

Check Rider Service Product Terms and Conditions (PTC)

A. SCOPE OF SERVICE/S – RCBC shall provide the following Service/s to the CLIENT subject to the terms and conditions set out in this **Product Terms and Conditions (“PTC”)** and in its operational procedures for any or all of the following variants of the Service/s:

CHECK COLLECT – RCBC through its authorized representative and/or Service Provider (“SP”) shall pick-up, collect from the CLIENT or its Customers/Payors and/or deliver check payments and other pertinent documents to the RCBC branch/center for deposit/credit to the CLIENT’s designated account. Pursuant to a written authority granted by the CLIENT, the SP shall issue a proof of receipt upon pick-up and/or collection of the check payment and documents. The pick-up and/or collection of the checks/documents from the CLIENT shall be carried by the SP in a locked pouch, and upon delivery of the locked pouch to RCBC, the latter shall then sort the contents thereof and execute check credit/deposit transaction to the CLIENT’s account (the “Service/s”).

- a. **Centralized Check Pick-Up** – RCBC through its authorized representative/s and/or SP shall pick-up, collect Checks from the CLIENT’s location for delivery to RCBC branch or center for credit/deposit to the CLIENT’s designated account.
- b. **Decentralized Check Pick-Up** – RCBC through its authorized representative/s and/or SP shall pick-up, collect Check due to the CLIENT as payments from the CLIENT’s Customer/s and/or Payor’s location for delivery to RCBC branch or center for credit/deposit to the CLIENT’s designated account.
- c. **Invoice Countering** – is the delivery to the CLIENT’s Customer/s or Payor’s of the invoice and pick-up/collection of the corresponding Counter Receipt (CR) for purposes of verifying the related check payment transaction to the CLIENT from the CLIENT’s Customer/s or Payor/s, including the payment collection date.

The CLIENT acknowledges and agrees that no deposit relationship exists with RCBC from the time the Checks are picked-up and while the Checks are still in transit, until actual delivery to and processing by the branch/center of RCBC which shall be servicing the CLIENT’s Central Depository Account (ACCOUNT), in accordance with the pertinent policies and procedures of RCBC. The CLIENT agrees to issue the pertinent written authorization letter to RCBC and/or the SP for the implementation of the foregoing. RCBC is hereby authorized to appoint, on behalf of the CLIENT, the SP and other service providers for the performance of the Service/s hereunder. The CLIENT agrees that any service provider, transport agency, airline or railway handling or transporting any Checks hereunder shall be the agent of the CLIENT and shall act on behalf of and at the sole risk of the CLIENT. A written authorization with waiver on bank secrecy and data privacy shall be issued by the CLIENT to RCBC and/or the SP to this effect. The CLIENT shall likewise secure the same written authorization with waiver on bank secrecy and data privacy from its Customers/Payors.

B. AVAILMENT OF THE SERVICE/S

1. This PTC shall take effect upon execution of the CMS Enrolment Form (“CEF”) and shall remain in force and in effect until terminated by either party pursuant to Section F (Term and Termination) of the **CCM Master Terms and Conditions (“MTC”)**.
2. For its availment of the Service(s), the CLIENT shall open/nominate its RCBC CASA account (the “**ACCOUNT/S**”) indicated in the CEF, which shall be used as settlement account where the collection amount is credited within the agreed settlement period.

C. CONSIDERATION

1. The CLIENT agrees to comply with the commercial and payment terms stated in the CEF, or its equivalent Enrollment/Maintenance Form.
2. Within the first (1st) week of every month, RCBC shall send to the CLIENT a Billing Statement indicating the transactions processed by RCBC in the preceding month and corresponding Service Fees as agreed upon by the parties.

D. CHECK COLLECT TERMS & CONDITIONS

1. **Checks/Items Eligible/Non-Eligible for the Service** – Check/s eligible for pick-up/collection/delivery shall be crossed and payable only to the name of the CLIENT. A list containing details of acceptable/non-acceptable checks for pick-up shall be provided

by RCBC to the CLIENT in the **Service Guidelines** to be attached with the MTC and this PTC and shall be an integral part thereof prior to the implementation of the Service.

2. RCBC shall examine, and shall have the right to reject and return any checks to be found to have deficiencies or irregularities based on the list provided by RCBC to the CLIENT prior to implementation of the Service. Check/s not eligible for the Service/s shall be returned by RCBC to the CLIENT via the SP. The CLIENT shall make this arrangement known to its Customers/Payors at the beginning of this Service.
3. **Authority to Pick-Up and Acknowledgment Receipt**
 - (a) For the **Decentralized Check Pick-Up**, the CLIENT shall, from time to time, submit to RCBC a **Collection Itinerary** in such form as required by RCBC which shall indicate the names and addresses of the Customers/Payors from whom the Checks will be picked-up/collected. The CLIENT shall issue a written advice, acceptable to RCBC, to the Customers/Payors with respect to the SP who will implement the Service/s. To this end, the CLIENT shall indicate in the written advice to its Customers or Payors that RCBC through its SP is hereby authorized to cause the pick-up/collection of Checks from its Customers/Payors who are indicated in the Collection Itinerary for delivery to RCBC for credit/deposit to the CLIENT’s ACCOUNT.
 - (b) The CLIENT hereby acknowledges and authorizes RCBC through the SP to issue a Check Pick-Up Acknowledgment Receipt to the CLIENT, its Customers/Payors, as the case may be, by way of acknowledgment of receipt of Checks from the CLIENT, its Customers/Payors. The CLIENT shall issue the corresponding Official Receipt (OR) or Provisional Receipt (PR) to said Customers/Payors upon receipt and verification of the **Collection Summary Report** from RCBC. The CLIENT shall ensure that its Customers/Payors are aware of this arrangement. RCBC shall have no obligation or liability to issue said OR/PR to the CLIENT’s Customers/Payors and the CLIENT shall ensure its Customers/Payors understand that they have no right to insist on the issuance of the same from RCBC.
4. **Deposit Validation**
 - (a) The CLIENT agrees and authorizes the SP to prepare the deposit slips on behalf of the CLIENT. RCBC shall acknowledge the deposit of Checks after verifying the Check and by validating the corresponding deposit slips.
 - (b) In the event of any discrepancy between deposit slip information provided by the CLIENT and/or its Customer/Payor (in whatever form or format) and RCBC’s verification against the physical Checks received, the parties agree that RCBC’s verification shall control and govern for all purposes. The Checks together with the deposit slip shall be returned to the CLIENT and/or its Customer/Payor. RCBC shall not make any corrections or adjustments in the deposit slip and/or validate the same.
5. **Crediting of Central Depository Account**
 - (a) Once the Check has been verified and the corresponding deposit slip has been validated by RCBC, all Checks received from the CLIENT or its Customers/Payors shall be forwarded and processed for clearing in accordance with RCBC’s normal clearing procedures.
 - (b) Thereafter, RCBC shall credit the amounts indicated in the Checks collected, verified, validated and cleared to the CLIENT’s ACCOUNT in accordance with RCBC’s existing procedures.
6. **Returned Checks**
 - (a) Any Check which is returned unpaid by the drawee bank will be returned by RCBC to the CLIENT within the agreed period, as specified in the CEF or its equivalent document, from receipt thereof by RCBC in accordance with the existing policies and processes on returned Check/s, together with a debit advice containing the following information:
 - i. Drawee Bank
 - ii. Check No.
 - iii. Amount
 - iv. Reason for Non-acceptance, Return or Dishonor
 - (b) Redeposit of returned Checks, regardless of the reason for dishonor, may be allowed provided the returned Check is

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included in the CLIENT's deposit slip. In the event that the returned Check is misplaced or lost in transit before the same may be received by RCBC, RCBC will not be under any obligation to return the unpaid Check to the CLIENT. RCBC will however notify the CLIENT in writing of the non-payment and loss of the Checks. This arrangement shall be made known to the CLIENT and, by the CLIENT, to its Customers/Payors at the beginning of the Service.

- (c) Returned checks shall be handled as follows:
- i. Debited for their full value from the ACCOUNT, and for the interest charges on the full value of any check or checks credited to the ACCOUNT as proceeds from availment/s under the Bills Purchase facility, regardless of the reason for dishonor and the time that has lapsed.
 - ii. If debiting could not be made due to insufficiency of funds and no funding is received by the end of banking day, interest at RCBC's prevailing commercial lending rate shall be collected on the amount undebated from the time of overdrawn/deficiency up to funding.
- (d) Notwithstanding any expiration or termination of this PTC, in case payment or reimbursement is demanded from RCBC on any check encashed, deposited, endorsed or negotiated by the CLIENT in relation to the Service/s provided hereunder, on the ground of (i) forgery, (ii) counterfeit checks, (iii) unauthorized negotiation, (iv) as provided under relevant PCHC rules, material alteration of the checks and/or technical defects in the checks, and/or (v) any other ground, as supported by or affirmed under the respective affidavits of the issuer, payor and/or the original payee of the checks, the pertinent provision on recovery by RCBC under the MTC shall govern and RCBC may likewise:
- i. immediately debit from ACCOUNT and/or other account(s) the amount equivalent to the face value of the Checks in question, without need of prior notice to or prior consent from the CLIENT or its successors-in-interest (in case of its dissolution or cessation of the operations); and/or
 - ii. demand from the CLIENT, in writing, for the immediate remittance to RCBC of such amount as shall be needed to satisfy the demand on RCBC.
- (e) Upon receipt by the CLIENT of the written demand of RCBC, as provided in the preceding paragraph, it shall immediately remit the amount demanded by RCBC, whether or not it has objections to the claim. If the amount demanded under the preceding paragraph is not received by RCBC on or before the date specified in the demand, the CLIENT agrees to pay interest on the amount demanded at the agreed rate and payment terms stipulated in the CEF or its equivalent document, computed from said date until the said amount is received by RCBC, to be compounded every thirty (30) days.

7. Lost/Destroyed Checks

- (a) Should any event occur resulting in the loss and/or destruction of the Checks before their amounts are validated, cleared and/or credited to the CLIENT's ACCOUNT, RCBC will inform the CLIENT within two (2) banking days from knowledge of such loss or destruction. The CLIENT agrees to instruct the Customer/s/Payor/s to immediately seek a stop payment order (SPO) on the lost or destroyed Checks which have not been credited to CLIENT's ACCOUNT and request for a replacement from the issuer of the Check. However, notwithstanding the absence of the SPO, RCBC shall not be required to credit the amounts of these lost Checks to the ACCOUNT. RCBC shall not be liable for any loss or damages arising from the foregoing loss or destruction of the Checks.
- (b) The CLIENT unconditionally and irrevocably agrees to indemnify and hold harmless RCBC, its officers, directors and employees against all losses, claims or liabilities arising from or due to any Checks previously credited to the CLIENT's ACCOUNT and reported lost or returned unpaid for any reason whatsoever, together with interest as mutually agreed for such lost/returned Checks. Without limiting the generality of the foregoing, the CLIENT unconditionally and irrevocably agrees that RCBC shall have the right to debit the CLIENT's ACCOUNT and/or other account(s) and/or to set-off and appropriate from the credit balance in the ACCOUNT and/or such other account(s) any amounts due to RCBC under this PTC.

8. Bills Purchase and/or Credit of Funds to CLIENT's Accounts

- (a) Upon the CLIENT's request, RCBC may, at its discretion, credit the CLIENT's ACCOUNT and/or other account(s) the amount represented by the Checks prior to actual receipt of cleared funds. The CLIENT acknowledges that any such credit to the CLIENT's ACCOUNT made by RCBC is still and shall continue to be subject to RCBC's receipt of cleared funds from the drawee bank. Hence, in the event the drawee bank fails to make payment to RCBC or reverses the credit of funds in or to RCBC's account or otherwise prevents or renders RCBC unable to obtain said funds, RCBC shall be entitled to reverse any credit made to the CLIENT's ACCOUNT, make an appropriate entry and/or debit to the ACCOUNT and/or other account(s) and require repayment of an amount corresponding to any debit. RCBC shall notify the CLIENT of any such reversal.
- (b) If the balance in the CLIENT's ACCOUNT and/or other account(s) is not sufficient to cover the amounts due, the CLIENT shall, upon notice from RCBC, pay the amount outstanding, with interest based on the prevailing interbank call loan rate, from the date when the deposit was made up to the date of full payment. In addition thereto, in case the ACCOUNT and/or other account(s) cannot be debited for any reason such as but not limited to, insufficient balance, as well as the exercise by RCBC of the legal remedies to which RCBC or aggrieved third party may be entitled to under the law and this PTC, including but not limited to immediate cancellation or suspension of the Service/s, the ACCOUNT, other account(s), civil, criminal, and/or administrative remedies. Pending full recovery or collection by RCBC of the amount/s due, the CLIENT shall hold the said amount in trust for RCBC.
9. **Invoice Countering** – Should any event occur resulting in the loss and/or destruction of the Invoices before they are delivered and/or validated by the CLIENT's Customer/s/Payor/s, the CLIENT agrees to immediately inform its Customer/s/Payor/s on the lost or destruction of the Invoices and provide a replacement thereof. RCBC shall not be liable for any loss or damages arising from the foregoing loss or destruction of the Invoices.
10. **Report** – RCBC may provide Collection Summary Report, upon the CLIENT's request, reflecting the previous day's collection of Check/s and invoices and the details thereof. The details contained in the report shall be based on the CLIENT's requirements, which shall be agreed upon with RCBC.

E. CLIENT'S CUSTOMER/PAYOR

1. **Customer/Payor's Agreement** – The CLIENT shall be solely responsible in advising its Customer/s/Payor/s of the collection/payment process under the Service/s and in ensuring that Customer/s/Payor/s fully understand/s and agree/s to the terms hereof, specifically those terms which impose certain obligations/liabilities on the part of Customer/s/Payor/s. The CLIENT warrants that Customer/s/Payor/s has/have agreed/will agree to be bound by the terms hereof.
2. **Client-Customer/Payor Disputes** – In the performance of the Service/s, RCBC merely acts as a conduit between the CLIENT and its Customer/s/Payor/s, and therefore, RCBC shall not be liable for any claim/action which may arise between the CLIENT and its Customer/s/Payor/s. The CLIENT shall be responsible for the handling and settlement of any and all queries, claims or complaints of the Customer/s/Payor/s. RCBC shall immediately refer to the CLIENT any and all such queries, claims or complaints which RCBC may have received from the CLIENT's Customer/s/Payor/s.