

**Citi Business Banking  
Master Cash Management  
Service Agreement**

March 21, 2024



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**Appendix A Citi Business Banking Cash  
Management Products Cut-Off Times**

# 1. About This Agreement

This Citi Business Banking Master Cash Management Service Agreement (as amended, supplemented or otherwise modified from time to time, this “Agreement”) contains important information about cash management products and services (each, a “Service”) provided by Citibank, N.A. As you read this Agreement, terms such as “Bank,” “we,” “us,” or “our,” refer to Citibank, N.A., and terms such as “Client,” “you” or “your” refers to the business or professional entity with actual or apparent authority to act on behalf of your business to enroll in a Service.

When you enroll in or update your enrollment in a Service, you agree that your Service will be governed by this Agreement which contains important terms and conditions, details, rules, and procedures applicable to your use of the Service. Services are further described and subject to separate pricing schedules provided to you at the time of enrollment for services, including the Fee Schedule (as defined below), the Cash Management Fee Brochure (as defined below), the CitiBusiness® Online User Agreement, terms set forth on CitiBusiness Online, file transfer protocols, and other agreements, documentation and set-up forms that may relate to a particular Service, each such document as amended, supplemented or otherwise modified from time to time (collectively, “Related Materials”). Unless otherwise agreed in writing, the terms set forth in the Related Materials shall be deemed accepted by Client upon provision by Bank of a Service.

Together, this Agreement and Related Materials constitute the entire contract governing your CitiBusiness Cash Management Service relationship with Citibank, N.A. This Agreement and Related Materials supersede and replace the Master Cash Management Service Agreement and all Supplements thereto executed or otherwise provided to you with respect to the Services prior to the date hereof. Please review this Agreement and Related Materials thoroughly and keep them for future reference.

## 1.1 Client Use Acknowledgement

This Agreement is binding on you and Citibank, N.A. To the extent a Service requires an Account (as defined below) or other services or products provided by Bank, this Agreement should be read together with the CitiBusiness Client Manual (as amended, supplemented or otherwise modified from time to time, the “Client Manual”). You acknowledge receipt of the Client Manual. If there is a conflict between this Agreement and the Client Manual, the Client Manual will prevail.

Client may authorize Bank to perform Services as selected on applicable set-up forms and related schedules, which are accepted by one or more Authorized Representatives (as defined below) of Client.

You acknowledge that you are solely responsible for, and agree that you will comply with, or cause to be complied with, all laws, regulations, and rules applicable to your Service(s) with us, including, without limitation, any tax, foreign exchange, or capital controls, and for all payments, reporting or filing requirements that may apply whether because of the country of citizenship, domicile, or residence of your principals, employees, agents or representatives or the jurisdiction in which you are organized, in which you operate or otherwise.

This Agreement is not, and should not be construed as, an offer, invitation, or solicitation to provide any Service to businesses outside of the United States and its territories or possessions. Your eligibility for a particular Service is subject to a final determination by Bank.

You should contact your CitiBusiness representative with any questions, to request additional information regarding the materials referenced in this Agreement, to enroll in any Services, or to modify the Services provided to you.

## 1.2 Service Enrollment

For certain Services selected by Client, Client must electronically sign, or deliver manually signed copies to Bank, Bank’s standard enrollment forms along with any related schedules or addenda for that Service and the applicable set-up and/or maintenance forms before the Service will be available to Client, subject to final determination of eligibility by Bank. Such documents provide or require Client to provide important information about the implementation of or operational details about the Service.

To the extent any term or provision of this Agreement conflicts with any term or provision of any other agreement with respect to a Service, the term and provision of such other agreement shall control. Unless otherwise provided herein, to the extent any provision of this Agreement conflicts with the CitiBusiness Online User Agreement (as amended, supplemented or otherwise modified from time to time), the provision of the CitiBusiness Online User Agreement will control. To the extent any term or provision of this Agreement conflicts with any term or provision of any relevant user guide with respect to a Service, the provision of this Agreement will control.

Client acknowledges and agrees that Bank may arrange to provide software (if required) and/or may arrange for Services covered by this Agreement to be performed or provided by affiliates or third-party service providers. Client further agrees that any such affiliate or third-party service provider is a third-party beneficiary of this Agreement and as such is entitled to rely on, and avail itself of, the provisions of this Agreement as if it was Bank, including, without limitation, the limitations on liability and the indemnities described in this Agreement and any Related Materials. Examples of third-party service providers include, without limitation, technology service providers, business process outsourcing service providers and call center service providers.

If Client engages a third-party vendor (“Client Vendor”) in connection with Client’s enrollment in any Service, Client acknowledges and agrees that (a) Client must obtain Bank’s prior written consent prior to engaging any Client Vendor in connection with Client’s enrollment in any Service; (b) Client will provide a copy of this Agreement to such Client Vendor and obtain such Client Vendor’s agreement to comply with the terms of this Agreement that are applicable to the Services for which such Client Vendor is engaged and Client will be solely responsible for such Client Vendor’s compliance with this Agreement; (c) Any action or omission by Client Vendor in connection with this Agreement or any Service or any breach of any representation, warranty or other provision of this Agreement by a Client Vendor shall be deemed to be an action, omission or breach by Client; (d) Notwithstanding any notification to, or consent received from Bank, upon utilization of any Client Vendor, Client will be deemed to represent and warrant to Bank that (i) it has solely, independently and without reliance upon Bank, made its own appraisal of, and investigation into the business, operations, intellectual property and other rights, financial and other conditions, and creditworthiness of such Client Vendor based upon documentation and other information it has deemed appropriate and has made its own decision to enter into a relationship with such Client Vendor, and (ii) such Client Vendor is familiar with the terms of this Agreement and shall at all times be in compliance with such terms; and (e) Client hereby authorizes Bank (i) to communicate directly with any Client Vendor utilized by the Client and approved by Bank in connection with the Service as if such Client Vendor were Client, (ii) to provide security codes and other security measures directly to such Client Vendor and (iii) to treat instructions of the Client Vendor as if the instructions were received directly from the Client. Any software or equipment necessary for the use of Services by a Client Vendor must be maintained by such Client Vendor and must meet technical specifications acceptable to Bank.

### 1.3 Changes to this Agreement

Please be aware the terms, conditions and fees for Services in this Agreement are subject to change as provided for in this Agreement or as otherwise communicated to you by Bank.

We may change the terms of this Agreement by adding, deleting, or modifying existing terms by providing a notice to you to the extent notice is required hereunder or as required by law. We may also amend this Agreement without prior notice, unless otherwise required by law (e.g., by posting the information in our offices, on our web site at <https://online.citi.com/JRS/portal/template.do?ID=Consumer-Deposit-Account-Agreements>, or otherwise making it available to you through printed communication, including by electronic mail sent to the email address in our files for your business), and make the amendment or amended and current version(s) available to you.

Unless otherwise stated, if any provision of this Agreement or Related Materials becomes illegal, invalid, or unenforceable under any applicable law or is determined to be void or invalid, the remainder of the Agreement and Related Materials shall remain in full force and effect.

You should retain all amendments and notifications along with copies of the agreements and disclosures we provided to you when you enroll in a Service.

### 1.4 Common Definitions

“**Account**” refers to each CitiBusiness account of Client with Bank.

“**Agreement**” is defined in Section 1 of this Agreement.

“**Authorized Representative**” or “**Authorized Signer**” refers to a person with actual or apparent authority by Client to perform transactions on Client’s Accounts and enter into agreements for banking services, whether by signing account signature cards or the Business-General Deposit Resolution (or another resolution or other form of authority Bank accepts) or with delegated authority by those signing these documents such as a CitiBusiness Online System Administrator.

“**Business Day**” means any day of the week that is not a Saturday, Sunday, or Bank holiday. Non-business days are considered part of the following Business Day. The end of Business Day may vary from one Bank branch to another and is posted in each Bank branch. For a definition of “business day” with respect to the availability of deposits you make, please refer to “Citibank’s Standard Funds Availability Policy” in the Client Manual.

**“Cash Management Fee Brochure”** refers to the CitiBusiness Small Business Cash Management Products and Services Standard Pricing Schedule, or such other document which we may make available to you that provides pricing information for the cash management services we may, from time to time, offer. Fees and charges are subject to change from time to time. The terms and conditions applicable to products and services described in the Cash Management Fee Brochure may change from time to time, and such products and services may also be terminated, in which case, to the extent practicable, we will provide you prior notice of such termination.

**“Client Manual”** is defined in Section 1.1 of this Agreement.

**“Cut-off time”** refers to the end time a transaction can be made through various Services to be considered received that same day or any other end time applicable to any provision in this Agreement, a schedule of such end times is set forth in APPENDIX A of this Agreement, subject to change by Bank from time to time.

**“Fee Schedule”** refers to the CitiBusiness Small Business Standard Fees & Charges Schedule or such other document which we may make available to you from time to time that provides pricing information for the products and services we may offer. Fees and charges are subject to change without notice to you. The terms and conditions applicable to products and services described in the Fee Schedule may change without notice to you, and such products and services may also be terminated, in which case, to the extent practicable, we will provide you prior notice of such termination.

**“Originator”** refers to Client. See Section 2.9 of this Agreement.

**“Service”** is defined in Section 1 of this Agreement.

**“Substitute Check”** is defined in Section 2.8.1 of this Agreement.

**“System Administrator”** refers to a User who acts on behalf of Client to control other Users’ CitiBusiness Online access and capabilities, including Account and financial entitlements.

**“UCC”** refers to the Uniform Commercial Code, as in effect from time to time.

**“User”** refers to Client’s employees or other representatives who are designated by Client, Authorized Representatives or System Administrators to view Account balances and activity, perform financial transactions, or both.

**“We,” “us,” “our,” “Bank,” and “Citibank”** are defined in Section 1 of this Agreement.

**“You” and “your”** are defined in Section 1 of this Agreement.

## **1.5 Client Representations, Warranties and Covenants**

Client represents and warrants to Bank that it has obtained, and is in compliance with, all necessary and appropriate consents, approvals and authorizations for the purposes of its entry into, and performance of, this Agreement and Related Materials, and its entry into, and performance thereunder, will not violate any applicable law or regulation.

Client agrees to use its Accounts and Services solely for lawful and proper business, commercial and other legitimate non-consumer purposes in compliance with all laws and regulations applicable to Client’s business and Account transactions (including without limitation, laws applicable to any payroll or similar checks drawn on any Account, and laws applicable to any special purpose account such as a trust, escrow, or security deposit account). Client will not sell, lease or otherwise provide, directly or indirectly, access to any Service, any electronic communication channel made available to Client by Bank or any portion thereof to any third party. Client shall not make any alteration, change or modification to any electronic communication channel made available to Client by Bank, computer programs, databases and/or supported files made available as part of any Service, without Bank’s prior written consent in each instance. Client specifically acknowledges and agrees that while using its Accounts and Services it will not originate any transactions or communications that do not comply with applicable federal laws and regulations, including without limitation, laws and regulations administered by the Office of Foreign Assets Control (OFAC) or any successor unit of the federal government, and laws and regulations relating to anti-money laundering including Bank Secrecy Act and USA PATRIOT Act.

Client agrees not to use Bank’s name or logo in its marketing materials or instructions without Bank’s prior written consent.

## **1.6 Important Notice Regarding Arbitration**

Disputes about any Service and this Agreement are subject to arbitration. This Agreement contains an arbitration provision that explains that you cannot go to court, have a jury trial, or initiate or participate in a class action if you have a dispute with us in respect of any Service or other matters described herein or in Related Materials. Instead, this provision tells you that the dispute must be resolved by a professional arbitrator, not a judge or jury. This section also explains how arbitration works and some of the differences between resolving a dispute in arbitration and resolving one in court. All terms of the arbitration provision are set forth in the section entitled “Resolution of Disputes/Arbitration” in this Agreement. Please read it carefully. If you have any questions, or need additional copies, please call us Monday-Friday (7 a.m. – 11 p.m. ET) and Saturday-Sunday (9 a.m. – 5:30 p.m. ET) at 1-877-528-0990.

## **1.7 Special Services for Persons with Disabilities**

Access to services and facilities is available to all Clients, including those with vision, hearing or physical handicaps. For TTY we accept 711 or other Relay Service. By prior arrangement, sign language service can be made available in Bank branches.



## **2. About Your Cash Management Product & Services**

### **2.1 CitiBusiness Online**

CitiBusiness Online is an electronic banking and information service that enables access to eligible Accounts and Services by Users through the Internet using a personal computer or compatible mobile device. The terms in this Section apply when Client registers for CitiBusiness Online.

#### **2.1.1 Users**

All Account information will be visible according to Account entitlements and permissions. Client will enroll or update its enrollment on CitiBusiness Online and agrees that the Client and all Authorized Representatives will comply with the terms of the enrollment, maintenance and custom entitlement forms, the CitiBusiness Online User Agreement (including Online Help and other rules), and those Agreements governing these Accounts and Services accessed through CitiBusiness Online. Client acknowledges that the authority delegated to each User through access to Accounts, financial and other transaction entitlements and the operating procedures established meet its security requirements.

#### **2.1.2 System Administrator**

A System Administrator with full authority can add and delete Users, grant system administration privileges to other Users, issue passwords, set and modify mobile and email alerts and perform other functions offered through CitiBusiness Online. Client will manage a System Administrator's authority and a System Administrator's authority will apply equally to all Accounts linked through CitiBusiness Online.

#### **2.1.3 Electronic Instructions**

Client authorizes Bank to honor electronic instructions from Users, including instructions to: (1) transfer money to other accounts/loans (including loan repayments and line of credit drawdowns on select credit products), (2) send wire transfers and foreign checks to designated third parties, (3) make bill payments to designated payees, (4) open new accounts, (5) view and transact on any linked credit card account, and (6) conduct any other financial transaction available through CitiBusiness Online. Client understands that Bank follows these instructions when the User ID and passwords including token-generated one-time password of a User has been entered.

#### **2.1.4 Multiple Accounts**

Multiple Accounts owned by Client can be linked to CitiBusiness Online. Client acknowledges that it will manage the specific authority of each User and control access to and restrict transactions from Accounts through the methods and functions described on CitiBusiness Online. All transactions by a User are considered authorized by Client whether or not the User is an Authorized Signer on the Account(s) upon which they are performing a transaction.

### **2.2 File Transmission**

File transmission services offers Client the ability to download account balances, transaction details and billing information in multiple file formats. In order to access the file transmission services described in this Section, Client must enroll in CitiBusiness Online cash management suite of services and comply with the file transmission protocols implemented by Bank.

#### **2.2.1 Bank Administration Institute Version 2 (BAI2) Reporting**

The terms in this Section will apply if Client enrolls in the Bank Administration Institute Version 2 (BAI2) file format reporting service. BAI2 is a machine-readable account balance and transaction reporting file that originates from CitiBusiness Online. Client's treasury management or enterprise resource planning system can download and process the BAI2 files for account reconciliation purposes. In order to access BAI2, Client must enroll in CitiBusiness Online cash management suite of services and comply with the file transmission protocols implemented by Bank.

Bank reconciliation is a process that resolves the difference between the balance on a bank statement and the corresponding amount shown in an enterprise's accounting records. One of the most common applications of the BAI2 file format is reconciling start of day balances (based on prior day activity), wire postings with reference numbers and current day balances. These machine-readable data files are used for either prior day account statement summary information or intraday balance and wire details information.

Subject to the terms of this Agreement, Bank agrees to provide BAI2 reporting service to Client. The typical functions of this service will allow Client to receive automated transmission of account balances and activity and allow Client's treasury management or enterprise resource planning system to pull BAI2 files through a secure file transfer protocol or platform implemented by Bank.



### **2.2.2 EDI 822 Transmission**

The terms in this Section will apply if Client enrolls in EDI 822 transmission service. EDI 822 transmission is an electronic version of the account analysis statement, which Client's treasury management or accounting system can automatically download and process for Client's bill processing. In order to access EDI 822 transmission service, Client must enroll in CitiBusiness Online cash management suite of services and comply with the file transmission protocols implemented by Bank.

Subject to the terms of this Agreement, Bank agrees to provide EDI 822 transmission service to Client. The typical functions of this service will allow Client to securely receive electronic analysis statement in an EDI 822 format and allow Client's treasury management or accounting system to pull the monthly EDI 822 files through a secure file transfer protocol or platform implemented by Bank. The EDI 822 statement will be organized into sections detailing transaction types, dates, amounts, and balances.

### **2.2.3 Direct File Transmission (DFT)**

The terms in this Section will apply if Client enrolls in Direct File Transmission (DFT) service.

DFT is a channel within CitiBusiness Online that automates the secure delivery of Client's wire transfer and information reporting files. Client can generate wire transfer files from Client's treasury management or enterprise resource planning system and securely send the encrypted wire transfer files to Client's assigned electronic mailbox into CitiBusiness Online for processing. Client will receive an automatic delivery of confirmation and information reporting files from Bank into Client's treasury management or enterprise resource planning system for reconciliation purposes. In order to access DFT service, Client must enroll in CitiBusiness Online cash management suite of services and comply with the file transmission protocols implemented by Bank.

Subject to the terms of this Agreement, Bank agrees to provide DFT service to Client. Client will have the option to select the straight through processing option. If Client selects the straight through processing option, Client acknowledges and agrees that it waives the additional review and security controls that enable Client to designate separate authorized Users to set up and approve individual transactions. Client must establish wire entitlements with source accounts to use the DFT service.

## **2.3 Account Reconciliation**

The terms in this Section will apply if Client enrolls in Account Reconciliation Plan (ARP) service.

ARP allows Client to monitor and reconcile Client's bank account activity. When Client enrolls in ARP service, Client has the option of choosing the full ARP service, the partial ARP service or the deposit reconciliation service.

### **2.3.1 Full Account Reconciliation Plan Service**

If Client enrolls in the full ARP service, subject to the terms of this Agreement, Bank agrees to provide Client with an automated account reconciliation using the account activity in the ARP system, Client's check issuance file, and Client's checking account statement. The full ARP report will generally include miscellaneous credits, miscellaneous debits, paid only, unpaid only, paid no issue, stop, recap of posted items, outstanding settlements, account summary and consolidated report. Client must provide check issuance file to use the full ARP service.

### **2.3.2 Partial Account Reconciliation Plan Service**

If Client enrolls in the partial ARP service, subject to the terms of this Agreement, Bank agrees to provide Client with an automated account reconciliation using the account activity in the ARP system and Client's checking account statement. The partial ARP report will generally include miscellaneous credits, miscellaneous debits, paid only, stop, recap of posted items, and account summary. A check issuance file is not required for the partial ARP service.

### **2.3.3 Deposit Reconciliation Service**

If Client enrolls in the deposit reconciliation service, subject to the terms of this Agreement, Bank agrees to provide Client deposit activity for multiple locations that use a single account. Location identifier is also included with the deposit transaction on Client's checking account statement.

### **2.3.4 Reporting Functionality**

The reporting functionality of the ARP services described in this Section is subject to the following availabilities:

- (a) **ARP CD ROM/DVD** includes Client's applicable ARP reports, account statements, and paid check images if Client is enrolled in full ARP service or partial ARP service.

- (b) **ARP Digital Reports** provides Client's applicable ARP report data via Bank's secure file transfer protocol or platform if Client is enrolled in the full ARP service, the partial ARP service or the deposit reconciliation service. Check images are not included.
- (c) **Paid Check File** includes monthly, weekly or daily reporting in addition to ARP CD ROM/DVD. This reporting is available either through CitiBusiness Online or Bank's secure file transfer protocol or platform if Client is enrolled in full ARP service or partial ARP service.
- (d) **Deposited Items File** is available if Client is enrolled in the deposit reconciliation service. Check images are not included. (e) **Deposit Reconciliation Report** contains Client's deposits by location, date, and a deposit recap of totals by date. This reporting is available if Client is enrolled in the deposit reconciliation service. Check images are not included.

## 2.4 Controlled Disbursement

The terms in this Section will apply if Client enrolls in Controlled Disbursement service. Subject to the terms of this Agreement, Bank will provide Client with notification through CitiBusiness Online of the total dollar amount of all debit entries or checks to be posted to Client's designated demand deposit account (the "Designated Account") on each Business Day. Client must provide adequate funds in the Designated Account immediately available for withdrawal by the applicable Cut-off time to cover all such items. Client acknowledges that in the event there are not sufficient funds in the Designated Account, Bank may return items presented for payment for either non-sufficient funds or uncollected funds and charge a service fee.

In order to provide the Controlled Disbursement service, the Designated Account shall be established according to the following terms and conditions:

- (i) the Designated Account shall not be a payroll account;
- (ii) Bank shall be the drawee bank, and the transit/routing number of Bank's Delaware branch must appear on the face of each check;
- (iii) each check issued shall bear the legend "Citibank, N.A. payable through Citibank, N.A., Delaware branch";
- (iv) neither Bank nor Bank's Delaware branch will certify any check drawn on the Designated Account; and
- (v) no check drawn on the Designated Account will be paid as a cash item over the counter by Bank or by Bank's Delaware branch.

Client agrees that the Designated Account is subject to the rules and operating procedures of Bank and Bank's Delaware branch, as well as federal and state regulations and laws which govern the Designated Account and the Controlled Disbursement service. Bank and Bank's Delaware branch reserve the right to change the rules and operating procedures governing the Designated Account and the Controlled Disbursement service at any time. Bank will provide Client with a monthly periodic account statement. Client may issue stop payment instructions through CitiBusiness Online for an ordinary check drawn against the Designated Account to the extent that the check has not been paid. Client will need to provide all requested information. No stop payment instruction or release of stop payment instruction will be effective until Client receives verification thereof from Bank; the effective date will be the date of verification by Bank. Bank will use ordinary care to avoid payment of a stopped item. Client agrees that each stop payment instruction placed through CitiBusiness Online constitutes a writing pursuant to the applicable UCC. Bank has no obligation to stop payment on any item after expiration of the stop payment instruction.

Client agrees to pay Bank for the Controlled Disbursement service provided hereunder in accordance with Bank's charges as listed in the Fee Schedule applicable to the Controlled Disbursement service.

Client must provide Bank with a test sample of no less than fifty (50) checks prior to the commencement of the Controlled Disbursement service and upon check reorder. Client further agrees, in the event Client's checks that are not so procured through Bank are rejected in any statement period by Bank's check processing equipment at a rate in excess of 1 percent, to pay to Bank the excess reject fee per check as set forth on the Fee Schedule applicable to the Controlled Disbursement service.

## 2.5 Regular Match Pay

Regular Match Pay service is only available if Client enrolls in the Controlled Disbursement service. This Section will apply if Client enrolls in the Controlled Disbursement and Regular Match Pay service.

Regular Match Pay is a fraud mitigation service that provides you with early detection of fraudulent, altered or counterfeit checks through a daily verification of checks presented for payment against a check issuance file. Immediately upon issuing a check, Client must provide Bank with a file that contains the details of the check. Bank will compare the checks to that file to ensure that the information matches. If it does not match, Bank will notify you. You will then decide whether Bank should pay or return the check.

If you issue a check, you must immediately electronically send us an issuance file with the check date, check number, dollar amount, and if you have payee name authentication service, the payee name.

If you have payee name authentication service, the exact payee name printed on the check must match the name identified in your issuance file.

It is your responsibility to provide us samples of your check stock with the payee names in the font and style that you will be using for writing the actual checks. All check designs, both new and subsequent changes, must be approved by us prior to use. You are responsible for any and all costs and expenses incurred by Bank as a result of any non-approved checks.

As we receive deposited checks, we will compare the data on the checks to the information that you sent to us in your issuance file. If the information matches, we will pay the check. If the information does not match, we will report "exception items" to you. If you do not provide us instructions on these items by the Cut-off time, all "exception items" will be returned unpaid.

You agree that verifying the information you provided in the issuance file for checks presented for payment is your authorization for them to be paid.

## **2.6 Reverse Match Pay**

Reverse Match Pay service is only available if Client enrolls in the Controlled Disbursement service. This Section will apply if Client enrolls in the Controlled Disbursement and Reverse Match Pay service.

Reverse Match Pay provides Client with early detection of fraudulent, altered, or counterfeit checks by allowing Client to review all previous Business Day's checks presented to Bank for payment. If any of the presented checks do not match your records for issued checks, then you may investigate further by viewing an image of the check.

Bank will provide you with a file transmission each Business Day showing which deposited checks were presented for payment. If you do not tell us otherwise by the Cut-off time, we will pay the checks without verifying them any further. Each Business Day, you are responsible for reviewing the report to identify any items that should be returned.

## **2.7 Zero-Balance Accounts (ZBA)**

The terms in this Section will apply if Client enrolls in Zero-Balance Accounts (ZBA) service.

### **2.7.1 ZBA Services**

If Client enrolls in ZBA service, subject to the terms of this Agreement, Bank agrees to provide ZBA service to Client. ZBA service allows automatic transfers of funds between "child" Accounts (the "Source" Accounts) and a "parent" Account (the "Header" Account) designated by Client. In order to use the ZBA service, Client must designate one or more Source Accounts and the Header Account, set up minimum and/or maximum target balance of the Source Accounts (which can be zero or higher than zero), and have sufficient funds available in the Header Account to fund the Source Accounts. ZBA service eliminates the need for manual transfers by Client to either concentrate balances into the Header Account or fund overdraft positions from the Header Account. ZBA service is available to checking accounts only.

Client may set the funding order of the Source Accounts from the Header Account with the first Account being the first funded each night. Multiple Source Accounts may have the same funding order sequence and will be funded in account number order, lowest to highest, for that funding order sequence. For example, all Source Accounts within a funding sequence of "1" will fund first, with the lowest account number of the group funding first. If no funding priority is assigned, then the funding will occur based on account number, lowest to highest.

### **2.7.2 Transfer Options**

ZBA service is subject to the following options:

- (a) **Sweep only.** Transfer balances that are above the maximum target balance of the Source Account to the Header Account. For example, if the maximum target balance of the Source Account is \$100, and the end-of-day available balance of the Source Account is \$125, \$25 will be transferred from the Source Account to the Header Account.

- (b) **Fund only.** Transfer balances up to the minimum target balance from the Header Account to the Source Account. For example, if the minimum target balance of the Source Account is \$75, and the end-of-day balance of the Source Account is \$25, \$50 will be transferred from the Header Account to the Source Account.
- (c) **Combination Sweep.** Sweep and Fund sweep service. For example, if the minimum target balance of the Source Account is \$75, the maximum target balance of the Source Account is \$100, and the end-of-day balance of the Source Account is \$10 (below the minimum target balance), \$90 will be transferred (up to the maximum target balance) from the Header Account to the Source Account. If Client selects option (b) (Fund only) or option (c) (Combination Sweep) above, the Header Account must have sufficient funds available to fund the Source Accounts. If there are not sufficient available funds in the Header Account to fund the Source Accounts, only funds available in the Header Account will be transferred to the Source Accounts in the funding order set forth in Section 2.7.1 above. Bank shall have no responsibility to, and will not, notify Client if there are not sufficient available funds in the Header Account to fund the Source Accounts, and Bank shall have no liability to Client if any Source Account is not funded due to insufficient available funds in the Header Account

## **2.8 Remote Check Deposit (RCD)**

The terms in this Section will apply if Client enrolls in the Remote Check Deposit Services (the “RCD Service”). The RCD Service is an internet-based service that enables Client to scan checks for deposit and electronically submit digitized images of those checks to Bank for deposit into Account(s) at Bank.

### **2.8.1 RCD Service**

Upon receipt of check images from Client, Bank and its service provider (“Service Provider”), will resend the check image for payment or, alternatively, convert that image to an image replacement document or a substitute check, as defined in the Check Clearing For 21st Century Act and corresponding regulations (the “Substitute Check”) and present the Substitute Check for payment in the collection stream.

For purposes of the RCD Service, checks may only be deposited into Account(s) maintained at Bank and set forth on the RCD Service set-up and maintenance forms, as may be amended from time to time.

Bank reserves the right, with written notice to Client, to place, from time to time, limits on Client’s right to use the RCD Service including, without limitation, with respect to the volume of checks processed and/or the aggregate or individual dollar amount of checks processed.

### **2.8.2 Client Rights**

Subject to the terms of this Agreement, Bank hereby grants Client a non-exclusive, non-transferable right to access and use the RCD Service in connection with Client’s own business operations in accordance with this Agreement and Related Materials as may be distributed to Client by Bank relating to the RCD Service.

Without limiting the generality of the foregoing, Client agrees not to (a) make the RCD Service available to or allow use of the RCD Service by or for the benefit of any third party in any direct or indirect manner, including without limitation, in a computer bureau service business or on a timesharing basis, (b) otherwise disclose, market or allow use of the RCD Service by or for the benefit of any third party, or (c) move the RCD Service scanner out of the United States or Puerto Rico, or attempt to scan deposits from any location outside the United States or Puerto Rico.

Client acknowledges that the RCD Service may be modified from time to time to upgrade or improve functionality.

### **2.8.3 Use and Provision of Physical Equipment**

Client may obtain certain equipment, consisting of a check-imaging scanner (the “Equipment”), that is compatible for use with the RCD Service directly from the Service Provider or any other seller of the Equipment that meets the technical specifications acceptable to Bank. Upon Client’s request, Bank will provide Client with information regarding the specifications of the Equipment that is compatible with the RCD Service. To the extent Client obtains such Equipment directly from the Service Provider or any other seller, Client is solely responsible for installing, operating and maintaining the Equipment and Client agrees that Bank assumes no liability or control over Client’s Equipment or any software related thereto. Alternatively, Bank may provide Client with the Equipment through Bank’s Service Provider upon Client’s request. In the event Bank provides Client with the Equipment through Bank’s Service Provider, Client agrees to promptly inspect the Equipment upon receipt and notify Bank of any apparent defects. Client shall be entitled to all the benefits of the Service Provider’s warranty with respect to such Equipment, and Bank shall have no other liability to Client with respect to the performance or operation of such Equipment. The purchase price for and other terms applicable to the Equipment, if provided by Bank, and other fee information for the RCD Service are set forth in Section 2.8.4 below.

Client acknowledges that upgrades, maintenance, and other issues affecting the RCD Service may, over time, affect the compatibility of the Equipment with the RCD Service. Client expressly acknowledges and agrees that Bank assumes no liability or responsibility for the compatibility of the Equipment with the RCD Service.

#### **2.8.4 Charges and Monthly Fees**

If Bank furnishes Client with the Equipment directly through Bank's Service Provider, Bank may in its sole discretion charge a "Deferred Purchase Price" of \$250 to Client and Client agrees to pay this amount to Bank if so charged, but only if Client terminates the RCD Service or Bank terminates the RCD Service as a result of Client's breach of the terms of use described in this Agreement or any Related Materials less than twenty-four (24) months after the date of enrollment for the RCD Service. Following the termination of the RCD Service according to the preceding sentence, Bank will notify Client if Bank has exercised its discretion to charge the Deferred Purchase Price to Client. The Deferred Purchase Price is a fixed, all-inclusive charge that will, among other things, include the cost of the Equipment and all sales taxes in connection therewith, the cost of delivery and installation of the Equipment, and the cost for training with respect to the Equipment and the RCD Service. Beginning on the date of enrollment for the RCD Service, Bank will charge Client a separate monthly service fee for use of the RCD Service as set forth in the Fee Schedule. Upon enrollment by Client for the RCD Service, Bank reserves the right to change the charges and fees, other than the agreed-upon Deferred Purchase Price, from time to time upon prior written notice to Client. To the extent that Bank has provided the Equipment to Client, Bank also reserves the right to charge an additional fee for new Equipment in the event Equipment requires replacement and it is determined by Bank's technicians that the failure of Equipment to work properly is due to Client's misuse of the Equipment.

#### **2.8.5 Client Responsibilities**

Client agrees to process through the RCD Service only (i) U.S. dollar currency checks and (ii) items that satisfy the definition of "check" under Federal Reserve Regulation CC and Regulation J; namely, drafts that are payable on demand, drawn on or payable through or at an office of a United States financial institution, all of which must be payable to and restrictively endorsed by Client with the words "For Deposit Only, Citibank, N.A." or additional restrictive endorsement as may be required by Bank from time to time. Client agrees that it will not present any check for deposit or payment more than once and will not process through the RCD Service any checks which are not compliant with clause (i) or (ii) above or which are Substitute Checks.

Additionally, Client agrees that it will not process any remotely created checks through the RCD Service without Bank's express written authorization to do so. For the purposes of this Agreement, a "remotely created check" is any item that is created by someone other than the individual whose account is to be charged and does not bear the handwritten signature of the individual to be charged. Bank reserves the right to suspend or terminate Client's right to utilize the RCD Service in the event it determines that Client has deposited items that are ineligible for deposit through the RCD Service. Client understands that it is required to take all items that are ineligible for processing through the RCD Service to a Bank financial center which will review the item(s) and determine their eligibility for deposit.

Client agrees to utilize the Equipment and transmit check images to Bank in accordance with this Agreement and any Related Materials as may be distributed to Client by Bank relating to the RCD Service. Client (including its System Administrator and Users) shall be solely responsible for implementing security procedures at Client's place of business to prevent any misuse of the RCD Service or the information contained on check images for improper or fraudulent purposes.

Client understands that each check image transmitted to Bank is subject to verification of image quality and accuracy of check data. In the event of any transmission errors, discrepancies, or image quality problems in connection with the images transmitted to Bank, Client will be notified at the time of verification of the image transmission and be given the opportunity by the system to correct such errors. Client understands and acknowledges that with respect to any check images that are rejected by the system and are not fully corrected, Client must physically deposit the original check at a Bank financial center.

Once a check image has been accepted for processing through the RCD Service, Client will take steps requested by Bank to ensure that the original check is not otherwise processed for payment. Client agrees to retain the processed, original checks in a safe and secure location for no less than fifteen (15) days after such original checks have been processed through the RCD Service, sorted by date of transmission in a retrievable fashion, with access to that location restricted to only those employees with a specific need for such access. During such time, upon request from Bank, Client will promptly provide original checks to Bank within three (3) Business Days after the date of the request. Upon expiration of the retention period, Client agrees to permanently destroy the original checks in a secure manner by shredding or other comparable means to protect the confidentiality of the information contained on the checks and to ensure that the original checks are not separately deposited with Bank or any other financial institution.



With respect to provision of the RCD Service via the internet (“Internet Services”), Client agrees to the following: (i) Client will use Internet Services in accordance with such rules as may be established by Bank from time to time; (ii) Client is solely responsible for purchasing, obtaining, installing, and operating any and all software necessary to access Internet Services from Bank or an alternative Bank-approved entity and shall be responsible for maintaining such software in an operating condition; (iii) Client will be responsible for the payment of all telecommunications expenses associated with Internet Services; (iv) Client acknowledges and understands its responsibility and liability as they relate to Client’s access to the internet; and (v) Client acknowledges and agrees that Bank shall have no liability or control over the internet access to Client’s on-site systems or of remote employees or affiliates.

#### **2.8.6 Client’s Representations and Warranties Regarding Transmission of Check Images**

Client hereby represents and warrants that it will use the RCD Service exclusively in accordance with the terms and conditions of this Agreement. In addition, each time that the RCD Service is used, Client will be deemed to be representing and warranting with respect to each check image processed under the RCD Service: (i) the image accurately represents all of the information appearing on the front and back of the original check at the time Client converted the check to an image; (ii) the image contains all necessary endorsements for collection and payment; (iii) all endorsements have been duly authorized; and (iv) the image contains all transfer, presentment and other warranties under the applicable UCC as if the image were an “item” under and as defined in the applicable UCC.

Without limiting the generality of the foregoing, Client acknowledges that for any Substitute Check created from a check image transmitted by Client and processed through the RCD Service, it is a warrantor of certain warranties set forth in the Check Clearing for 21st Century Act and corresponding regulations. In connection with these warranties, Client authorizes Bank to debit its Account(s) for any claim relating to a Substitute Check that was created from a check image transmitted by Client through the RCD Service.

#### **2.8.7 Bank Responsibilities**

Bank will accept for deposit to the designated Account check images that are transmitted to Bank and its Service Provider in compliance with this Agreement and any Related Materials as may be distributed to the Client by Bank relating to the RCD Service. Check images shall be deemed to have been received by Bank upon confirmation by Bank’s system of successful receipt of the transmission of such images from Client. A successful receipt shall include data that is complete, usable, and adheres to specifications as outlined by Bank. If the images are not completely usable or do not adhere to the specifications provided by Bank, the images will not be accepted by Bank and its Service Provider. Bank reserves the right to reject any image that it deems unsatisfactory for any reason. Unless Bank notifies Client otherwise, Bank will provide same Business Day credit to the applicable Account(s) for all check images successfully transmitted through the RCD Service prior to the established Cut-off times. Check images successfully transmitted by Client after the established Cut-off time will be credited to the Account(s) on the following Business Day. The availability of funds with respect to checks deposited using the RCD Service will be in accordance with the terms of Bank’s policies as set forth in the “Citibank’s Standard Funds Availability Policy” section of the Client Manual. If a financial institution on which a check is drawn returns the check for any reason, Bank may charge the applicable Account(s) for such returned check, whether the return is timely or not. Bank will return the check in accordance with its standard operating procedures. Bank may immediately suspend Client’s use of the RCD Service if Bank has reason to believe that there has been a breach in the security of the RCD Service, fraud involving the Account(s), or any uncertainty as to the accuracy of the check images being transmitted. Notwithstanding the foregoing, Bank has no duty to monitor Client’s use of the RCD Service or its Account activity for such purposes unless otherwise required by law. Bank has the right, in its sole discretion, to block or selectively allow access to the RCD Service using data such as IP addresses or other validation methods to ensure compliance with the terms of this Agreement, Related Materials and applicable laws and regulations.

#### **2.8.8 Exclusion of Warranties**

Client acknowledges and agrees that RCD Service is provided on an “as is” and “as available” basis. Bank is not responsible for any errors or omissions in or to any information resulting from Client’s use thereof. Bank makes no and expressly disclaims all warranties, express or implied, regarding Client’s use of the RCD Service and the Equipment, including the warranty of title and the implied warranties of merchantability, fitness for a particular purpose and non-infringement. Without limiting the generality of the foregoing, Bank disclaims any warranties regarding the operation, performance or functionality of the RCD Service and the Equipment, including any warranty that the RCD Service and the Equipment will operate without interruption or be error free. Client acknowledges and agrees that there are certain security, transmission error, and access availability risks associated with using the RCD Service and assumes all risks relating to the foregoing.

#### **2.8.9 Client Cooperation**

Client agrees to fully assist Bank in connection with the investigation of any transactions processed by Client through the RCD Service, including, but not limited to, the furnishing of information or documentation regarding those transactions, upon Bank’s written request.

### **2.8.10 Audit and Inspection**

Bank reserves the right, with prior notice to Client, to enter upon Client's premises from time to time during regular business hours to verify that Client's operations and procedures with respect to the RCD Service follow the terms of this Agreement. In connection with any such visit, Client agrees to furnish Bank with any documentation or information as is reasonably necessary to establish Client's compliance with the terms of this Agreement. If it is determined by Bank that additional procedures or controls need to be implemented by Client, Client agrees to implement such procedures or controls within a reasonable period of time to be agreed upon by the parties.

## **2.9 Automated Clearing House Origination**

The terms in this Section will apply if Client enrolls in automated clearing house (ACH) origination service ("ACH Origination").

If Client enrolls in ACH Origination, Client will have the ability to originate ACH debits and/or credits to Accounts maintained at Bank and at other financial institutions. Those ACH debits and credits will be originated either through CitiBusiness Online or such other manner as may be acceptable from time to time to Bank. As used in this Section 2.9, "Originator" means Client.

In addition to this Agreement, the operating rules and guidelines of the National Automated Clearing House Association (NACHA) (collectively, as amended by NACHA from time to time, the "Rules") are incorporated herein by reference thereto. Bank is willing to act as an Originating Depository Financial Institution with respect to such transactions and perform the ACH Origination described herein. Capitalized terms used in this Section 2.9 and not otherwise defined in this Agreement shall have the respective meanings set forth in the Rules. To the extent there is any conflict between this Section 2.9 and any other provision of this Agreement as it relates to Client's use of ACH Origination, this Section 2.9 will prevail.

### **2.9.1 Entries**

Each ACH credit entry and ACH debit entry originated under this Agreement is referred to as an "Entry." Bank will generate each Entry based on data transmitted or communicated by Client to Bank (such data is referred to herein as "Entry Data"). Any Entry Data transmitted by, or on behalf of, Client shall be effective as the funds transfer instruction or Payment Order (as defined in Article 4A of the applicable UCC) of Client, and shall be enforceable against Client, whether or not authorized and regardless of the actual identity of the signer, sender or transmitter thereof if Bank accepts such Entry Data in good faith. Client authorizes Bank to engage in funds transfers that will result in either debits or credits to an Account. Entry Data must comply with the Rules and all applicable federal and state laws and regulations including, without limitation, OFAC sanctions, and other specifications required by Bank. Bank has no obligation to either (i) process or act on Entry Data that is not received in compliance with this Agreement and Related Materials, or (ii) correct, adjust, or reverse any Entry Data received, resulting from noncompliance with the terms of this Agreement and the relevant user guide. Client is solely responsible for the accuracy and completeness of all Entry Data and for obtaining and documenting all authorizations and consents required in connection with all Entry Data and transactions relating thereto. Upon Bank's request therefor, Client will promptly furnish to Bank evidence of proper authorization or consents for any Entry Data or resulting transaction. Client acknowledges that acceptance or rejection of future or recurring ACH payment transactions occur on the scheduled release date, at which time user authorization and funding must be current and available, respectively. Bank is not responsible for detecting errors in the Entry Data and is entitled to rely on all Entry Data and other information in the form received from Client. In the event of a discrepancy between Bank's records and Client's records with respect to Entry Data, Bank's records will govern. Client represents, warrants, and covenants that all Entry Data and resulting Entries, and the origination thereof, will comply with this Agreement, the Rules and all applicable federal and state laws and regulations and all requisite authorizations therefor will be obtained by Client before it is communicated to Bank, and all such Entry Data is accurate, complete and correct. Failure to comply with the Rules or any applicable federal or state law or regulation may result in suspension or termination of ACH Origination at Bank's discretion. Bank reserves the right to review Client's compliance with the Rules.

### **2.9.2 Entry Data**

Client acknowledges that Client, and to extent applicable each "Originator" on whose behalf Client initiates Entries, shall be subject to all of the applicable requirements, restrictions and warranties applicable to each Standard Entry Class Code under the Rules, including without limitation, the following:

- (a) Each Entry is accurate, is timely, has been authorized by the party whose account will be credited or debited, and otherwise complies with the Rules.
- (b) Each debit Entry is for a sum which, on the settlement date, will be owing to Originator from the party whose account will be debited, is for a sum specified by such party to be paid to Originator, or is a correction of a previously transmitted erroneous credit Entry.



- (c) Client will comply with the terms of the Electronic Funds Transfer Act (and its implementing regulation, Regulation E) if applicable, and Article 4A of the UCC, if applicable, and will otherwise perform its obligations under this Agreement in accordance with all applicable laws and regulations.
- (d) At the time an Entry is transmitted to Bank, the authorization has not been revoked and neither Client, nor Originator has knowledge of a revocation. Upon Bank's request, Client agrees to provide authorization to Bank within five (5) Business Days.
- (e) An Entry will not be reinitiated unless
  - (i) the Entry has been returned for insufficient or uncollected funds;
  - (ii) the Entry has been returned for stop payment and reinitiation has been authorized by the Receiver; or
  - (iii) Bank has taken corrective action to remedy the reason for the return.
- (f) An Entry will not be reinitiated that has been returned for insufficient or uncollected funds more than two (2) times following the return of the original Entry. This provision is inapplicable to Re-presented Check Entries.
- (g) For each Entry for which any banking information is transmitted or exchanged between a Receiver and Client, or Client and Bank, via an Unsecured Electronic Network, Client has, prior to the key entry and through transmission of any banking information (i) encrypted banking information using a commercially reasonable security technology that, at a minimum, is equivalent to 128-bit RC4 encryption technology, or (ii) transmitted or received banking information via a secure session using a commercially reasonable security technology that provides a level of security that, at a minimum, is equivalent to 128-bit RC4 encryption technology.

### **2.9.3 Rejection of Entries**

Bank has the right to reject, and to refuse to accept, any Entry or Entry Data (including, without limitation, any Entry Data which may result in a funds transfer) for any reason, including Client's failure to maintain a sufficient balance of collected funds in an Account, provided, however, that in rejecting, or refusing to accept, any Entry or Entry Data, Bank shall act in good faith and use its reasonable business judgment. Bank shall have no liability to Client based on its rejection or refusal of any Entry or Entry Data. If Bank rejects any Entry or Entry Data, Bank will endeavor to notify Client by telephone, electronic transmission, or other reasonable means within a reasonable time of its rejection of such Entry Data, but Bank shall have no liability to Client based on its failure or delay in providing such notice. If any Entry Data is rejected by Bank or the ACH network because of incomplete information or a formatting or other similar error, it will be the responsibility of Client to retransmit correct Entry Data to Bank.

### **2.9.4 Transmittal and Processing of Entries; Settlement**

Except in the case of Entries for which Bank is the Receiving Depository Financial Institution (such Entries, "On-Us Entries"), Bank will generate and transmit Entries that comply with this Agreement to its ACH network before the applicable deadlines if Client timely delivers to Bank complete and conforming Entry Data, and Bank will settle for such Entries in accordance with the applicable Rules and industry practice. Entry Data must be received by Bank prior to Bank's ACH processing Cut-off time and in compliance with the terms of this Agreement, Related Materials and the respective user guide, including the applicable procedures and format requirements. If Bank receives Entry Data after its ACH processing Cut-off time, it will have no obligation to transmit any Entries to its ACH on the same day that Entry Data is received. Bank's ACH processing Cut-off time may be changed from time to time without notice to Client. Client shall have no right to cancel or amend any Entry or Entry Data after its receipt by Bank. However, Bank shall use reasonable efforts to act on a request by Client: (i) to cancel an Entry prior to transmitting it to the ACH or, in the case of an On-Us Entry, prior to crediting a receiver's account, or (ii) to initiate a reversal of an Entry which has been transmitted to an ACH, or in the case of an On-Us Entry, for which the Receiver has been credited, provided that each of the foregoing requests complies with the Procedures for cancellation or reversal of Entry Data as applicable, but Bank will have no liability if such cancellation or reversal is not effected.

### **2.9.5 Payment with Respect to Entries**

Client agrees to pay Bank the amount of each transaction hereunder for which funds are transferred out of an Account and agrees to maintain in its Account(s), a balance of available funds sufficient to pay the amount of all Entries generated hereunder, the transactions related thereto and all returned items (including reversals of ACH debit Entries). The set-up forms must specify an Account to be debited or credited, as applicable, in connection with the Entries generated hereunder. Bank will automatically debit an Account in the aggregate amount of each batch/file of Entry Data communicated to Bank resulting in Entries or transactions hereunder (collectively, such Entries and transactions are referred to herein as "ACH

Transactions”). Bank is under no obligation to search for funds in any Account other than the one(s) specified in the set-up forms. If any such debit creates an overdraft in an Account, then Client agrees to promptly pay Bank, on demand and in immediately available funds, the amount of any such overdraft with interest thereon at Bank’s then existing overdraft rate for the period involved until such overdraft is paid. Client’s obligation to pay the amount of such ACH Transactions shall not be excused for any reason. So long as Bank is acting in good faith, it may (i) initiate a reversal of any batch/file of such ACH Transactions for which Bank has not been paid in full, or (ii) require Client to pay the aggregate sum of any batch/file of Entry Data or ACH Transactions before Bank settles for such ACH Transactions with its ACH, or if Bank elects, before it sends such ACH Transactions to its ACH or before crediting a Receiver’s account in the case of an On-Us Entry. If Bank requests that Client pay for a batch/file of Entry Data or ACH Transactions as described in the immediately preceding sentence, and Client fails to do so, then Bank may delay processing of any batch/file of such Entry Data or ACH Transactions, and Bank is not obligated to generate any Entries, process any ACH Transactions or send any ACH Transactions to its ACH or, in the case of a ACH Transaction relating to an On-Us Entry, debit or credit the account of a Receiver.

#### **2.9.6 On-Us Entries.**

In the case of On-Us Entries, subject to Bank’s right to reject any such Entry as provided in this Agreement, Bank shall credit or debit the amount of each Entry prepared from Entry Data received that complies with the requirements provided for herein to the appropriate receiving account maintained with Bank. Except as otherwise specified in this Agreement, the term Entry shall include an On-Us Entry, and the term Entries shall include On-Us Entries. In addition, Entries for which an affiliate of the Bank is the Receiving Depository Financial Institution may, at the Bank’s election, be treated as On-Us Entries for processing purposes.

#### **2.9.7 Notice of Returned Entries**

Bank will endeavor to notify Client of the receipt of an Entry which is subsequently returned no later than one Business Day after the Business Day of Bank’s receipt thereof, but Bank shall have no liability to Client if no such notice is given to Client. Provided that Bank has complied with the terms of this Agreement in connection with such an Entry, Bank shall have no liability to Client based on the return of any such Entry. Client is obligated to monitor returns and reason codes for both Client and, to extent applicable, each “originator” on whose behalf Client initiates Entries with attention to unauthorized return Entries exceeding NACHA’s unauthorized return rate threshold then in effect. NACHA’s unauthorized return rate threshold is currently 0.5 percent. Bank will endeavor to notify Client if NACHA’s unauthorized return rate threshold is changed, but Bank shall have no liability to Client if no such notice is given to Client. Client hereby acknowledges that Client (and, to extent applicable, each “originator” on whose behalf Client initiates Entries) whose unauthorized return rate exceeds NACHA’s unauthorized return rate threshold then in effect could be audited by Bank and Bank reserves the right to remove Client from the ACH Origination.

#### **2.9.8 Cooperation**

Client and Bank agree to cooperate promptly and fully in the investigation of any claim asserted by any person arising out of this Agreement or the transactions generated hereunder or relating hereto. Client agrees to maintain adequate records of the Entries delivered to Bank to enable Client to reconstruct any information submitted to Bank. Client agrees that Bank (as the Originating Depository Financial Institution) has the right to audit Client’s adherence to this Agreement and the Rules.

#### **2.9.9 Client Representations and Warranties**

In addition to the representations set forth in this Agreement, Client represents, warrants and covenants that (i) any Entry Data submitted to Bank by, or on behalf of, Client in accordance with the terms of this Agreement authorizes Bank to initiate a transaction in accordance with the terms thereof, (ii) all Entry Data and resulting Entries, and the origination thereof, complies with this Agreement, the Rules and all applicable laws and regulations, and all requisite authorizations therefor will be obtained by Client before it is communicated to Bank, and all such Entry Data is accurate, complete and correct, (iii) Client shall be deemed to make the same warranties to Bank with respect to both On-Us Entries and other Entries subject to this Agreement as Bank is deemed to make under the Rules, and (iv) each transaction has a business or commercial purpose and each Account is maintained by Client for a business or commercial purpose. Client shall be deemed to make the same warranties to Bank with respect to Entry Data and the transactions relating thereto as Client would make in connection with items endorsed and deposited to any of its Accounts under the applicable UCC and as Bank is deemed to make under the Rules. Each time Entry Data is communicated or delivered by, or on behalf of, Client to Bank, Client reaffirms the representations and warranties set forth in this Section; however, in the case of On-Us Entries, such warranties shall apply as of the time such Entries are processed by Bank. Bank has no responsibility with respect to any matter warranted by Client.

#### **2.9.10 Inconsistency of Name and Account Number**

Bank is not responsible for detecting errors in any Entry Data, including the identifying number of any intermediary bank or beneficiary’s bank, even if that number does not correspond to the bank identified by name. Client acknowledges

and agrees that if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Bank to the Receiving Depository Financial Institution might be made by the Receiving Depository Financial Institution (or by Bank in the case of an On-Us Entry) on the basis of the account number even if it identifies a person different from the named Receiver, and that Client's obligation to pay the amount of the Entry to Bank is not excused in any such circumstances.

#### **2.9.11 Provisional Credits**

All credits to any Account are provisional until Bank receives final settlement for the funds according to the rules of the funds transfer system by which such funds have been transmitted. Client acknowledges and agrees that if Bank does not receive such final settlement, Bank is entitled to a refund of the amount credited to such Account. Bank may refuse to permit Client to use the amount credited to an Account if Bank believes that there may be insufficient funds in that Account to cover the chargeback or return of such transaction. Bank may, in its sole discretion, initiate reversals of any transaction for which Bank credited an Account and for which Bank does not receive final settlement. If any receiving bank (including any beneficiary bank) does not receive payment for a funds transfer, then (a) the beneficiary's bank will be entitled to a refund from the beneficiary of the amount of any credit made available to such beneficiary, (b) if applicable, the receiving bank will be entitled to a refund of such amount from the beneficiary's bank, and (c) the originator of the funds transfer will not be deemed to have paid the beneficiary the amount of the funds transfer; the terms in this sentence shall have the meanings ascribed thereto in Article 4A of the applicable UCC.

Bank may accept on Client's behalf payment to Client's Account which have been transmitted through one or more automated clearing houses and which are not subject to the Electronic Fund Transfer Act and Client's rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state in which the branch where Client's Account is domiciled as provided by the Rules, which are applicable to ACH Transaction involving Client's account.

#### **2.9.12 Account Statements**

Under the Rules, which are applicable to ACH Transactions involving Client's Account, Bank is not required to give next day notice to Client of receipt of an ACH item and Bank will not do so. However, Bank will continue to notify Client of the receipt of payments in the periodic statements Bank provides to Client. All Entries processed hereunder and all debits and credits to Accounts will be reflected on Client's periodic Account statements issued by Bank, and no other notices thereof will be provided to Client.

#### **2.10 Universal Payment Identification Code (UPIC)**

The terms in this Section will apply if Client enrolls in Universal Payment Identification Code (UPIC) service.

Client may request Bank to create a UPIC number through The Clearing House's ACH operations service called Electronic Payment Network ("EPN").

UPIC routing and account numbers are intended to mask sensitive bank account information while securely facilitating incoming electronic credits of ACH entries. Client understands and agrees that the exact UPIC information may be provided to those of Bank's business trading partners that intend to originate ACH credit entries to the designated account number. The UPIC information will not be used for origination of demand drafts or debit entries as any debits originated to the UPIC will be rejected by the EPN and returned to the initiating party with the notation "Not Authorized by Receiver."

The UPIC will be considered Account number for purposes of the provisions of any payment arrangement with Client's trading partners as well as applicable law relating to reliance by banks on Account numbers in processing ACH credit entries. Client further agrees that information related to a UPIC, including Client's name and Account number, may be released by Bank to EPN, the Federal Reserve Bank and other parties involved in the processing of UPIC entries, if needed to resolve a dispute concerning an ACH entry or UPIC entry transmitted or settled through the ACH network.

Bank shall have no liability or responsibility and is hereby held harmless with respect to any act or omission of EPN or any other ACH operator or financial institution or for the inaccuracy of any notice or other communication received by Bank from Client or any third party.

#### **2.11 ACH Debit Block, ACH Debit Filter; ACH Positive Pay**

The terms in this Section will apply if Client enrolls in ACH Debit Block, Debit Filter, or ACH Positive Pay solutions.

If Client enrolls in the ACH Debit Block solution, all debits presented against Account for payment will be returned by Bank to the originators thereof in accordance with the Rules.

If Client enrolls in the ACH Debit Filter solution, Client shall advise Bank of debits to be presented against Account, for payment by Bank, which advice shall be given to Bank at the time and in accordance with approved media, content and format specified by Bank (“Authorized Debits”). Subject to terms and conditions of this Agreement, Bank agrees to verify the authorization of debits presented against Account, to pay Authorized Debits and return debits which are not Authorized Debits (“Unauthorized Debit”) to the originators thereof in accordance with the Rules. Notwithstanding anything to the contrary contained herein, Bank may charge to the Account(s) any debits that Client has delivered to Bank for processing by Bank under any agreement between Bank and Client for the delivery of ACH or other transfer services.

If Client enrolls in the ACH Positive Pay solution, Client shall advise Bank Authorized Debits. Subject to the terms and conditions of this Agreement, Bank agrees to provide Client, in addition to the ACH Debit Filter solution, the opportunity to view all debits presented to Bank that have not previously been identified by Client as Authorized Debits via CitiBusiness Online. After such debit has been presented to Bank, Client will have the opportunity to authorize or reject such debit via CitiBusiness Online prior to the applicable Cut-off time. If Client does not take any action with respect to a debit that is presented for viewing through via CitiBusiness Online by the Cut-off time, the debit will be considered an Unauthorized Debit and will be returned to the originator thereof.

In accordance with the Rules, Client shall have no recourse against Bank if information provided by Client concerning an Authorized Debit is erroneous and results in either payment not intended or return of the debit. Bank, at its expense, shall correct any errors due solely to malfunctions of its equipment or to failures of Bank’s personnel or software. Client agrees to promptly notify Bank of any error as soon as the error first comes to Client’s attention but in any event not later than thirty (30) days after. If such notification is made orally, Client must send a written confirmation to Bank within five (5) days.

Bank’s liability, if any, arising out of or in any way related to its performance under this service, shall be limited to reprocessing erroneous denials of Authorized Debits for which it is responsible, at no additional cost to Client. Bank shall have no liability for failure to effect settlement of Authorized Debits due to insufficient collected funds in the Account(s). Client is solely responsible for complying with all applicable laws and regulations governing the payment of amounts owed, and the Bank shall have no responsibility therefor.

## **2.12 Check Positive Pay**

The terms in this Section will apply if Client enrolls in Check Positive Pay solution.

Positive Pay is a fraud solution that provides users with early detection of fraudulent, altered, or counterfeit checks through verification of checks on each Business Day. If enrolled in this solution, Client can approve or return checks presented through CitiBusiness Online. This solution is available in four options: Positive Pay, Payee Positive Pay, Positive Pay No Issue File, and Reverse Positive Pay.

### **2.12.1 Positive Pay and Payee Positive Pay**

Both Positive Pay and Payee Positive Pay require Client to provide Bank with check issuance files. Positive Pay matches check numbers and amounts to Client’s check issuance file. Payee Positive Pay matches check numbers, amounts and payee names to Client’s check issuance file.

Each Business Days Client issue checks, Client must send Bank an issuance file with the check number, dollar amount and payee name (for Payee Positive Pay). Client must provide Bank this information via CitiBusiness Online or through Bank’s secure file transfer protocol or platform promptly upon issuing checks so that the information is available to Bank before checks are presented to Bank. As checks are presented, Bank will compare the data on the checks to the information in the issuance file Client provided. If the data on the issuance file matches the data on the checks, the checks will be paid or, to the extent they have been provisionally paid by Bank, remain paid without any other verification or inquiry by Bank, including without limitation, any comparison of a maker’s signature on the check to authorized signatures on file with Bank. Client acknowledges that Bank, when comparing the data on the checks to the information in the issuance file, relies solely on the information Client provided in the issuance file, and Client agrees that such reliance is commercially reasonable. Other than Bank’s review of the data on the checks and the information in the issuance file, Client assumes sole responsibility for determining if checks presented for payment from Client’s Account are authorized to be paid from Client’s Account. All checks that do not match Client’s issuance file (“Exception Items”) will be reported to Client via CitiBusiness Online and, if such checks have been provisionally paid, on the Business Day after such checks were provisionally paid. Client is alerted that Exception Items are pending via a message when signing on to CitiBusiness Online. Client can sign up for optional email and/or text alerts that Exception Items are pending. Through CitiBusiness Online, Client will review Exception Items and determine if they are valid. Client must make the determination through CitiBusiness Online by the Cut-off time. If Client does not provide “pay” or “return” instructions for an Exception Item by the Cut-off time, the related check will be returned unpaid. If Client has Payee Positive Pay, the exact payee name printed on the check presented for payments must match the exact name identified on Client’s issuance file.



It is Client's responsibility to provide Bank samples of Client's check stock with the payee names in the font and style that Client will be using for writing the actual checks. All check designs, both new and subsequent changes, must be approved by Bank prior to use. Client is responsible for any and all costs and expenses incurred by Bank as a result of any non-approved or returned checks.

#### **2.12.2 Positive Pay No Issue and Reverse Positive Pay Plans**

Positive Pay No Issue File and Reverse Positive Pay do not require Client to provide check issuance files to Bank, and as a result, all checks presented to Bank are exceptions pending Client's review and decision.

If enrolled in Positive Pay No Issue File, Client will be alerted that checks are pending Client's decision via a message when signing on to CitiBusiness Online. Client can sign up for optional email and/or text alerts that checks are pending. Through CitiBusiness Online, Bank will present Client a list of all checks that are presented to Bank for payment and, if such checks have been provisionally paid, on the Business Day after such checks were provisionally paid. Client must decide whether to "pay" or "return" a check through CitiBusiness Online by the Cut-off time. If Client does not provide "pay" or "return" instruction for a check by the Cut-off time, such check will be returned unpaid. Client assumes sole responsibilities for reviewing the checks on CitiBusiness Online and determining if checks presented for payment from Client's Account are authorized to be paid from Client's Account prior to the Cut-off time.

If enrolled in Reverse Positive Pay, Client will be alerted that checks are pending Client's decision via a message when signing on to CitiBusiness Online. Client can sign up for optional email and/or text alerts that checks are pending. Through CitiBusiness Online, Bank will present Client a list of all checks that are presented to Bank for payment. Client must decide whether to "pay" or "return" a check through CitiBusiness Online by the Cut-off time. If Client does not provide "pay" or "return" instruction for a check by the Cut-off time, then Bank will pay the check without verification or inquiry of any other aspects of the check, including without limitation, any comparison of a maker's signature on the check to authorized signatures on file with Bank. Client assumes sole responsibility for reviewing the checks on CitiBusiness Online and determining if checks presented for payment from Client's Account are authorized to be paid from Client's Account prior to the Cut-off time.

#### **2.13 Teller Positive Pay**

Teller Positive Pay is automatically included with Positive Pay, Payee Positive Pay and Positive Pay No Issue File solutions, unless you explicitly request not to have it included.

Teller Positive Pay is not available with Reverse Positive Pay. Checks presented for cash in branches will be processed using standard procedures.

Teller Positive Pay identifies potentially fraudulent, altered, or counterfeit check items presented for encashment at our branches by comparing them in real time with the check issuance file that you provide to us. If the information does not match, we will not cash the check. Your issuance file information is immediately available to our teller system upon our receipt.

Account numbers, serial numbers, amounts, and payee name (if enrolled in Payee Positive Pay) from checks presented for encashment are verified against issuance files previously provided by you.

If a check does not match the information that you provided to us, or you are using Positive Pay No Issue File solution, we may contact you. If we are unable to reach you, the check will not be cashed. We rely solely on the information you provided in the issuance file, and you agree that such reliance is commercially reasonable. Other than our review of the issuance file, you assume sole responsibility for determining if checks presented for payment from your Account are authorized to be paid from your Account.

#### **2.14 Currency Services**

The terms in this Section will apply if Client enrolls in Currency Services ("Currency Services").

If Client enrolls in Currency Services, Bank will permit Client to direct Bank-approved armored carrier (i) to deliver to Bank's designated vaults, U.S. coin and currency and, to the extent such service is available in Client's market, properly endorsed checks (collectively, "Shipments") for deposit to Client's Account and (ii) to pick up from Bank's designated vaults, Client's coin and currency orders.

##### **2.14.1 Preparation of Coin, Currency and Check Shipments by Client: Prohibited Shipments**

Client shall contract separately with an armored carrier that is acceptable to Bank, in its sole discretion, to provide for the transportation of Shipments from Client to Bank or Bank's affiliate or third-party service provider ("Processor"). On

an exception basis, Bank may, in its sole discretion, arrange for an armored carrier to transport Shipments. Any armored carrier is an agent of Client and not of Bank regardless of which party pays the armored carrier for services rendered. Client shall use a designated sealable and disposable deposit bag ("Security Bag") and segregate cash from checks when making a deposit under this Agreement. Client must:

- (a) comply with all Shipment procedures provided by Bank or the armored carrier;
- (b) place Shipments only in a Security Bag approved for use by Bank or the armored carrier; and
- (c) seal all Security Bags and clearly mark them to show the originating and intended delivery points. Client shall place nothing in a Security Bag except a deposit ticket with a said-to-contain amount and either:
  - (i) United States coin and currency or
  - (ii) properly endorsed checks, traveler's cheques, official checks, cashier's checks, or money orders. Items placed in a Security Bag that do not conform to these requirements will be returned to Client.

Client assumes full responsibility for all fees, charges, costs, or damages associated with placing a non-conforming item in a Security Bag and for using a bag that does not qualify as a Security Bag.

#### **2.14.2 Delivery of Shipments to Bank by Armored Carrier**

Client assumes all risk of loss of and damage to Shipments while in transit to or from Bank or its Processor. Bank assumes no responsibility for a Shipment until such time as Bank or its Processor receives such Shipment, and its receipt is recorded by Bank or its Processor pursuant to established procedures. Shipments shall be delivered only to an authorized representative of Bank or its Processor at the address indicated by Bank or its Processor in writing for the purpose of receiving Shipments from time to time. Bank or its Processor may refuse to accept any Shipment that is not delivered in a properly sealed, undamaged Security Bag prior to Bank's designated Cut-off time.

#### **2.14.3 Receipt, Processing and Accounting by Bank**

Bank's receipt of a Shipment shall not be deemed a confirmation of any Shipment's contents. All Shipments are subject to later verification by Bank or Bank's Processor. Shipments received by Bank or Bank's Processor after Bank's processing Cut-off time, or on a weekend or holiday, may be deemed received on Bank's next Business Day. Client understands and agrees that Shipment items that are intended for deposit will not be deemed deposited until Bank credits them to Account. Although Client agrees to insert a completed deposit slip with each Shipment, Bank's subsequent accounting of each Shipment and its records shall be deemed true, correct and controlling evidence of the contents of the Shipment. Account will be provisionally credited for the amount shown on the enclosed deposit slip subject to the terms of this Agreement, the Related Materials, the Client Manual and its addenda and schedules and, with respect to non-cash deposits, further subject to Bank's Standard Funds Availability Schedule (as described in the Client Manual). Coins will be verified by using either fine count or single denomination weight verification processes which may include without limitation coin counting machines and scales. Any adjustments will be credited or debited to Account. Bank or Bank's Processor will attempt to notify Client of any discrepancy between a deposit slip and Bank's accounting within forty-eight (48) hours from the receipt of any Shipment, but a longer period may, on occasion, be necessary. Client expressly assumes risks of any unexplained loss or shortage in a Shipment including without limitation any counterfeit notes that may be detected by Bank or its Processor.

#### **2.14.4 Check Deposit Reconciliation**

In the event any discrepancy exists between the amount indicated on a deposit slip attributable to non-cash deposits and the amount of the actual non-cash items verified by Bank, Client shall, upon notification of any such discrepancy, take the following actions as appropriate: (a) provide Bank with an itemized list of all non-cash items indicated on the deposit slip for which a discrepancy exists; (b) for any negotiable instrument drawn by Client, place a stop payment order on any such item(s); and (c) contact the makers of those non-cash items indicated on the list to request stop payment and replacement of the item.

Client understands that Bank is only liable for the actual non-cash items that it can collect. Any non-cash items that Bank is unable to collect shall be debited from Account. Checks returned for any reason will be charged directly to the account of deposit.

#### **2.14.5 Coin and Currency Orders from Bank**

Bank or Bank's Processor will fill coin and currency orders from Client in accordance with procedures established by Bank or Bank's Processor. Client authorizes Bank to accept instructions from any Authorized Signer on Client's Account(s) at Bank.

A Bank-approved armored carrier utilized by Client is also authorized to present cash orders to Bank on Client's behalf. Client must provide its cash withdrawal order at least one (1) Business Day prior to the requested date of Shipment unless otherwise instructed by Bank. Bank shall not be liable for withdrawal instructions that are either inaccurate or incomplete, it being understood that these instructions are solely Client's responsibility. Bank is authorized to debit Client's Account for orders on the Business Day that the order is placed. Bank has no obligation to process a coin or currency order unless there are sufficient collected and available funds in Client's designated account on the day the order is placed by the Client. Client shall report cash differences to Bank within one (1) Business Day of Client's receipt of a Shipment. The report shall be in writing and must be accompanied by the Security Bag, its seal, and any accompanying documentation. Differences of more than \$100 must be reported immediately by telephone and followed with a written report.

Client must provide Bank with at least thirty (30) Business Days' prior notice of any changes in Client's address for Shipments, order instructions or other service parameters. Bank shall have no responsibility to Client for Shipments delivered to Client's last known address for Shipments on file with Bank if Client fails to notify Bank of changes in Client's address in accordance with the preceding sentence.

#### **2.14.6 Risk of Loss**

Client assumes sole responsibility for Shipments while they are in transit between Client and Bank or Bank's Processor. Bank shall have no responsibility to Client for Shipments that are lost, delayed, stolen or damaged while in transit. Without limiting the generality of the preceding sentence, Bank shall not be liable for any failure or inability to deliver Shipments on schedule due to strikes, lockouts, work stoppages, labor disputes/disturbances, riots, war, legal process, civil disturbances, acts of God, or circumstances beyond Bank's reasonable control. Shipments sent to Client are deemed delivered to Client for this purpose when the armored carrier receives them at Bank's designated location for delivery to Client. Shipments delivered to Bank are deemed to be received by Bank for this purpose when Bank or Bank's Processor receives a Shipment at the vault location designated by Bank or its Processor in writing for the purpose of receiving Shipments from time to time. Items transported in Security Bags with an armored carrier, but not yet received by Bank at its designated vault location, are not insured against loss by Bank.

#### **2.14.7 Account Statements**

All Shipments processed hereunder and all debits and credits to Accounts will be reflected on Client's periodic account statements issued by Bank, and no other notices thereof will be provided to Client unless Client separately engages Bank to provide information reporting services.

#### **2.14.8 Cooperation**

Client and Bank agree to cooperate promptly and fully in the investigation of any claim asserted by any person arising out of this Agreement or the transactions generated hereunder or relating hereto. Client shall maintain adequate records of Shipments to assure that the funds represented by such items can be collected in the event a Shipment is lost, stolen, or destroyed.

### **2.15 Lockbox Service**

The terms in this Section will apply if Client enrolls in Lockbox service.

Lockbox allows for check payments to Client to be mailed to a special post office box ("Lockbox") from where Bank will collect the checks for processing.

#### **2.15.1 Lockbox Services**

In order for Bank to provide Lockbox service, Bank must have received and agreed to Client's information profile including any addenda and schedules thereto (the "Profile") provided by the Client. In accordance with the specific guidelines set forth in the Profile, Bank will collect for processing on the Client's behalf checks received in the Lockbox. Bank agrees to collect mail at frequent intervals, or as otherwise agreed, and to have the envelopes opened and the contents removed at a processing facility. Bank will follow customary operating procedures in processing checks and in attempting to collect any checks with irregularities on their face, such as discrepancies between figures and written amounts, incomplete, undated, or post-dated checks.

Bank will only process checks in U.S. dollar currency. Bank must approve a non-U.S. dollar currency before Bank can accept checks in such non-U.S. dollar currency for Lockbox service. Lockbox images can be viewed and downloaded via CitiBusiness Online.



### **2.15.2 Payee Names**

To ensure we process all your checks mailed to the Lockbox, we require a list of acceptable payee names.

If checks are mailed to the Lockbox, and the payee's name is different from yours, we require a payee authorization letter in the form provided by us from time to time (the "Payee Authorization Letter") and any other documents we may request evidencing that the Payee Authorization Letter and all related documents are properly authorized. In this case, you are authorizing us to endorse and process these payee names.

### **2.15.3 Endorsement of Items**

Bank will endorse the back of each check "Endorsement Guaranteed Credit Payee." Bank will not be responsible for the effect of processing items containing restrictive endorsements, including without limitation items tendered in accord and satisfaction.

### **2.15.4 Credit to Account**

Bank will credit the designated Account(s) with the amount of checks processed each Business Day, subject to the standard terms and conditions applicable to such Account. Client shall reimburse Bank for the return of items processed hereunder.

### **2.15.5 Profile Change Authorization**

Client will provide Bank with (i) an original certified statement in the form provided by Bank from time to time or an equivalent document properly executed by a duly authorized officer, indicating the full name, title and sample signature of each officer or designee thereof, authorized to initiate changes to the Profile and (ii) such other corporate resolutions or other documentation as Bank may request evidencing that such statement, authorization or an equivalent document and all related documents have been properly authorized by the Client and are in conformity with the organizational documents and any other rules, regulations and laws to which the Client may be subject.

Client may, from time to time, add or delete authorized persons by delivering to Bank an original certified statement in the form provided by Bank from time to time or an equivalent document properly executed by a duly authorized officer, which shall be effective no earlier than the third Business Day after receipt by Bank, and shall not affect Bank's actions or omissions in respect of services prior to the effective date of such notice.

### **2.15.6 Payee List and Authorizations**

If checks that bear a payee name different from the name of the Client will be mailed to the Lockbox, the Client will deliver to Bank, in addition to the Payee Authorization Letter described in Section 2.16.2, a list of payee names in the form provided by Bank from time to time (the "Payee List"), and Bank is authorized to endorse and process such payee names as provided herein. The Client will deliver a revised Payee List no later than fifteen (15) days prior to the addition or deletion of a payee, which shall be effective no earlier than the third Business Day after receipt by Bank of such revised Payee List and related Payee Authorization Letters and shall not affect Bank's actions or omissions in respect of services prior to the effective date of such notice. Each such Payee List shall be signed and dated and shall be accompanied by Payee Authorization Letters.

### **2.15.7 Authorizations**

For each payee on the Payee List that is a separate legal entity (e.g. parent, subsidiary, affiliate, related partnership) from Client, the Client shall provide Bank with (i) an original certified Payee Authorization or an equivalent document properly executed by the duly authorized officer of such payee, and (ii) such other corporate resolutions or other documentation as Bank may request evidencing that the Payee Authorization Letter and all related documents have been properly authorized by the payee and are in conformity with the organizational documents and any other rules, regulations and laws to which the payee may be subject.

### **2.15.8 Termination**

If Lockbox Service is terminated for any reason, Client agrees to notify its vendors and customers promptly of the new address for payments. At Bank's sole discretion, Account(s) may remain open so posting adjustments and returned checks may be processed. Client is responsible for the dollar amount of any returned checks and the service charge associated therewith. In addition, Client agrees to pay Bank a transition fee for service performed by Bank following termination which will be dependent upon the services requested by Client.

### **3. General Terms and Conditions**

#### **3.1 Termination of Services; Amendments; Assignments**

##### **3.1.1 Close, Cancel or Terminate**

Subject to the terms herein and of any other agreement between Client and Bank, and applicable law, either Bank or Client may cancel any Service or terminate this Agreement at any time, provided that any request for termination of a Service or this Agreement by Client shall not be effective until Bank has had a reasonable opportunity to respond to such request and has confirmed to Client that such request has been processed and completed. Termination of one Service shall not operate or be deemed as a termination of any other Service provided to Client hereunder. Upon termination of this Agreement, all Services shall automatically terminate, and Client will promptly pay to Bank all sums due or to become due under this Agreement and Related Materials.

##### **3.1.2 Amendments to Terms and Conditions**

Bank may change, including amending, adding, or deleting entirely or partially any term or condition in this Agreement or in any Related Materials from time to time. Unless otherwise required by law, Bank may change this Agreement or any Related Materials without prior notice to Client. If Bank chooses, or is required by law, to notify Client of any such changes, Bank will notify Client in accordance with the notice provisions set forth in this Agreement. By continuing to use the Services, Client is deemed to have accepted any change that Bank introduces. Bank shall not incur any liability because of any such changes. Bank also reserves the right to terminate use of any Service, withdraw Services partially or entirely, or terminate this Agreement at any time with or without cause and without prior notice.

##### **3.1.3 Full Force and Effect**

Notwithstanding the termination of this Agreement and/or the termination of any of the Services, this Agreement and Related Materials shall continue in full force and effect: (i) as to all obligations with respect to transactions that occurred, or which Bank began processing, prior to such termination; (ii) as to all provisions which expressly survive termination, and all provisions herein and in Related Materials concerning indemnification obligations, right of setoff, Bank's security interest, arbitration and disclaimers of liability; and (iii) as to all fees, cost reimbursements and other charges owing by Client to Bank.

##### **3.1.4 Assign or Transfer of Rights or Obligations**

Client may not assign or transfer any Services or any of its rights or obligations under this Agreement without prior written consent by Bank. Client hereby consents to any such assignment or transfer and agrees to enter into any Agreement that Bank may reasonably request to affect such assignment or transfer. Bank will provide notice of any such assignment or transfer.

##### **3.1.5 No Waiver**

No party's failure or delay in exercising any right or remedy under this Agreement or Related Materials will operate as a waiver of such right or remedy, and no single or partial exercise of any right or remedy under such documents will preclude any additional or further exercise of such right or remedy or the exercise of any other right. No waiver by Bank of any fee, charges, or other amounts payable by Client, or waiver of any breach of this Agreement or Related Materials will operate as a waiver of any prior, current, or subsequent fee, charge, other amount, or breach. No waiver of any fees, breach, right or remedy will be effective unless made in writing.

##### **3.1.6 Security Interest and Setoff**

Client authorizes Bank to charge Client's Account(s) at Bank to collect all fees, charges and other amounts owing by Client to Bank under this Agreement and any Related Materials without further consent. Client hereby grants to Bank a continuing lien, security interest and right of setoff as security for all of the amounts owing from Client to Bank under this Agreement or any Related Materials, whether now existing or hereafter arising, upon and against all monies, securities, instruments and other property, now or hereafter in the possession, custody, safekeeping or control of Bank or any of Bank's affiliates or in transit to any of them. At any time, without demand or notice (any such notice being expressly waived by Client), Bank and each such affiliate of Bank may setoff the same or any part thereof and apply the same to any amount owing from Client to Bank under this Agreement or any Related Materials regardless of the adequacy of any other collateral securing such amount. Client agrees to take such actions and to execute and deliver such documents as Bank may reasonably require from time to time to perfect the lien and security interest granted hereunder.

#### **3.2 Indemnity**

Client agrees to indemnify Bank, its affiliates, and their respective directors, officers, employees, agents, third party service providers and processors (collectively, "Indemnified Parties") and to defend and hold such Indemnified Parties harmless from and against all claims, losses, damages, penalties, costs (including legal fees and expenses) and expenses (collectively

“Losses”) arising, directly or indirectly, from Bank’s provision of any Service hereunder or from a breach by Client or its representative of any provision, representation or warranty hereunder; provided, however, that an Indemnified Party shall not be indemnified for Losses to the extent such Losses result directly from such Indemnified Party’s own gross negligence or willful misconduct. This indemnity shall survive termination of a Service and termination of the Agreement.

### **3.3 Limitation on Liability**

Notwithstanding anything to the contrary herein or in any Related Materials, and unless otherwise provided under applicable law, Bank’s liability to Client with respect to any Service will be limited to direct damages sustained by Client that are a direct result of Bank’s gross negligence or willful misconduct. Bank shall not have any liability for any special or punitive damages, indirect, incidental or consequential losses or damages, or any loss of profit, goodwill or business opportunity, whether or not the relevant loss or damage was foreseeable or contemplated, even if Client advised Bank of the possibility of such loss or damage. To the extent Bank has any liability to Client with respect to any Service, such liability will be limited to the face value of an item or transaction improperly dishonored or paid, or the face value of any transaction not properly credited or debited. Bank shall have no responsibility for any dispute between Client and any beneficiary or any third party with respect to the funds deposited in any Account. Bank will not be responsible for any failure to perform any of its obligations with respect to any Account or Service if such performance would result in a breach of any applicable law or regulation or if its performance is prevented, hindered or delayed due to an interruption of communications or computer or other equipment facilities, suspension of payments by another bank, war, other emergency conditions or other circumstances beyond Bank’s control. Bank shall have no liability for any disruption of Client’s (or Client Vendor’s) computer systems or loss of business information, and Bank will not be responsible for determining the compatibility of any other installed system components or for the failure to provide access to the Services. Client acknowledges and agrees that it is Client’s sole responsibility to develop and maintain an independent procedure to reconstruct lost or altered computer-stored files to the extent deemed necessary by Client. In no event shall Bank be obligated to reconstruct or furnish any information or details regarding any codes or passwords or to reconstruct any computer-stored files of Client. Bank shall have no liability for any loss, cost, expense or damage to Client in connection with Client’s (or Client Vendor’s) use of any electronic communication channel, equipment, software or any computer or electronic services, except to the extent such loss, cost, expense or damage is a direct result of Bank’s gross negligence or willful misconduct.

### **3.4 Taxes**

All fees, interest and other amounts payable to Bank under this Agreement or under any Related Materials shall be paid without deduction for taxes or amounts of a similar nature, which are Client’s responsibility. If any such taxes or other amounts are paid by Bank or any of Bank’s affiliates, Client shall promptly reimburse Bank for such payment. Client is responsible for all taxes or other amounts on earned interest and other payments made by Bank to Client. Bank shall deduct or withhold taxes as required by law from any such payments to Client and will notify Client of any such withholding as soon as reasonably practicable.

### **3.5 Communications and Notices**

Except as otherwise provided in this Agreement or in any Related Materials (or as otherwise agreed between Client and Bank), this Agreement, the Related Materials and all other disclosures and notices to Client (including, without limitation, amendments, account statements, any written communications and any other notices that are required to be sent in “writing”) may, in Bank’s sole discretion, be delivered by Bank to Client (a) in an electronic format through CitiBusiness® Online or any other electronic communication channel made available to Client by Bank (collectively, “Electronic Communication Channels”), (b) by email to the email addresses of Client’s Authorized Signers, or (c) to Client’s physical mailing address reflected in Bank’s records. Client waives paper copies of communications delivered electronically by Bank to Client in accordance with this Section. All communications from Bank will be deemed delivered to Client when communication is either: (i) made available to Client through an Electronic Communication Channel, (ii) placed in the U.S. mail, or (iii) sent via email by Bank to an Authorized Signer. Written notice may be delivered by Client to Bank by sending such notice to Bank’s mailing address as found on the most recent statement for the relevant Account or by sending a message to Bank through an Electronic Communication Channel or by email to an email address provided by Bank for such purposes. Any communication from Client to Bank will be deemed delivered to Bank when Bank has actually received and has had a reasonable opportunity to act on such communication.

### **3.6 Security Procedures**

Client and Bank will comply with certain agreed security procedures intended for the purpose of (i) verifying the origination of communications between them, such as inquiries, data and other information exchanges, fund transfers, ACH debit and credit entries, advices, transactional instructions, and Account management instructions (each a “Communication”), and

(ii) where applicable, authenticating log-on to Bank-offered electronic communication channels by Client's Authorized Representatives (collectively, "Procedures"). Bank is not responsible for errors or omissions made by Client (or Client Vendor) or the duplication of any Communication by Client (or Client Vendor) and may act on any Communication by reference to a bank identification or Account number only, even if a bank or Account name is provided. The Procedures for ACH Origination may be further described on CitiBusiness Online and other Related Materials provided to Client.

Depending upon the method of Communication used by Client, the Procedures may constitute one or more of the following measures: user name, passwords, tokens, unique transaction identifier, digital signatures, biometric authentication procedures, encryption algorithms or other codes, multifactor authentication, user entitlements, schedule validation or such other measures (collectively, "Codes") as in use for the Communications method agreed to by Client. The Procedure may also entail a telephone call back when Client's funds transfer order exceeds a predetermined dollar threshold. By placing a transfer order, Client agrees to Bank's use of the applicable Procedure.

Client is responsible for maintaining the confidentiality of any Codes and accepts sole responsibility for unauthorized access to any Bank-offered electronic communication channel by its employees, associates, Client Vendor or by other third parties. Bank will therefore consider any access to any Bank-offered electronic communication channel through use of valid Codes to be duly authorized, and Bank will carry out any instruction given regardless of the identity of the individual who is actually using them to access a Bank-offered electronic communication channel.

Upon logging on to any Bank-offered electronic communication channel, Client and Client Vendor will be deemed to have agreed that it has investigated the security measures employed by such electronic communication channel and that Client has instituted the proper controls for access to them through computers, other electronic terminals or mobile devices. Client confirms that the security system and controls are "commercially reasonable" and appropriate for Client. Unless there is substantial evidence to the contrary, Bank's records will be conclusive evidence regarding any access to, or action taken through, any electronic communication channel upon entry of valid Codes issued to Client and its Authorized Representatives.

Client acknowledges that the Procedures are in addition to, and do not limit, revoke or affect the authority of any person (whether by course of dealing or otherwise) who previously transmitted Communications in Client's name. Client agrees that Bank is entitled to rely on any Communication believed by it in good faith to be genuine or to have been signed or authorized by an Authorized Representative. Notwithstanding the foregoing, however, Bank is not obligated to do anything other than what is contained in the Procedures to establish the authority or identity of the person sending a Communication and may rely upon the authority and identity of such person if Bank complies with the Procedures. Further, Client acknowledges that Bank may refuse to execute any Communication where Bank reasonably doubts its contents, authorization, origination or compliance with the Procedures.

Bank may in its discretion use additional procedures to verify the authenticity of Communications. In addition, if Client proposes or adopts a security procedure for Communications to Bank that varies from the agreed Procedures and if Bank accepts Client's proposed variation in standard security procedures, in good faith, then Client agrees to be bound by Communications transmitted to Bank pursuant to this agreed upon security procedure, as authorized, and will be obligated to pay Bank the amount thereof for any resulting transaction, and Client will be deemed to have refused the Procedures that Bank offers and recommends as "commercially reasonable." However, Bank has no obligation to accept any Communication that is not communicated in compliance with the Procedures.

If Client requests Bank to recall, cancel or amend a Communication, Bank will use its reasonable efforts to comply and Client shall be responsible for all costs, losses and other expenses related thereto. Bank is authorized to act on any Communication and provide any Service using any payment system or intermediary bank it reasonably selects, and Client acknowledges that Bank's performance is subject to the rules and regulations of any such intermediary bank or payment system. If Bank acts on a Communication in accordance with the Procedures, Client will be responsible for any costs, losses and other expenses related thereto. Further, if any transaction or Communication was actually communicated or authorized by Client, then Client will be obligated to pay Bank the amount of such transaction, without regard to whether Bank complied with the Procedures. Client agrees that the Procedures may be updated from time to time and Client agrees that continued use of any Service, Bank-offered electronic communication channel or other connectivity channel after being advised of updated Procedures in connection therewith shall constitute Client's acceptance of such updated Procedures. Client agrees that Bank may record conversations Bank's employees have with Client or Client's representatives.

### 3.7 Confidentiality

As used in this Section and Section 3.7 (Data Privacy) of this Agreement:

- (a) “Confidential Information” means:
  - (i) when the Disclosing Party is Client, or any of its Representatives, information relating to Client or Client’s Representatives received by Bank’s Representatives in the course of providing Services to Client, including all of Client’s Personal Data, Client’s Account details and transactional information;
  - (ii) when the Disclosing Party is Bank, or any of its Representatives, information relating to Bank, or its Representatives received or accessed by Client and its Representatives in connection with the receipt of Services, including Bank’s Personal Data, information relating to Bank’s products and services and the terms and conditions on which they are provided, technology (including software, the form and format of reports and online computer screens), pricing information, internal policies, operational procedures; and
  - (iii) in each case, and any other information which is either designated by the Disclosing Party as confidential at the time of disclosure, or that a reasonable person would consider to be of a confidential or proprietary nature.
- (b) “Data Subject” means a natural person who is identified, or who can be identified directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his or her physical, physiological, mental, economic, cultural or social identity, or, if different, the meaning given to this term or nearest equivalent term under applicable local data protection or data privacy law. For the purpose of this Agreement, “Data Subjects” may be Client’s or Client’s affiliates’ personnel, customers, suppliers, payment remitters, payment beneficiaries or other persons.
- (c) “Disclosing Party” means whichever party is disclosing Confidential Information to the other party.
- (d) “Payment Infrastructure Provider” means a third party which forms part of a payment system infrastructure, including without limitation communications, clearing or payment systems, intermediary banks and correspondent banks.
- (e) “Permitted Purposes” has the meaning set forth below in this Section.
- (f) “Personal Data” means any information that can be used, directly or indirectly, alone or in combination with other information, to identify an individual, or, if different, the meaning given to this term or nearest equivalent term under applicable local data protection or data privacy law.
- (g) “Receiving Party” means whichever party is receiving Confidential Information from the other party.
- (h) “Representatives” means a party’s affiliates, a party’s and its affiliates’ respective officers, directors, employees, agents, representatives, professional advisers and third party service providers.
- (i) “Security Incident” means an incident whereby the confidentiality of Disclosing Party’s Personal Data within the Receiving Party’s control has been materially compromised so as to pose a reasonable likelihood of harm to the Data Subjects involved.

The Receiving Party will keep the Disclosing Party’s Confidential Information confidential on the terms hereof and exercise at least the same degree of care with respect to the Disclosing Party’s Confidential Information that the Receiving Party exercises to protect its own Confidential Information of a similar nature, and in any event, no less than reasonable care.

The Disclosing Party hereby grants the Receiving Party the right to use and disclose the Disclosing Party’s Confidential Information to the extent necessary in connection with the provision or use (as applicable) of Accounts and Services and as otherwise permitted hereunder (“Permitted Purposes”). The Receiving Party will only use and disclose the Disclosing Party’s Confidential Information to the extent permitted in these conditions. Notwithstanding anything in these conditions to the contrary, the restrictions on the use and disclosure of Confidential Information in these conditions do not apply to information that:

- (i) is in or enters the public domain other than as a result of the wrongful act or omission of the Receiving Party or its Representatives in breach of these conditions,



- (ii) is lawfully obtained by the Receiving Party from a third party or already known by the Receiving Party, in each case without notice of any obligation to maintain it as confidential,
- (iii) was independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information,
- (iv) the Disclosing Party has agreed in writing that the Receiving Party may disclose on a non-confidential basis, or
- (v) constitutes anonymized and/or aggregated data.

The Receiving Party may disclose the Disclosing Party's Confidential Information to Receiving Party's affiliates and to those Representatives who have a "need to know" such Confidential Information, although only to the extent necessary to fulfill the relevant Permitted Purposes. The Receiving Party shall ensure that any of its affiliates and Representatives to whom the Disclosing Party's Confidential Information is disclosed pursuant to this condition shall be bound to keep such Confidential Information confidential and to use it for only in connection with the relevant Permitted Purposes. Bank may

- (i) disclose Client's Confidential Information to such parties as may be designated by Client (for example, Client's shared service center) and to Client's affiliates;
- (ii) disclose Client's Confidential Information to Payment Infrastructure Providers on a confidential basis to the extent necessary for the operation of the Account and the provision of the Accounts and Services; and
- (iii) use and disclose to other Bank Representatives Client's Confidential Information for the purpose of opening Accounts for, and providing Accounts and Services to, Client and Client's affiliates.

When Client instructs Bank to make a payment from an Account to a third party's account, in order to enable the third party to perform payment reconciliations, Bank may disclose to the third party Client's name, address and Account number (and such other Confidential Information as may be reasonably required by the third party to perform payment reconciliations). The Receiving Party (and, where Bank is the Receiving Party, Bank's Representatives and Payment Infrastructure Providers) may disclose the Disclosing Party's Confidential Information pursuant to legal process, or pursuant to any other legal and/or regulatory obligation or request, or agreement entered into by any of them and any governmental authority, including disclosure to courts, tribunals, and/or legal, regulatory, tax and government authorities.

Upon closure of Accounts or termination of the Services, Client and Bank shall be entitled to retain and use the other party's Confidential Information, subject to any confidentiality and security obligations under applicable laws and regulations, for legal, regulatory, audit and internal compliance purposes and in accordance with their internal records management policies to the extent that this is permissible under applicable laws and regulations, but shall otherwise securely destroy or delete such Confidential Information.

### **3.8 Data Privacy**

The Receiving Party will comply with applicable data protection law in processing Disclosing Party's Personal Data in connection with the provision or receipt of Services. Bank will, and will use reasonable endeavors to ensure that third party service providers and affiliates will, implement reasonable and appropriate technical and organizational security measures to protect Client's Personal Data that is within its and their custody or control against unauthorized or unlawful processing and accidental destruction or loss.

Client hereby authorizes and instructs Bank to process Client's Personal Data in accordance with this Agreement and to the extent reasonably required for the relevant Permitted Purposes. Bank shall not process Client's Personal Data for any other purpose unless expressly authorized or instructed by Client.

To the extent that Bank processes Client's Personal Data about Data Subjects (for example, Client's personnel), Client represents and warrants that to the extent required by applicable law or regulation, it has provided notice to, and obtained consent from, such Data Subjects (and will provide such notice or obtain such consent in advance of providing similar information in future). Client further represents and warrants that any such consent has been granted by these Data Subjects for the period reasonably required for the realization of the relevant Permitted Purposes. The parties acknowledge and agree that the above consent may not be required if the processing is necessary for the performance of obligations resulting from a contract with the Data Subject or imposed by law, or for the purposes of legitimate interests pursued by Bank or a person to whom Client's Personal Data are disclosed which are not outweighed by prejudice to the rights, freedoms or legitimate interests of the Data Subjects or for the processing of information relating to persons other than living individuals.

Bank will take reasonable steps to ensure the reliability of its employees who will have access to Personal Data received from Client and will ensure that those of Client's employees who are involved in the processing of Personal Data received from Client have undergone appropriate training in the care, protection and handling of Personal Data.

If Bank becomes aware of a Security Incident, Bank will investigate and remediate the effects of the Security Incident in accordance with its internal policies and procedures and the requirements of applicable law and regulation. Bank will notify Client of any Security Incident as soon as reasonably practicable after Bank becomes aware of a Security Incident, unless Bank is subject to a legal or regulatory constraint, or if it would compromise Bank's investigation. The parties agree that where Bank has no direct contractual relationship with Data Subjects whose data have been compromised in a Security Incident, Client will be responsible for making any notifications to regulators and individuals that are required under applicable data protection law or regulation. Bank will provide reasonable information and assistance to Client to help Client to meet Client's obligations to Data Subjects and regulators. Neither Bank nor Client will issue press or media statements or comments in connection with the Security Incident that name the other party unless it has obtained the other party's prior written consent.



## 4. Resolution of Disputes/Arbitration

### PLEASE READ THIS PROVISION OF THE AGREEMENT CAREFULLY

THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING THE CASH MANAGEMENT SERVICES DESCRIBED IN THIS AGREEMENT. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES ARE SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. IT ALSO INCLUDES A WAIVER OF THE RIGHT TO TRIAL BY JURY.

#### 4.1 Agreement to Arbitrate Disputes

Either you or we may elect, without the other's consent, to require that any dispute between us, or concerning any Account(s) or Service(s), except those disputes specifically excluded below, be resolved by binding arbitration.

#### 4.2 Disputes Covered by Arbitration

Any claim or dispute relating to or arising out of any Service(s), this Agreement, the Related Materials or your relationship or dealings with us will be subject to arbitration ("Disputes"). All Disputes are subject to arbitration, no matter what legal theory they are based on or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any Service and include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to Bank, but also its parent, affiliates, successors, assignees, employees, and agents and claims for which Bank may be directly or indirectly liable, even if Bank is not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims made as counterclaims, crossclaims, third party claims, interpleaders or otherwise. A party who initiates a proceeding in court may elect arbitration with respect to any dispute advanced in that proceeding by any other party. Disputes include claims made as part of a class action or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

#### 4.3 Disputes Excluded from Arbitration

Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual claim for relief.

#### 4.4 Commencing an Arbitration

The party filing an arbitration must file it with the American Arbitration Association and follow its rules and procedures for initiating and pursuing arbitration. If you initiate the arbitration, you must notify us in writing at Citibank, C/O Legal Services Intake Unit, 701 E. 60th Street., N., Mail Code 1251, Sioux Falls, SD 57117. If we initiate the arbitration, we will notify you in writing at your last known address on file. You may obtain a copy of the arbitration rules for this forum, as well as additional information about initiating an arbitration by contacting the American Arbitration Association ([www.adr.org](http://www.adr.org)) - (800) 778-7879 (toll free). The arbitration shall be conducted in the same city as the U.S. District Court closest to your physical address on file with us unless the parties agree to a different location in writing.

#### 4.5 Administration of Arbitration

The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years' experience or a retired or former judge, selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and procedures are inconsistent with this arbitration provision, in which case this arbitration provision will prevail. Those procedures and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect Client account information and other confidential information if requested to do so by you or us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief

to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing; however, the arbitrator need not provide a statement of his reasons unless one is requested by you or us.

#### **4.6 Costs**

The party initiating the arbitration shall pay the initial filing fee. If you file the arbitration and an award is rendered in your favor, we will reimburse you for your filing fee. If there is a hearing, we will pay the fees and costs for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, we will advance or reimburse filing and other fees if the arbitrator rules that you cannot afford to pay them or finds other good cause for requiring us to do so, or if you ask us and we determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all of its costs and fees from another party if the arbitrator, applying applicable law, so determines.

#### **4.7 No Class Action or Joinder of Parties**

You and we agree that no class action, private attorney general or other representative claims may be pursued in arbitration, nor may such action be pursued in court if either you or we elect arbitration. Unless mutually agreed to by you and us, claims of two (2) or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction); this is so whether or not the claim has been assigned.

#### **4.8 Right to Resort to Provisional Remedies Preserved**

Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of setoff or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

#### **4.9 Arbitration Award**

The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen (15) days of notice of the award. The appeal must request a new arbitration before a panel of three (3) neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same way they are allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen (15) days have passed. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

#### **4.10 Jury Trial Waiver**

FOR ANY MATTERS NOT SUBMITTED TO ARBITRATION, YOU AND WE AGREE AND UNDERSTAND THAT YOU AND WE ARE BOTH IRREVOCABLY AND VOLUNTARILY GIVING UP THE RIGHT TO TRIAL BY JURY.

#### **4.11 Class Action Waiver**

TO THE EXTENT PERMITTED BY APPLICABLE LAW, FOR ANY MATTERS NOT SUBMITTED TO ARBITRATION, YOU AND WE HEREBY AGREE THAT ANY LITIGATION ARISING OUT OF THESE RULES AND REGULATIONS, RELATING TO ANY DISPUTE BETWEEN YOU AND US OR ANY OF BANK'S EMPLOYEES, OFFICERS, DIRECTORS, PARENTS, CONTROLLING PERSONS, SUBSIDIARIES, AFFILIATES, SUCCESSORS AND ASSIGNS WILL PROCEED SOLELY ON AN INDIVIDUAL BASIS AND WILL NOT PROCEED AS PART OF A CLASS ACTION, AND YOU SHALL NOT SERVE AS A CLASS REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL WITH RESPECT TO ANY SUCH LITIGATION.

#### **4.12 Resolution of Disputes**

You or we can require that any Disputes be resolved by binding arbitration. If neither you nor we decide to compel arbitration, then all claims and Disputes shall be resolved in court by a judge without a jury, as permitted by law.

#### **4.13 Exception for claims brought in California state court**

If a claim related to a Dispute is brought in a California state court, either you or we can elect to compel the other to have the claim resolved by general reference of the Dispute to a judicial referee under California Code of Civil Procedure Section 638, as provided below. The judicial reference or trial by a judge will take place solely on an individual basis without any joinder of multiple parties' claims or as a form of class or other representative action. A Dispute sent to judicial reference is heard by a single judicial referee but remains in the court system subject to the same rules of procedure, discovery and evidence and appeal as any court case. The judicial referee will be an active or retired judge or attorney with more than ten (10) years of experience, chosen by mutual agreement of you and us. If you or we are unable to agree upon a referee within ten (10) calendar days after one of us serves a written notice of intent for judicial reference upon the other, then the referee will be selected by the court in accordance with California Code of Civil Procedure Section 640(b). The judicial referee, sitting alone without a jury, will decide questions of law and fact and will resolve the Dispute. This includes the applicability of this Resolution of Disputes section and the validity of this Agreement. Judicial reference will be governed by California Code of Civil Procedure Section 638 at seq. and the judicial referee will determine all issues in accordance with applicable law and the California rules of evidence. The judicial referee is empowered to provide all temporary or provisional remedies and rule on any motion that would be authorized in court proceedings, including motions for summary judgment or summary adjudication. The award that results from the decision of the referee will be entered as a judgment in the court that appointed the referee, in accordance with the provisions of California Code of Civil Procedure Section. You and we both reserve the right to seek appellate review of any judgment or order to the same extent permitted in a court of law had there been no referral.

#### **4.14 Governing Law**

**You and we agree that our relationship includes transactions involving interstate commerce and that the arbitration provisions set forth in this Agreement are governed by, and enforceable under, the Federal Arbitration Act.** Accounts and services are governed by federal laws and regulations and, to the extent not preempted by federal law or for which federal law is otherwise inapplicable, by your "governing state law." Your governing state law, if you first opened your Account or enrolled for a Service at a branch, is that of the State in which that branch is located or to which your Account may have been subsequently transferred, regardless of the State in which your business is located or where you reside. Your governing state law, in all other cases, including if you opened your account or enrolled for a Service remotely (for example, by Citibank® Online or CitiPhone Banking®), is deemed to be the law of the State of South Dakota, unless a specific agreement provides otherwise. Notwithstanding the foregoing, however, provisions of this Agreement with respect to the Equipment for RCD Service shall be governed by the laws of the State of New York, exclusive of choice of law provisions.

#### **4.15 Account Errors**

You agree that any suit or demand for arbitration that you assert based on an account error, discrepancy, or unauthorized transaction must be brought within one (1) year after the date of the first account statement on which the error, discrepancy, or unauthorized transaction is made available or appears. After the expiration of one (1) year, Bank will not be liable for, and you agree to not bring any suit or demand for arbitration with respect to such account error, discrepancy, or unauthorized transaction for which the one (1) year period has elapsed.

#### **4.16 Survival**

The arbitration and dispute resolution provisions set forth this Agreement shall survive termination or changes to your Service or any related Services we provide, the bankruptcy of any party, and the transfer or assignment of your Service or any related Services we provide.

#### **4.17 Severability**

If any portion of the arbitration and dispute resolution provisions set forth in this Agreement is deemed invalid or unenforceable, it shall not affect the validity or enforceability of any other provisions of this Agreement.

#### **4.18 Amendments**

The arbitration and dispute resolution provisions set forth this Agreement may not be amended, severed, or waived absent a written agreement between you and us.

## Citi Business Banking

### Cash Management Products Cut-Off Times

#### Cash Management Services

| Service  | Cut-Off Time <sup>1</sup><br>(Business Days <sup>2</sup> ) | Time Zone <sup>3</sup> | Notes   |
|--|--|------------------------|---|
| Automated Clearing House (ACH) Origination         | 4:30 p.m.  | ET                     | ➤ 1st processing window for CitiBusiness® Online ACH.   |
|  | 8:15 p.m.  | ET                     | ➤ 2nd processing window for CitiBusiness Online ACH.<br>➤ Edit is allowed between 4:30 p.m. and 8:15 p.m. ET.<br>➤ Transactions awaiting approval are subject to the same cut-off timeline.   |
|  | 8:00 p.m.  | ET                     | ➤ ACH File Transmission.  |
| Same Day ACH Origination                           | 3:00 p.m.  | ET                     | ➤ Same Day ACH File Transmission.   |
|  | 3:00 p.m.  | ET                     | ➤ Same Day ACH – CitiBusiness Online.   |
| ACH Positive Pay                                   | 3:00 p.m.  | ET                     | ➤ Positive Pay suspect Items not actioned by this will automatically be returned to the sending company as “not authorized.”  |
| Account Reconciliation Plan and Check Positive Pay | 10:00 a.m. – 3:00 p.m.                                     | ET                     | ➤ Positive pay exception decisioning window.  |
|  | 11:00 a.m. – 3:00 p.m.                                     | ET                     | ➤ Positive pay exception decisioning window (California and Nevada Accounts).   |
|  | 10:30 p.m.   | ET                     | ➤ Positive pay — Issuance file upload via CitiBusiness Online.  |
|  | 10:30 p.m.   | ET                     | ➤ Enter manual void/issue via CitiBusiness Online.  |
|  | 11:00 p.m.   | ET                     | ➤ Upload issuance file via CitiSFT.   |
| Controlled Disbursement                            | 8:00 a.m.  | ET                     | ➤ First group of check presentment.   |
|  | 10:00 a.m.   | ET                     | ➤ Second/final group of check presentment.  |
|  | 10:00 a.m.   | ET                     | ➤ Daily funding requirement.  |
|  | 12:30 p.m.   | ET                     | ➤ Detail of Presentment.  |
|  | 10:00 a.m. – 2:30 p.m.                                     | ET                     | ➤ Match pay exception decisioning window.   |
|  | 2:30 p.m.  | ET                     | ➤ Cut-off to cover funding requirement.   |
|  | 7:00 a.m. – 7:30 p.m.                                      | ET                     | ➤ Stop payment window.  |
|  | 3:00 p.m.  | ET                     | ➤ Issuance file via CitiSFT for same-day processing.  |
|  | 7:30 p.m.  | ET                     | ➤ Enter manual void/issue via CitiBusiness Online.  |
| Currency Services                                  | 11:00 a.m.   | Local Time             | ➤ Cash order for next business day delivery.<br>➤ The order is made during business days only (e.g. Friday order by 11 a.m. local time following Monday delivery).  |
|  | Varies by market   | Local Time             | ➤ Vault deposit deadline varies by market.<br>➤ Please refer to or request Currency Services Vault Location List.   |
| Global Solutions Account (GSA)                     | Varies by currency   | Local Time             | ➤ Wire approval and release for same-day value. After cut-off, all wires approved and released will be value-dated for the next business day in London.<br>➤ Note: The GSA product is temporarily unavailable until further notice. |

| Service                    | Cut-Off Time <sup>1</sup><br>(Business Days <sup>2</sup> ) | Time Zone <sup>3</sup> | Notes   |
|----------------------------|--|------------------------|---|
| Lockbox                    | N/A  | N/A                    | <ul style="list-style-type: none"> <li>➤ Mail is opened and processed in 24 hours or less following date of mail delivery.</li> <li>➤ Lockbox deposits created today post the same day.</li> <li>➤ Lockbox client reporting can be as early as 11 a.m. local time, continuing throughout the day, ending at 6 p.m. local time.</li> </ul> |
| Remote Check Deposit (RCD) | 11:00 p.m.   | ET                     | <ul style="list-style-type: none"> <li>➤ Same day deposit.</li> </ul>   |

### CitiBusiness Online Cash Management Services

| Service                   | Cut-Off Time <sup>1</sup><br>(Business Days <sup>2</sup> ) | Time Zone <sup>3</sup> | Notes   |
|---------------------------|--|------------------------|---|
| Bill Payment              | 11:59 p.m.   | ET                     | <ul style="list-style-type: none"> <li>➤ Same day processing.</li> </ul>  |
| Stop Payments             | 10:30 p.m.   | ET                     | <ul style="list-style-type: none"> <li>➤ Issue or cancel a stop payment.</li> </ul>   |
| Transfers                 | 10:30 p.m.   | ET                     | <ul style="list-style-type: none"> <li>➤ Immediate internal transfer.</li> <li>➤ Internal transfers initiated and approved after 10:30 p.m. ET or on a non-business day will be reflected in account balance the next Business Day.</li> </ul>                            |
|                           | 9:45 p.m.  | ET                     | <ul style="list-style-type: none"> <li>➤ Transfer batch.</li> <li>➤ Transfer batch approved after 9:45 p.m. ET will be processed on the next business day.</li> <li>➤ Transfer batches approved on a non-business day will be posted on the next business day.</li> </ul> |
|                           | 9:45 p.m.  | ET                     | <ul style="list-style-type: none"> <li>➤ Future dated recurring transfer.</li> </ul>  |
| CitiBusiness Online Wires | 6:30 p.m.  | ET                     | <ul style="list-style-type: none"> <li>➤ Batch Wires.</li> </ul>  |
|                           | 6:30 p.m.  | ET                     | <ul style="list-style-type: none"> <li>➤ Direct File Transmission (DFT) Wires.</li> </ul>   |
|                           | 6:30 p.m.  | ET                     | <ul style="list-style-type: none"> <li>➤ Future Dated Recurring Wires.</li> </ul>   |
|                           | 6:45 p.m.  | ET                     | <ul style="list-style-type: none"> <li>➤ Immediate Wires.</li> </ul>  |

Application and approval required for credit products.

### Footnotes:

<sup>1</sup> Description of cutoff times is for convenience only. Actual cutoff times are subject to change at any time without notice.

<sup>2</sup> Business Day, when referring to Citi®, means any day of the week that is not a Saturday, Sunday or bank holiday. Non-Business Days are considered part of the following Business Day.

<sup>3</sup> ET (Eastern Time) = -1 hour Central Time / -2 hours Mountain Time / -3 hours Pacific Time.



# Amendments to the Citi Business Banking Master Cash Management Agreement, March 21, 2024 Edition

Please read and keep this notice with your important account records.

Last Updated 05/29/2025

## EFFECTIVE DATE: JULY 19, 2025

### AMENDMENT: EFFECTIVE JULY 19, 2025, THE FOLLOWING CHANGES ARE MADE TO THE CITI BUSINESS BANKING MASTER CASH MANAGEMENT AGREEMENT

**Effective July 19, 2025**, Citi Business Banking will not accept new enrollments in the following cash management products and services. As a result, the following sentence will be added to the sections below: “Effective July 19, 2025, no new or existing customer enrollments will be accepted. If your enrollment is discontinued for any reason on or after July 19, 2025, you cannot enroll a new or existing account in the above referenced cash management services.”

2.2.1 Bank Administration Institute Version 2 (BAI2) Reporting

2.2.2 EDI 822 Transmission

2.2.3 Direct File Transmission

2.3.1 Full Account Reconciliation Plan Service

2.3.2 Partial Account Reconciliation Plan Services

2.3.3 Deposit Reconciliation Service

2.3.4 Reporting Functionality

2.4 Controlled Disbursement

2.5 Regular Match Pay

2.6 Reverse Match Pay

2.10 Universal Payment Identification Code (UPIC)

The following sentence will be added to section 2.11 *Stand Alone ACH Debit Block, Stand Alone ACH Debit Filter and ACH Positive Pay*: “Effective July 19, 2025, no new enrollments will be accepted for Stand Alone ACH Debit Block and Stand Alone ACH Debit Filter. If your enrollment is discontinued for any reason on or after July 19, 2025, you cannot enroll a new or existing account in the above referenced cash management services.”

The following sentence will be added to section 2.12.2 *Positive Pay No Issue and Reverse Positive Pay Plans*: “Effective July 19, 2025, no new enrollments will be accepted for Reverse Positive Pay. If your enrollment is discontinued for any reason on or after July 19, 2025, you cannot enroll a new or existing account in the above referenced cash management services.”

**Effective July 19, 2025**, section 2.11 *ACH Debit Block, ACH Debit Filter; ACH Positive Pay* has been deleted in its entirety and replaced with the following:

#### **2.11 Stand Alone ACH Debit Block, Stand Alone ACH Debit Filter; ACH Positive Pay**

The terms in this Section will apply if Client enrolls in Stand Alone ACH Debit Block, Stand Alone Debit Filter, or ACH Positive Pay solutions.

If Client enrolls in the Stand Alone ACH Debit Block solution, all debits presented against Account for payment will be returned by Bank to the originators thereof in accordance with the Rules.

If Client enrolls in the Stand Alone ACH Debit Filter solution, Client shall advise Bank of debits to be presented against Account, for payment by Bank, which advice shall be given to Bank at the time and in accordance with approved media, content and format specified by Bank (“Authorized Debits”). Subject to terms and conditions of this Agreement, Bank agrees to verify the authorization of debits presented against Account, to pay Authorized Debits and return debits which are not Authorized Debits (“Unauthorized Debit”) to the originators thereof in accordance with the Rules.





Notwithstanding anything to the contrary contained herein, Bank may charge to the Account(s) any debits that Client has delivered to Bank for processing by Bank under any agreement between Bank and Client for the delivery of ACH or other transfer services.

If Client enrolls in the ACH Positive Pay solution, Client shall advise Bank Authorized Debits. Subject to the terms and conditions of this Agreement, Bank agrees to provide Client, in addition to the Stand Alone ACH Debit Filter solution, the opportunity to view all debits presented to Bank that have not previously been identified by Client as Authorized Debits via CitiBusiness Online. After such debit has been presented to Bank, Client will have the opportunity to authorize or reject such debit via CitiBusiness Online prior to the applicable Cut-off time. If Client does not take any action with respect to a debit that is presented for viewing through via CitiBusiness Online by the Cut-off time, the debit will be considered an Unauthorized Debit and will be returned to the originator thereof.

In accordance with the Rules, Client shall have no recourse against Bank if information provided by Client concerning an Authorized Debit is erroneous and results in either payment not intended or return of the debit. Bank, at its expense, shall correct any errors due solely to malfunctions of its equipment or to failures of Bank's personnel or software. Client agrees to promptly notify Bank of any error as soon as the error first comes to Client's attention but in any event not later than thirty (30) days after. If such notification is made orally, Client must send a written confirmation to Bank within five (5) days.

Bank's liability, if any, arising out of or in any way related to its performance under this service, shall be limited to reprocessing erroneous denials of Authorized Debits for which it is responsible, at no additional cost to Client. Bank shall have no liability for failure to effect settlement of Authorized Debits due to insufficient collected funds in the Account(s). Client is solely responsible for complying with all applicable laws and regulations governing the payment of amounts owed, and the Bank shall have no responsibility therefor.

To learn more about our cash management services, contact a Citibank Business Specialist or call CitiBusiness customer service at 1-877-528-0990 (Monday through Friday, 7:00am-11:00pm Eastern Time, and Saturday 9:00am-5:30pm Eastern Time). For TTY: We accept 711 or other Relay Service.

**All other terms and conditions of the *Citi Business Banking Master Cash Management Service Agreement* remain in full force and effect. Terms, conditions and fees for accounts, products, programs and services are subject to change.**

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