

Check Scan Service Product Terms and Conditions (PTC)

A. SCOPE OF SERVICES – 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”):

1. **CHECKSCAN BULK (CB) Services** – RCBC owns and shall provide a bulk check scanner unit and a remote data capture application, which installation and encoding may be done by RCBC and/or any of its third party agents, service providers or subcontractors, allowing the CLIENT to deposit its check receivables to the CLIENT’s RCBC deposit account without having to go to a Business Center (the “CB Services”). The CB Services can be accessed by the CLIENT through the RCBC-owned remote data capture application (“the CheckScan App”), which the CLIENT may use to scan and send check images to RCBC. The CheckScan App shall have the following features:

- **Data Capture Module.** This module will capture the images and details of each check scanned by the CLIENT in the RCBC-owned bulk check scanner and allow the CLIENT to generate a zip file with the check images.
- **Batch Transmit Module.** This module allows the CLIENT to send the encrypted file with details and other information of the checks to RCBC via a Secure Folder Transfer Protocol (SFTP) for second level validation and further processing before clearing.
- **Check Status Dashboard.** This module allows the CLIENT to view and monitor the status of each check deposit.

2. **CHECKSCAN MOBILE (CM) Services** – RCBC owns and shall provide a mobile check scan and deposit application that can be downloaded from the Playstore (Android) and Apple Store (iOS) onto the CLIENT’S mobile phone, allowing the CLIENT to deposit its check receivables to its RCBC deposit account without having to go to an RCBC business center (the “CM Services”). The CM Services can be accessed by the CLIENT through the RCBC-owned mobile application (“the CheckScan Mobile App”), which the CLIENT can use and take a photo via mobile phone of the checks and send images to RCBC. The terms and conditions for the avilment of the CM Services, specifically the Terms and Conditions for RCBC Mobile Check Scan, as provided in the CheckScan Mobile App, shall be deemed incorporated in and considered part and parcel of this PTC. The CheckScan Mobile App shall have the following features:

- **Image Capture Module.** This module allows the CLIENT to capture the images and details of each check for deposit, and transmit to RCBC for second level validation and further processing before clearing.
- **Check Status Dashboard.** This module allows the CLIENT to view the status of each check deposit.

3. All other online services that RCBC may introduce/implement from time to time in relation to CM and CB Services.

Reports will be available for both CM and CB Services. The CLIENT will be provided with summary reports via email or SFTP with the status of checks scanned and processed by RCBC’s Central Clearing Department (i.e., Rejected, Returned or Negotiated).

B. INSTALLATION

1. **CHECKSCAN BULK** – RCBC via its third party agents, service providers or subcontractors shall install and/or encode an RCBC-owned bulk check scanner unit and an RCBC-owned remote data capture application (the “CheckScan App”). For this purpose, the minimum technical requirements provided by RCBC for the avilment of the CB Services must be complied with and maintained by the CLIENT throughout the effectivity and avilment of the CB Services.

2. **CHECKSCAN MOBILE** – The CLIENT can download the CheckScan Mobile App from the Apple Store or Google Play Store to their mobile phones. The CheckScan Mobile App can be accessed by the CLIENT’s designated users once enrolled by RCBC.

C. OWNERSHIP OF AND RISKS FOR THE BULK CHECK SCANNER

1. Both RCBC-owned bulk check scanner and CheckScan App are solely owned by RCBC. The CLIENT acknowledges that

the bulk check scanner and the CheckScan App as well as the CheckScan Mobile App are solely owned by RCBC, and that the CLIENT acquires ownership over them. The ownership of the bulk check scanner and the CheckScan App as well as the CheckScan Mobile App shall not in any circumstance transfer to the CLIENT, even in the event of termination of the availed Service/s. The use thereof shall be done solely by the CLIENT and only in accordance with this PTC and solely in connection with the CB Services. The CLIENT shall not allow any other third party to access or use the same. The CLIENT is only granted access and use of said RCBC-owned bulk check scanner and CheckScan App but does not have ownership, license or any right thereto.

2. The CLIENT shall maintain the RCBC-owned bulk check scanner in good working condition for purposes of the CB Services, and ensure compliance with and maintenance of the Minimum Installment Requirements applicable for the CB Services, and as identified by RCBC’s third party agents, service providers or subcontractors. In case the RCBC-owned bulk check scanner, the CheckScan App and/or the Minimum Installment Requirements are not complied with or maintained or used solely by the CLIENT and only in connection with the provisions of this PTC for the duration of the CB Services, RCBC shall have the right to suspend or terminate the CB Services herein, without prejudice to RCBC’s right to debit the CLIENT’S Main Depository Account, without need for demand, for any damage or loss incurred on the RCBC-owned bulk check scanner and/or CheckScan App, as well as RCBC’s right to seek such other remedies as it may have under applicable laws.

3. The CLIENT shall:

- a. Ensure that it shall not part with its possession of the bulk check scanner and/or the CheckScan App without written notice to RCBC. In the event of such transfer of possession, RCBC shall have the sole option to terminate this PTC;
- b. Ensure the preservation of RCBC’s intellectual property rights over bulk check scanner and/or the CheckScan App as well as the CheckScan Mobile App;
- c. Perform reasonable steps to prevent any damage to or deterioration of the bulk check scanner and the CheckScan App. In case of loss, damage or destruction to bulk check scanner and/or the CheckScan App, the cost of repair or replacement, or the loss thereof shall be borne by the CLIENT;
- d. Keep the bulk check scanner and/or the CheckScan App free from any charge, lien, or other third party right or interest;
- e. Not add to or combine the bulk check scanner and/or Check Scan App as well as the CheckScan Mobile App or any part thereof with anything else including any computer hardware or software, save pursuant to normal operational use, or upon securing prior written consent of RCBC;
- f. Unless a prior written notice, within reasonable time, was provided by the CLIENT to RCBC, and a subsequent approval from RCBC has been secured by the CLIENT, which approval shall not be unreasonably withheld by RCBC, not alter, interfere, or tamper with the bulk check scanner and/or the CheckScan App as well as the CheckScan Mobile App in any manner save pursuant to normal operational use or in accordance with routine maintenance activities;
- g. Reasonably ensure that the CLIENT’S employees, representatives, any person not connected with RCBC and customers visiting the CLIENT’S premises refrain from any act or omission which damages or impairs or may damage or impair the bulk check scanner and/or the CheckScan App or any part of it;
- h. Not permit anyone, its own employees, representatives, agents, etc., other than RCBC or someone authorized by RCBC, to carry out any maintenance or repairs on or reverse-engineer the remote data capture application and/or the CheckScan App, nor shall the CLIENT attempt such repair or maintenance other than in accordance with routine maintenance activities.

4. The CLIENT will bear the risk of any damage to or loss of the bulk check scanner and/or the CheckScan App as well as the CheckScan Mobile App due to the act, fault, misconduct,

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negligent acts or omission of the CLIENT, its officers, employees, agents or representatives, or third parties.

5. In case of damage or loss to the RCBC-owned bulk check scanner and/or the CheckScan App, not due to the fault, willful misconduct or negligence of the CLIENT, the CLIENT may request for a replacement of the same from RCBC, subject to such costs as may be imposed by RCBC for said replacement, which shall be settled by the CLIENT upon installation of the replacement bulk check scanner and/or the CheckScan App.
6. Upon termination of this PTC for any reason whatsoever, the CLIENT shall immediately cease using the bulk check scanner, CheckScan App, and/or the CheckScan Mobile App, and must return the bulk check scanner or allow access to RCBC's authorized personnel and/or its third party agents, service providers, or subcontractors to enable the return of the bulk check scanner and/or remove or uninstall the RCBC-owned CheckScan App from its systems within thirty (30) calendar days, from the date of termination pursuant to this PTC. RCBC shall have the unrestricted right to pull-out the Check Scan Scanners installed in the CLIENT's premises, and the CLIENT agrees to fully cooperate with RCBC as regards said pull-out. Moreover, if the termination is for causes other than as enumerated in the CCM Master Terms and Conditions ("MTC"), or when a Party has proposed changes, such as but not limited to the Consideration for the Services, that the other does not wish to accommodate, is no longer amenable to or refuses to comply with, without valid/reasonable justification, the CLIENT will be subjected to pre-termination charges (applicable for CB) equivalent at least to the monthly value of the equipment x no. of unexpired months. The CLIENT shall likewise delete the corresponding CheckScan App/ CheckScan Mobile App from its mobile phones/ devices

D. TERMS AND CONDITIONS FOR CHECKSCAN SERVICE

1. Availment of the CheckScan Services

- a. The CLIENT agrees to a lock-in period of five (5) years for CheckScan Bulk (CB) Services from the date of installation of the bulk check scanner and signed-off by the CLIENT.
- b. For its availment of the Service(s) the CLIENT shall open/nominate its RCBC CASA account (the "ACCOUNT/S") indicated in the CMS Enrolment Form (CEF)/ Product Implementation Form (PIF), which shall be used as settlement account where the collection amount is credited within the agreed settlement period.
- c. All scanned/captured check images for processing shall be subject to the second level validation of RCBC Central Clearing Department.
- d. RCBC shall process the transmitted check images approved based on the complete user workflow if received on or before the cut-off time set by RCBC, which is subject to change depending on the cut-off time implemented by Central Clearing Department:
- e. Should the images be received after the cut-off time, the same shall be processed on the next banking day.
- f. The CLIENT shall follow check clearing schedule which shall only be during banking days and applicable banking hours. Checks scanned/captured on weekends and holidays will be processed on the next banking day.

2. Consideration

- a. The CLIENT agrees to comply with the agreed commercial and payment terms stated in the CEF, or its equivalent Enrollment/Maintenance Form.
- b. 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. If a CLIENT is assessed any penalty fee-based or ADB-based computation, the CLIENT shall be notified and billed in accordance with the terms indicated in the MTC.

3. Acceptance and Transmission of Checks

- a. For CHECKSCAN BULK Services, the CLIENT's designated users shall access the CheckScan App using RCBC-provided credentials given upon enrollment; to

scan and transmit the check images to RCBC. For CHECKSCAN MOBILE Services, the CLIENT's designated users shall access the CheckScan Mobile App using RCBC-provided credentials given upon enrollment, to take a photo of the check using the camera of their mobile phone and transmit the images to RCBC.

- b. All checks drawn against banks or bank branches in the Philippines that are payable to the CLIENT are acceptable for the Service(s) under this PTC, provided they do not have any of the deficiencies or characteristics specified in the list of unacceptable checks provided by RCBC.
- c. Rejected Checks – Before running through the RCBC-provided scanner/taking a photo of the check, the CLIENT shall examine the physical checks for any deficiencies or characteristics identified in the list of unacceptable checks provided by RCBC, which shall in turn be not accepted for the Service(s).

4. Validation of Check Images

- a. RCBC shall have the right to reject any check images which have any of the deficiencies or characteristics identified in the list of unacceptable checks provided by RCBC. ("Rejected Checks"). Only check images that have not been rejected by RCBC shall be deemed accepted for deposit in the ACCOUNT.
- b. The CLIENT must refer to the emailed reports to monitor the status of scanned checks.

5. Crediting of Accounts

- a. The CLIENT's ACCOUNT shall be credited the corresponding amount of the checks deposited, as validated by RCBC, via the CheckScan App and/or the CheckScan Mobile App.
- b. RCBC will send the CLIENT a report via email or SFTP of all checks deposited, which will serve as a copy of the validated deposit slip/s to evidence the corresponding check deposits.

6. Reports for Rejected and Returned Checks

- a. Reports on the status of each check will be sent by RCBC to the CLIENT via email or SFTP. Reports will be sent to the CLIENT based on the schedule provided by RCBC. These reports shall contain an itemized listing of all checks categorized per status as Rejected and Returned checks as indicated in the list of unacceptable checks.
- b. If the CLIENT does not dispute in writing the contents of the Returned Checks Report by **12NN** of the deposit day from the time such report/s was made available to the Client via email or SFTP, the information indicated therein shall be deemed valid, correct, and final.

c. Physical Checks

- The physical checks of all **CLEARED/PAID** checks must be sent to RCBC for safekeeping and storage in RCBC Central Clearing Department. Pick up of physical checks will be on an agreed scheduled basis during banking days as specified in the PIF or its equivalent document.
- RCBC shall provide the CLIENT with a duffel bag with a lock and key for secure turnover of physical checks. The checks must be accompanied by a duly filled-out Transmittal List, containing the details of all the CLEARED/PAID checks.
- The CLIENT warrants and guarantees to RCBC that the transmittal of its physical and actual checks to RCBC under this PTC was duly authorized by their respective issuers.

E. INDEMNIFICATION

1. The CLIENT shall indemnify RCBC and/or any of its third party agents, service providers or subcontractors for and hold it free and harmless against any and all liabilities, claims, suits, actions, losses, damages, costs and expenses which RCBC and/or any of its third party agents, service providers or subcontractors may incur, suffer or be put to in connection with, as a result or by reason of;

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- a. Acceptance/rejection/return/reporting/loss by RCBC and/or any of its third party agents, service providers or subcontractors of any checks received from the CLIENT for any reason whatsoever, including, but not limited to, deposit of bad or unscrupulous checks, duplicate check presentment, and the publication of lost checks, except for causes due to RCBC and/or any of its third party agents, service providers or subcontractors' gross negligence or willful misconduct;
- b. Failure or delay on the part of the CLIENT to turn over the physical and actual checks, as provided in item D.6 of this PTC;
- c. Failure to maintain the scanner in good condition, except normal wear and tear, and while in use in relation to the Services;
- d. Failure to comply and/or maintain the Minimum Technical Requirements, as provided in item B of this PTC;
- e. Any error written in the physical and actual checks received from the CLIENT;
- f. Failure of RCBC and/or any of its third party agents, service providers or subcontractors to perform or delay in the performance of its obligations hereunder for causes beyond its control, including but not limited to, force majeure, riots, strikes, war, civil disturbance, computer breakdown, disruption of communications or electrical facilities, equipment shutdown for repair and maintenance, and the occurrence of off-line conditions, or otherwise for causes not due to RCBC's gross negligence or willful misconduct;
- g. RCBC's and/or any of its third party agents, service providers or subcontractors' compliance with an order, judgment or decree of a competent court, even if such order, judgment or decree is later reversed, modified, annulled, set aside or vacated;
- h. The CLIENT's violation of any provision hereof or of any of its warranties under this PTC; or
- i. Any act or omission, fraudulent or otherwise, committed by the CLIENT, the issuers of the checks, and/or any third person in relation to the checks, including, but not limited to, duplicate presentment of checks, and deposit of bad or unscrupulous checks.