

Payroll Service Terms and Conditions

A. DEFINITIONS

1. **Central Document Upload (“CDU”)** – a facility accessible in ROC that enables transmission of documents from CLIENT to RCBC.
2. **Digital Payroll Portal** – RCBC's online facility for opening Payroll Accounts under this Section E. 4 of this PTC
3. **Funding Account** – refers to the account described in Section A.2.b to which RCBC shall charge the amount of payroll disbursements and the pertinent fees and charges for the Services.
4. **KYC Certification** – a certification, in the form prescribed by RCBC, accomplished by CLIENT's authorized personnel confirming the performance of CLIENT's obligations in Section H.
5. **Payroll Account** – refers to the RCBC accounts of CLIENT's employees/agents enrolled by CLIENT under the Services.
6. **Payroll Account Opening Requirements** - all identification requirements, documents and information required by RCBC to open a Payroll Account.
7. **Payroll Service or Services** – refers to RCBC's system and related services that facilitates the automated payroll disbursements to Payroll Accounts.
8. **Print, Sign & Go** - refers to an account opening tool that generates a pre-filled Customer Relationship Form (CRF) using a CRF template containing employee information that is accomplished by the Company

B. AVAILMENT OF THE SERVICES

1. This PTC shall take effect upon execution of the CMS enrollment 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, 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

The CLIENT agrees to comply with the commercial and payment terms stated in the CEF, or its equivalent Enrollment/Maintenance Form.

D. PAYROLL ACCOUNTS

1. Payroll Accounts shall either be
 - (1) Savings accounts with automated teller machine card, or
 - (2) Current account with checkbook
2. CLIENT acknowledges, and undertakes to inform its employees/agents, that (i) a Payroll Account with no payroll credits within 4 months from account opening shall be automatically closed subject to RCBC's policies and procedures; (ii) a Payroll Account that is a savings or current account and that has no payroll credits for 90 calendar days or 365 calendar days, as applicable, shall be converted automatically to a regular savings or current accounts, and will be subjected to the prevailing maintaining balance requirements and charges for the said account. CLIENT shall promptly disenroll all resigned, terminated and retired employees/agents.

E. PAYROLL ACCOUNT OPENING

1. CLIENT agrees that all applications for the opening of Payroll Accounts are subject to RCBC's prior approval and shall be evaluated and processed in accordance with RCBC's policies and procedures.
2. Payroll Account opening may be initiated over-the-counter through Business Centers and/or digitally through the Digital Payroll Portal.
3. Payroll Account Opening Through Business Centers:
 - a. CLIENT may cause its employees/agents to personally open Payroll Accounts with RCBC Business Centers. CLIENT shall provide each employee/agent with a written endorsement letter, addressed to RCBC for this purpose.
 - b. CLIENT may opt to process Payroll Account opening for employees/agents, in which case:
 - i. CLIENT shall promptly submit all Payroll Account Opening Requirements and a duly-accomplished KYC Certification in the manner prescribed by RCBC and, where applicable, using RCBC-provided forms and templates.
 - ii. RCBC shall not be obliged to open any Payroll Account unless all Payroll Account Opening Requirements are submitted to RCBC
4. Payroll Account Opening Through Digital Account Opening
 - a. CLIENT may cause its employees/agents to open a Payroll Account through the Digital Payroll Portal.
 - b. CLIENT undertakes to inform its employees/agents that Payroll Accounts opened via Digital Payroll Portal shall not be eligible for any over-the-counter transactions until the concerned employee/agent signs a duly-accomplished CRF and Specimen Signature Card to any Business Center.
 - c. RCBC shall communicate to CLIENT the guidelines and process of opening Payroll Accounts through the Digital Payroll Portal and CLIENT shall share such information with its employees / agents.

- d. CLIENT shall submit a duly-accomplished KYC Certification through CDU. CLIENT agrees that all Payroll Account openings initiated through the Digital Payroll Portal shall be subject to the submission of the KYC Certification.
5. Payroll Account Opening Through Print, Sign & Go
 - a. CLIENT may use RCBC's stand-alone program to assist in generating a pre-filled CRF, whose input file is an Excel-based CRF template containing their employees/agents' information.
 - b. CLIENT shall cause its employees/agents to sign the pre-filled CRF and submit the same to RCBC to proceed with actual account opening.
 - c. CLIENT is responsible in filling out the CRF template with their employees/agents' information and holds RCBC free from any liability and obligation in case of incorrect information.
 - d. CLIENT acknowledges that the Print, Sign & Go is a mere CRF generation tool and is not a straight-through payroll account opening tool.
 6. For Payroll Accounts with ATM cards or checkbooks, the CLIENT shall choose from 3 modes of distribution and activation of ATM Cards in the CEF, and shall be governed by the terms of the chosen mode:

6.1. MODE 1:

- a. RCBC shall (a) send such cards' corresponding Personal Identification Numbers (PINs) via SMS to each employee/agent's mobile phone number, as nominated by them during account opening and (b) turn-over each Payroll Account's corresponding ATM card or checkbook to CLIENT Authorized Representative(s) for this purpose.
- b. CLIENT shall provide RCBC a written list of such Authorized Representative/s.
- c. Upon receipt of such ATM cards or checkbooks, CLIENT shall ensure that they are promptly and securely delivered to the relevant employee/agent.
- d. CLIENT agrees that upon turnover of any ATM card or checkbook to CLIENT's Authorized Representative(s), all liability for the same shall pass to CLIENT and RCBC shall have no obligation to prevent the loss, theft, or unauthorized use of such ATM card or checkbook.

6.2. MODE 2:

- a. RCBC shall provide CLIENT with ATM cards for each Payroll Account.
- b. CLIENT shall designate its authorized representative(s) for purposes of receiving and safekeeping such ATM cards and turning them over to CLIENT's employees/agents upon Payroll Account opening;
- c. CLIENT further agrees to the following:
 - i. CLIENT shall cause its authorized representatives to do the following:
 1. Receive and safekeep all ATM cards supplied by RCBC under this PTC; and
 2. Deliver to the correct employee/agent his/her Payroll ATM card to be encoded in the employee/agent's online account opening application via Digital Payroll Portal;
 - ii. RCBC shall send each ATM card's corresponding Personal Identification Numbers (PINs) via SMS to the mobile phone number indicated in the relevant employee/agent's online account opening application;
 - iii. CLIENT acknowledges that each ATM card is valid for a period of five (5) years from the date of its production; accordingly, to ensure that each employee/agent who will receive an ATM card maximizes its effective period, the CLIENT shall order only such ATM cards required to cover new Payroll accounts for every given period and distribute the same immediately to the concerned employee/agent upon the latter's compliance with the account opening requirements;
 - iv. Upon turnover of any ATM cards to the CLIENT's authorized representative(s), all liability for the same shall pass to CLIENT and RCBC shall have no obligation to prevent the loss, theft, unauthorized use, non-distribution, and/or misdistribution of such ATM card.;
 - v. In case of lost cards while still in the possession of the CLIENT's authorized representative(s), where cards have not been indicated by the employee/agent in his/her online account opening application, the CLIENT's authorized representative(s) shall immediately report the list of lost cards to RCBC;
 - vi. RCBC may stop delivery of ATM cards to the CLIENT or its authorized representatives, demand the immediate return thereof and/or implement such other viable means for payroll deposit account opening, should the Bank have a reasonable ground to believe that fraud has occurred or will occur in the course of said authorized representative's possession of the ATM cards.; and

Payroll Service Terms and Conditions

- vii. RCBC has the right to charge additional fees at the rate of PHP140 per card for the Payroll Service Product for unused cards (cards that are inactive due to CLIENT's failure to distribute the cards to employees and link the same to their corresponding Payroll Accounts within _____ months after card re-order):

6.3. MODE 3:

- a. RCBC will distribute the cards directly to CLIENT's employees at CLIENT's premises on a specified distribution day. The Personal Identification Number (PIN) for each ATM card associated with a Payroll Account will be sent via SMS to the mobile phone number provided on the employee's online account opening application.
- b. CLIENT shall:
- Inform RCBC of the total number of its existing employees who will require ATM cards for every given period.
 - Ensure that each employee who will receive an ATM card has completed the online account opening application via Digital Payroll Portal prior to the designated distribution day.
 - Be present at CLIENT's premises on the designated distribution day to assist with the distribution of ATM cards to its employees.
- c. CLIENT further agrees to the following:
- Upon distribution of any ATM card to CLIENT's employee, all liability for the same shall pass to CLIENT and/or its employee, and RCBC shall have no obligation to prevent the loss, theft, unauthorized use, non-delivery, and/or misdelivery of such ATM card.
 - RCBC may stop distribution of ATM cards to the CLIENT, and/or implement such other viable means for payroll deposit account opening, should the Bank have reasonable grounds to believe that fraud has occurred or will occur in the course of said distribution.

7. CLIENT agrees that it shall have no right to compel the surrender of any ATM card or checkbook for a Payroll Account in case of resignation, retirement, or termination of any employee/agent.

F. ACCESS TO CDU

- RCBC may grant CLIENT access to the CDU to facilitate transmission of documents for Payroll Accounts opened through the Digital Payroll Portal.
- The Client represents, warrants, and guarantees: (a) the authenticity of any other documents, including but not limited to the KYC Certification, that CLIENT may submit to RCBC through the CDU under this PTC ("Client Documents"); (b) the completeness and accuracy of the contents of the Client Documents; (c) where the Client Document is a computer-readable copy of a paper-based document generated through a document scanning device, multifunction printer, or similar electronic means ("Digitized Document"), that such Digitized Document is a faithful replication of the original paper document to which it pertains; (c) where the Client Document has been downloaded, retrieved, or extracted from an electronic or online document register maintained by, or upon the authority of, any government authority (such as, but not limited to, the Securities and Exchange Commission), that such Client Document is a faithful replication of the document as filed in and/or supplied by the relevant document register. Client undertakes to deliver the original paper copy of the following within such number of days as may be set by RCBC, or immediately upon RCBC's request:
 - agreements which require the signatures of both CLIENT and RCBC; and
 - such original documents as may be required by RCBC for submission.
- All users who will be granted access to the Services, as well as the authorization matrix for the transmission and/or approval of any Client Document through the CDU, shall be identified and enrolled by CLIENT through the submission of documents and enrollment forms approved by its Authorized Signatories prior to the effectivity of the Service.
- CLIENT shall ensure that any Client Document uploaded in the CDU adheres to the required and acceptable formats provided by RCBC, and that any changes in the content such as but not limited to commercial terms, provisions in agreements, terms and conditions of the original document provided by RCBC to CLIENT, including the required consents or waivers, shall be coordinated and finalized and agreed upon first with RCBC prior to being uploaded and approved on the CDU. CLIENT agrees that by uploading and approving any Client Documents in the CDU, CLIENT has secured the consent of all individuals whose personal information appear in such documents have given their consent to disclose such information to RCBC and for to use, process and store such information on the basis of processing the request.

- CLIENT agrees that RCBC shall have the sole discretion, but not the obligation, to verify the authenticity and/or accuracy of any Client Document or any information in any Client Document. CLIENT agrees that RCBC's acceptance of any Client Documents, conduct of verification procedures under this Section, or the invocation of any right or privilege under this PTC shall not be deemed as RCBC's consent or assurance to open any Payroll Accounts, do any payroll disbursements, and/or implement any related transactions. CLIENT hereby authorizes RCBC and/or any of its directors, officers, employees, personnel, subcontractors, and agents to do the following, in the event that RCBC decides to invoke its discretion under this Section: (a) secure certified copies of any Client Document from any relevant government authority or document register, (b) access the records of any Client Document in any relevant document register, and (c) confirm any information stated in such Client Document with any relevant government authority or document register, and (d) do all other lawful acts necessary to ascertain the authenticity and/or accuracy of any Client Document or any information in any Client Document. Client shall perform all further acts and things and execute and deliver such further documents as may be necessary or which RCBC may reasonably require, including without limitation any powers of attorney or authorization letters, to implement or give effect to this Section.
- All Client Documents received by RCBC through the CDU and/or records maintained by RCBC, in electronic or documentary form, on the same shall be deemed to be conclusive evidence of such documents. RCBC shall not be obliged to request the original paper-based copies of such Client Documents before relying, using, or processing the same in relation to the implementation of this PTC.
- Processing of any Client Documents transmitted through the CDU are subject to such cut-off time and turnaround times determined by RCBC. Any Client Documents transmitted beyond the cut-off time are deemed transmitted on the next banking day.
- In case of any errors/changes in the Client Documents transmitted by CLIENT through the CDU, CLIENT shall promptly inform RCBC of such occurrence and transmit the corrected or amended documents, without prejudice to RCBC's review the same prior to processing.

G. PAYROLL DISBURSEMENTS

- RCBC shall provide CLIENT with the Employee Payments Client Program (the "Program") which CLIENT shall use to generate a payroll/credit file. CLIENT shall ensure that the computer terminals on which the Program shall be installed meet the minimum hardware and software requirements as defined by RCBC.
- CLIENT may initiate payroll disbursements from the Funding Account by uploading the payroll/credit file to ROC or submitting it in a portable storage device (the "Storage Device") to the RCBC Business Center designated for the Services (the "Servicing Branch").
- For payroll disbursements initiated via Storage Device, CLIENT shall submit to Servicing Branch the following items in a sealed envelope, signed by CLIENT's Authorized Signatories on the flap, at least one (1) Banking Day before the intended payroll disbursement date:
 - The Storage Device containing the payroll/credit file based on RCBC's required file naming convention and file layout.
 - a letter of instruction signed by CLIENT's Authorized Signatories requesting RCBC to execute the payroll/credit file and debit the Funding Account for the total amount of the payroll disbursement; and
 - a hardcopy of the employee payroll/agent commission list, in the form prescribed by RCBC.
- All payroll disbursements initiated via Storage Device shall be subject to the validation, authentication, and authorization procedures of RCBC. All payroll disbursements initiated through Storage Device shall be electronically processed upon approval of CLIENT's designated authorizers.
- All payroll/credit disbursements under each authorized payroll/credit file shall be debited from the Funding Account and credited, on the date specified by CLIENT, to the Payroll Accounts listed in the payroll/credit file.
- In cases where any payroll/credit file or any other client-supplied information results in (i) over-credits or erroneous credits to a Payroll Account or (ii) crediting to a Payroll Account that CLIENT failed to disenroll from the Service (such as Payroll Accounts of a resigned/terminated/retired seafarer/beneficiary), or (iii) similar cases (collectively, "Erroneous Credits"), CLIENT shall promptly inform the employee/agent concerned. RCBC shall exert reasonable efforts to provide such assistance as CLIENT may request in relation to any Erroneous Credit, but in no case shall RCBC be obliged to debit amounts from a Payroll Account without the concerned employee/agent's written consent; or (c) do any act which would put RCBC at risk of violating any applicable law, rule, or regulation.

H. CLIENT'S KNOW-YOUR-CLIENT (KYC) OBLIGATIONS

- CLIENT hereby agrees to strictly comply with the provisions of this Section. Failure to comply with this Section shall constitute a

Payroll Service Terms and Conditions

- breach of this PTC and shall authorize RCBC to employ all remedies available to it under this PTC, the Terms and Conditions and under applicable law.
2. CLIENT shall do the following:
 - a. Conduct face-to-face interview on all newly hired employees/agents;
 - b. Obtain and keep a copy of a valid, authentic, photo-bearing government issued ID ("Valid ID") from all employees/agents;
 - c. Confirm the employee/agent's identity, signature, nationality, and address based on Valid IDs;
 - d. Obtain and verify employees/agent's:
 - i. true and full name
 - ii. complete date and place of birth;
 - iii. previous occupation/employer information;
 - iv. complete contact details;
 - v. present and permanent address; and
 - vi. Other information, as may be requested by RCBC from time to time for the purposes of this PTC.
 3. CLIENT warrants that all Payroll Account Opening Requirements, including the specimen signature cards, have been scrutinized for authenticity by the authorized personnel of CLIENT assigned to establish the employees/agents identities. The said documents shall be accompanied by a duly signed KYC Certification.
 4. CLIENT hereby warrants to RCBC that it has established and verified the identity of all employees/agents who shall open Payroll Accounts under this PTC and that it shall not knowingly cause or enable any person to open a Payroll Account under a false, inaccurate, or unverified name and/or identity.
 5. In case CLIENT is a non-covered institution, as defined in BSP Circular 706, CLIENT warrants and guarantees that the authorized personnel who shall perform its obligations under this Section have undergone or shall undergo an equivalent training program for Anti-Money Laundering similar to that of RCBC.
 6. CLIENT shall cooperate with RCBC in the conduct of its monitoring activities and annual review of the performance of CLIENT's obligations under this Section. Upon RCBC's request, CLIENT shall supply all information requested by RCBC within the specified period. Failure to comply with this Section shall authorize RCBC to decline any further requests for Payroll Account opening.
- I. RIGHT TO AUDIT AND OF ACCESS**
 1. From time to time and as may be required by law or regulation, CLIENT agrees to submit to and to participate in audits to be conducted by RCBC's internal and/or external auditor/s, and generally fulfill any and all requests for production of records by any governmental body having jurisdiction over or regulatory authority with respect to the services under this PTC.
 2. CLIENT understands that RCBC's internal and/or external auditor/s may make specific inquiries of CLIENT's management for information, including financial information. CLIENT understands that as part of the audit procedures, the auditor/s may request, and, if requested, CLIENT's management will provide to RCBC's auditor/s, a representation letter that acknowledges its management's responsibility for compliance with laws.
 3. Upon request or authorization of BSP or its duly authorized representative, CLIENT shall provide access to its operations for the review of the same in relation to the Services provided hereunder. CLIENT likewise agrees to provide the BSP and/or its duly authorized representative/s with prompt, reasonable and adequate access to any records in its actual or constructive possession that are directly pertinent or reasonably related to the performance of the Services in this PTC.
 4. CLIENT agrees to immediately take the necessary measures to satisfy the findings and recommendations of BSP examiners and those of the internal and/or external auditors of RCBC.
 5. RCBC or its duly authorized personnel is hereby authorized to disclose to any of the offices, branches, subsidiaries, affiliates, agents and representatives of RCBC and third parties selected by any of them, including access by internal and external auditors, as well as BSP, in order to review the outsourced KYC activity or the Services provided. In addition to the foregoing, RCBC and any branch, subsidiary, affiliate, agent, representative, or third party may transfer and disclose any such information as may be required by any law or regulation. CLIENT hereby holds RCBC and/or any of its directors, officers, employees or representatives free and harmless from any claim, suit, damages, costs, liabilities, obligations, expenses or charges whatsoever, and shall indemnify RCBC and/or any of its directors, officers, employees or representatives upon demand for all losses, damages or expenses, direct or indirect, that they may suffer or incur, arising out of its disclosure of information as authorized herein.