least 10 calendar days before the date a related PAD was processed to the account of a Payor, a Confirmation was not provided in accordance with section 16 of Rule H1 or no Payor's PAD Agreement existed between the person making the claim and ourselves with respect to a particular PAD.

10. Notices of Change

We undertake and agree to:



- (a) accept and act on any notice of change of a Payor's payment routing information that we receive from our Sponsoring Member that was provided to the Sponsoring Member by the Payor's Processing Member in relation to an administrative change to that information by the Processing Member pursuant to Rule F12 that does not involve changing that Processing Member and
- (b) deem such notice of change to be that Payor's authorization to change its relevant payment routing information, provided that BMO shall be responsible to us only for the accuracy of information provided in any such notice of change that it provides to the Payee.

11. Re-presentation

Upon the return of a PAD for reason of "Non-Sufficient Funds" or "Funds Not Cleared", we may re-present the PAD electronically on a one-time only basis for the same amount as the original debit and such item may only be re-presented within 30 days. A re-presentation shall not contain interest, NSF charges or any other charges in addition to the original PAD amount.

12. Commercially Reasonable Methods

We (a) confirm that we have read and understand the definition of Commercially Reasonable Methods in CPA Rule H1, and that we have such methods in place for use when entering into Payor's PAD Agreements; and (b) agree to use Commercially Reasonable Methods when verifying the Payor's identity for a Payor's PAD Agreement in accordance with the requirements of CPA Rule H1.

13. Force Majeure

BMO shall not be liable to us and/or to any other person who may claim through us for any delay, damage, penalty, cost, expense or inconvenience to us or any other such person resulting from failure on Bank's part to perform any of the services herein contemplated by reason of any cause beyond Bank's control.

14. Cash Management PADs only:

- (a) where we are both the Payor and the Payee, this Payee Letter of Undertaking constitutes our continuing Authorization to debit our designated account with such Cash Management PADs as may be set out in our account agreement with BMO; and
- (b) where we and the Payor are closely-affiliated Businesses, the Payor shall sign or otherwise duly Authorize this Payee Letter of Undertaking or a Payor's PAD Agreement related to that Cash Management PAD in a form that constitutes proper authority for the Payor's Processing Member to debit the Payor's designated account as may be set out in the Payor's account agreement with its Processing Member prior to any Cash Management PADs being issued against the Payor's account.

[Back to Electronic Funds Transfer Service Schedule](#)

