

Post-dated Check Warehousing Service with CheckStream Product Terms and Conditions (PTC)

A. SCOPE OF SERVICES – RCBC shall provide the Service(s) to the CLIENT:

1. CHECKSTREAM – RCBC shall provide the CLIENT with the necessary software for RCBC's CheckStream Program, (the "Program") a stand-alone program owned by RCBC that:

- a. Allows the CLIENT to electronically encode and print details on post-dated checks ("PDCs") of the CLIENT's customers, when so authorized by such customers for purposes of paying their obligations to the CLIENT;
- b. Electronically generate the RCBC Online Corporate (ROC) ROC-PDC file, an electronic file containing all PDC information for uploading to ROC, a web-based system that allows the CLIENT to monitor such PDCs online, among other services; and
- c. Generates documents and reports on PDCs prepared through the program by the CLIENT, such as but not limited to, the PDC Transmittal List, which contains a summary of the PDCs for transmittal to RCBC for purposes of warehousing, and the ROC-PDC file to be uploaded to the ROC-PDC Warehousing System.

2. PDC WAREHOUSING – RCBC shall provide warehousing services for the PDCs, which shall include the safekeeping and clearing management. This service can be accessed by the CLIENT through ROC, which the CLIENT may use to generate reports, monitor status, initiate instructions, and conduct balance inquiries on the PDCs (the "ROC-PDC Warehousing System" or "System"). The ROC-PDC Warehousing System shall:

- a. Allow the CLIENT to encode and upload details of their PDCs for warehousing via data entry or bulk upload using the template provided by RCBC;
- b. View and monitor status of warehoused PDCs;
- c. Send pull-out and reschedule requests on warehoused PDCs; and
- d. Download reports on status of the PDCs and transactions made during the day.

B. SERVICE GUIDELINES – In performing their respective obligations hereunder, the parties shall abide by the **Service Guidelines** provided and set forth by RCBC during the implementation stage of the Service, which shall form an integral portion of the CCM Master Terms and Conditions ("MTC") and this Product Terms and Conditions ("PTC").

C. TERMS AND CONDITIONS FOR PDC WAREHOUSING

1. Availment of the Postdated Check (PDC) Warehousing Service

- a. 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 MTC.
- b. 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.

2. Acceptance of Postdated Checks

- a. 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 identified in the Service Guidelines provided by RCBC that will warrant the non-acceptance of the PDCs for warehousing.
- b. The CLIENT shall upload the details of checks through ROC using the ROC-PDC Warehousing System.
- c. All PDCs to be warehoused in RCBC shall be accompanied by a duly filled-out **PDC Transmittal List** containing the details of the PDCs.
- d. The CLIENT shall turnover the PDCs for warehousing to RCBC through the options listed below:

- i. **CLIENT MESSENGER** – The CLIENT shall deliver the PDCs to RCBC through its Authorized Representatives;

- ii. **RCBC MOTORIZED MESSENGER** – The CLIENT through its Authorized Representatives shall surrender the PDCs for warehousing to RCBC's motorized messenger on the scheduled day of pick up.

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. The CLIENT shall identify its Authorized Representatives, in writing, to surrender the physical and actual checks to RCBC. RCBC shall have the right to establish the identity of the person delivering the checks following the existing RCBC procedures of identity verification.

- e. RCBC shall then verify the checks received from the CLIENT against the uploaded check details through ROC. Only the physical count of the PDCs received will be verified against the uploaded file. All PDCs received from the CLIENT shall further be examined for any deficiencies or irregularities identified in the service guidelines provided by RCBC (the "Initial Examination"). Further examinations may be done on the technicalities of the check, as identified by RCBC, at least two (2) days before the maturity date of the PDCs being warehoused.
- f. RCBC shall acknowledge receipt of the PDCs through ROC.
- g. RCBC shall have the right to reject any check which has any of the deficiencies or characteristics identified by RCBC that will warrant the non-acceptance of the check ("**Rejected Checks**"), and shall return the same to the CLIENT after checks have been examined. Only checks that have not been rejected by RCBC shall be deemed accepted for warehousing and shall be tagged as "**In-Vault**" ("**In-Vault PDCs**").
- h. RCBC shall have no liability whatsoever on the Rejected Checks.
- i. The CLIENT shall instruct its Authorized Representatives to pick-up rejected, returned, and pulled-out PDCs from RCBC. RCBC shall have the right to establish the identity of the person picking up the checks following the existing RCBC procedures for identity verification.
- j. In case the CLIENT has chosen the RCBC motorized messenger option, the CLIENT shall include in their instruction the list of rejected and returned PDCs to be picked up from RCBC on the next scheduled pick-up date.
- k. In-Vault PDCs with maturity dates falling on a weekend or holiday shall be posted by the Accepting Branch/Unit to the CLIENT's Account/s on the next banking day.
- l. The status of In-Vault PDCs shall be categorized as follows:
 - In-Vault
 - Deposited
 - Pulled-Out
 - Re-Schedule
 - Returned

3. Crediting of Accounts

- a. On the maturity/issue date of the PDCs, the CLIENT's Account/s shall be credited the corresponding amount of the matured PDCs.
- b. The CLIENT may generate a report through ROC for Deposited PDCs which serve as copy of the validated deposit slip/s to evidence the corresponding deposits.

4. Instruction to Pull-Out Postdated Checks

The CLIENT may request to pull-out any In-Vault PDC by requesting a **Pull-Out Instruction** via ROC, **at least three (3) days prior to the subject check's maturity date**. RCBC reserves the right to refuse any Pull-Out Instruction that is belatedly submitted by the CLIENT. RCBC shall pull-out the In-Vault PDC ("**Pulled-out PDC**") covered by the Pull-out Instruction through the ROC platform.

5. Reports

- a. Reports on the status of In-Vault Checks can be generated by the CLIENT through ROC's Post Dated Check Warehousing module. Reports are available for viewing through the said module. This report contains an itemized listing of all In-Vault PDCs, categorized per status as indicated in item C.2.l of this PTC.

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- b. If the CLIENT does not dispute in writing the contents of the above mentioned report within 12NN of maturity day from the time such report/s was made available to the CLIENT via ROC, the information indicated therein shall be deemed valid, correct, and final.

6. Consideration

- a. The CLIENT agrees to comply with the 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 based on the terms indicated in the MTC.

D. TERMS AND CONDITIONS FOR THE PROGRAM

1. License

- a. In accordance with the terms of the MTC and of this PTC, RCBC grants to CLIENT a non-exclusive, non-transferable license to use:
 - i. The Program subject of this PTC which shall include the CheckStream computer software and the accompanying user documentation which shall facilitate the multiple input of entries on the PDCs and the recording thereof; and
 - ii. The printer hardware and software necessary to print the PDCs and files produced by the Program. The Program and the Printer are collectively referred to as the “**CheckStream Facility**”.
- b. The CLIENT shall be bound by the following terms:
 - i. The CheckStream Facility may be used and installed only in the CLIENT’s system and premises, in accordance with RCBC’s instructions. Upon prior written notice to RCBC, the CheckStream Facility may be temporarily transferred to a back-up system if the CLIENT’s system in use becomes inoperable. RCBC shall have the right to verify and confirm the transfer thereof at the temporary location during normal business hours.
 - ii. The CheckStream Facility shall be used only by the CLIENT for its own business and in accordance with the MTC and this PTC.
 - iii. The CLIENT shall not permit any third party, including subsidiaries or other related companies, to use the CheckStream Facility. The CLIENT shall not copy nor permit the CheckStream Facility to be copied. RCBC shall provide the CLIENT with machine-readable copies of the CheckStream Facility in the following environments: Production, Disaster Recovery, and User Acceptance Testing/Development Environments.
 - iv. The CLIENT and RCBC acknowledge and represent that: (a) the CheckStream Facility has no online capabilities; (b) no customer information shall be uploaded in a cloud-based storage program; and (c) customer information and data are locally stored in the CLIENT’s premises and transferred online only when the same is uploaded by the CLIENT in ROC.
 - v. The license for the CheckStream Facility does not include the source code and related technical documentation therefor.
 - vi. Any check printed using the CheckStream Facility shall be deposited in the CLIENT’s ACCOUNT.

2. Installation Services

RCBC shall provide the following services to the CLIENT, free of charge:

- a. Install the CheckStream Facility at the premises specified by the CLIENT, which shall include delivery and connection of the Printer and successful installation of the Program and Printer software in the CLIENT’s system.

- b. Provide the CLIENT copies of the User’s Manual and Installation Guide for the Program Installer and Printer Installer.

3. Maintenance and Updating Services

- a. Maintenance Services for the Program shall be effected by RCBC as the need arises, without any cost to the CLIENT.
- b. RCBC shall provide help desk support in the following manner:

Email: RCBC Support <business.solutions@rcbc.com>
Contact Number: (02) 8894-9188

- c. RCBC shall provide the necessary instructions to the CLIENT on the proper operation of the CheckStream Facility and implementation of security controls to avoid unauthorized access thereto and corruption thereof due to viruses and other harmful applications, and similar precautionary measures.

4. Title and Confidentiality

- a. The Program and all copies thereof are owned by RCBC, and all IP Rights thereto, including any modification thereof, shall remain with RCBC. However, ownership of the reports and checks generated by the CheckStream Facility shall be retained by the CLIENT.
- b. The CLIENT shall not transfer, publish, disclose, display or otherwise make the CheckStream Facility or copies thereof available to third parties without the prior written consent of RCBC. The CheckStream Facility or any parts thereof are covered by the definition of Confidential Information under Section E.1 of the MTC.
- c. Violation by the CLIENT of any provision of this Section shall be basis for the immediate termination of its right to use the CheckStream Facility and a ground for termination of the MTC and PTC, without prejudice to other remedies under applicable law.

5. Warranty on the Program and Limitation of Liability

- a. RCBC warrants that for a period of thirty (30) calendar days from the date of acceptance by CLIENT of the successful installation of the CheckStream Facility (the “Warranty Period”):
 - i. The Program shall conform, as to all substantial operational features, to RCBC’s current specifications and generate the necessary report, provided that the CLIENT supplies and maintains the operating environment required by RCBC; and
 - ii. RCBC’s support services (i.e. consultations) for the installation of the CheckStream Facility shall be performed by reasonably skilled and competent personnel.
- b. Other than the warranties enumerated in the preceding item, RCBC disclaims all warranties and conditions, either express or implied, including but not limited to:
 - i. Implied warranties of merchantability and fitness for a particular purpose;
 - ii. Warranty that its operation will be uninterrupted or error-free;
 - iii. Errors caused by any upgrade of the CLIENT’s servers, operating systems, web servers, application servers, database servers and other system components i.e. browsers, printers, etc.; and
 - iv. Ensuing defects as a result of changes in the configuration, database, and/or modification of the Program source code by the CLIENT.
- c. RCBC’s sole obligation and liability, and the CLIENT’s sole remedy, for breach of any warranty under Section 5.a. shall be for RCBC: (i) to correct the relevant part of the Program; or (ii) to replace the relevant part of the Program. The CLIENT must notify RCBC in writing, during the Warranty Period, of its claim of any breach specifying the details to enable RCBC to perform its obligations under this Section.
- d. If any modifications are made by CLIENT on the object code form of the CheckStream Facility, without the prior written

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consent of RCBC, the Warranties under Section D.5.a. shall immediately be terminated; Provided, however that any accidental deletion shall not constitute a modification.

the CLIENT's duly authorized representative/s who shall acknowledge receipt of the same on the Pulled-out PDCs Acknowledgment Receipt, in such form as may be agreed upon with RCBC.

- e. The CLIENT agrees that:
 - i. CLIENT shall become the owner of the Printer upon receipt thereof and, as such, shall be solely responsible for completing all necessary documentation to claim any warranties on the printer and for all costs for the use of the printer, or the repair, maintenance, or replacement thereof;
 - ii. In the event that the Printer malfunctions, or is defective, lost, damaged, or destroyed, the CLIENT shall coordinate directly to the relevant service center(s) indicated in the Printer's product manual for replacement or servicing;
 - iii. RCBC shall not be liable for any loss of the Printer or any defect, malfunction, damage, or problem that the CLIENT may experience with the Printer through-out its useful life.

- c. RCBC shall not in any way be responsible or held liable for releasing to the CLIENT's authorized representative/s any Pulled-out PDC notwithstanding that such authorized representative turns out to be not who he/she purports to be, provided RCBC shall have in good faith determined his/her identity based on the valid and acceptable identification card/s presented to RCBC.

E. TERMS AND CONDITIONS APPLICABLE TO ALL SERVICES UNDER THIS PTC

1. Representations and Warranties

- a. RCBC represents that it is the sole and exclusive owner of the Program, free and clear of any liens or encumbrances.
- b. The CLIENT warrants and guarantees that all requisite authorizations and consents from its clients have been obtained in writing prior to the preparation of any PDCs through the Program.

2. Indemnification

- a. The CLIENT shall indemnify RCBC for and hold it free and harmless against any and all liabilities, claims, suits, actions, losses, damages, costs and expenses which RCBC may incur, suffer or be put to in connection with, as a result or by reason of:
 - i. Acceptance/rejection/return/reporting/loss by RCBC and/or any of its third party agents, service providers or subcontractors of any PDC 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's and/or any of its third party agents, service providers or subcontractors' gross negligence or willful misconduct;
 - ii. Failure or delay on the part of the CLIENT to submit the PDC Transmittal List, as provided in this PTC;
 - iii. Any error written in the PDC received from the CLIENT;
 - iv. Any PDC(s) prepared by the CLIENT using the Program without the prior knowledge and written consent of the CLIENT's customers;
 - v. Failure of RCBC 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;
 - vi. RCBC's 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;
 - vii. The CLIENT's violation of any provision hereof or of any of its warranties under this PTC; or
 - viii. Any act or omission, fraudulent or otherwise, committed by the CLIENT, the issuers of the PDCs, and/or any third person in relation to the PDCs, including, but not limited to, duplicate presentment of checks, and deposit of bad or unscrupulous checks.
- b. RCBC's liability over any PDC shall cease upon receipt of the Pull-out Instruction. RCBC shall deliver Pulled-out PDCs to