



Addendum to Treasury Management Services Agreement Third-Party Senders

1. Treasury Management Services Agreement. This Addendum to the Treasury Management Services Agreement is intended to supplement and, where necessary, amend the Treasury Management Services Agreement between Company and Bank which governs Company's use of the Services. Any reference to the Agreement shall be deemed to include, unless otherwise stated, the Treasury Management Services Agreement, the Setup Form, the respective Service Descriptions, and the Supporting Documents. To the extent this Addendum and the Agreement should conflict as to the subject matter contained herein, this Addendum shall control.
2. Definitions. Unless otherwise defined herein, all capitalized terms shall have the meaning provided in the Glossary of the Agreement or in the Rules. For purposes of this Addendum, any reference to Company is to Company in its capacity as a Third-Party Sender.
3. Third-Party Senders Generally. The Rules generally define a Third-Party Sender as a type of Third-Party Service Provider that acts on behalf of an Originator as an intermediary in transmitting Entries between the Originator and an ODFI. Company desires to act as a Third-Party Sender and it acknowledges and agrees to the specific obligations herein as well as those additional obligations and processing requirements as prescribed by the Rules. Nothing contained herein shall relieve Company of its rights and obligations under the Agreement, specifically those identified in the Automated Clearing House Service Description ("ACH Service Description"). To the extent this Addendum conflicts with the ACH Service Description as to the subject matter contained herein, this Addendum shall control.
4. Authorization. Company represents and warrants to Bank that it has the requisite authority, pursuant to any Origination Agreements with its Originators, to authorize Bank to originate Entries on behalf of the Originators to Receivers' accounts.
5. Responsibilities of Third-Party Senders. All Third-Party Senders who originate Entries through Bank must comply with the following:
 - a. General Obligations. Company represents and warrants to Bank and agrees that it shall:
 - i. Perform all of the duties to identify Originators;
 - ii. Assume all of the responsibilities, including, but not limited to, the responsibilities of ODFIs and Originators;
 - iii. Make all of the warranties of ODFIs and the warranty that Originators have agreed to assume the responsibilities of Originators under the Rules; and
 - iv. Make all of the representations and assume all of the liabilities of a Third-Party Sender in accordance with the Rules, including, but not limited to, liability for indemnification for failure of an Originator to perform its obligations as an Originator.
 - b. Identification of and Due Diligence on Originators. Company, as a Third-Party Sender, is responsible to know its Originators and their creditworthiness.
 - i. Prior to entering into an Origination Agreement with an Originator, Company must utilize a commercially reasonable method to verify the identity of an Originator and its principals. In addition, before Company can originate Entries for a new Originator but not less than ten (10) Business Days prior to originating Entries for a particular Originator, Company must notify Bank of Company's intent to onboard a new Originator and provide Bank with any information reasonably necessary to identify each Originator including but not limited to the information identified in Section 5(g) of this Addendum. Failure to notify Bank of any new Originators may result in processing delays or even rejection of Entries.
 - ii. Company must notify Bank of any Third-Party Senders for which it transmits Entries, prior to transmitting Entries for that Third-Party Sender.
 - c. Agreement with Originators. Company must have an Origination Agreement in place with any Originator on whose behalf Company initiates Entries. Each Originator must agree to be bound by the Rules and to assume the roles and responsibilities of an Originator under the Rules. Further, Company's Origination Agreement with its Originators shall create obligations for each Originator substantially similar to Company's obligations described herein. Company shall, upon request, provide a copy to Bank of any and all agreements it has with its Originators, including but not limited to Origination Agreements.
 - d. Compliance with Rules. Company is responsible for its as well as its Originators' compliance with the Rules, Regulation E (for consumer Entries), Article 4A of the Code (for corporate Entries) and all other applicable federal, state and local laws. Company is solely responsible for understanding the impact the Rules have on its organization and ACH activities, as they impose a number of processing and legal obligations of both the ODFI and Originator on Third-Party Senders. Company further agrees that neither Company nor its Originators will originate Entries in violation of the laws of the United States. To the extent Bank is notified of an actual or suspected violation of any applicable law by Company or any of its Originators, Company shall fully cooperate with Bank to resolve any such issues and provide any requested documentation to Bank within the required timeframe. Company shall be responsible for any Losses and Liabilities Bank incurs as a result of such violation or investigation of any suspected violation.



- e. *Risk Assessment of ACH Activities.* Company is responsible for conducting a periodic risk assessment of its ACH activities and those of its Originators. Bank may request copies of such risk assessments and its supporting documentation.
 - f. *Audit.* In accordance with Appendix Eight of the Rules, Company must conduct an annual audit of its compliance with the Rules and other applicable laws. The scope of the audit includes data security, record retention, agreements and authorizations and other areas. Company must retain and provide upon request documentation supporting the completion of the audit for six (6) years from the date of the audit and, as Bank may periodically request, provide copies of such audit(s). Company shall provide the requested copy within five (5) Business Days of receiving such request.
 - g. *Reporting to Bank.* Company shall, within five (5) Business Days following the end of each calendar quarter, provide Bank with any information considered reasonably necessary to identify each Originator. Information considered to be reasonable includes but is not limited to: Originator name, address, telephone number, website/URL, nature of business, doing-business-as names, principal(s) name(s), principal's address, principal's phone number, principal's email, and primary contact for Originator. Bank may request, at any time, from Company an updated list of Company's Originators and Company agrees to provide such information within two (2) Business Days of such request.
 - h. *Originator Responsibilities.* Company represents and warrants to Bank that all Originators for whom it transmits Entries have agreed to assume the responsibilities of an Originator as required by the Rules. Failure by Originators to meet those obligations may result in processing delays or rejection of Entries.
 - i. *Performance of ODFI Obligations.* In any case where Company performs the role of an ODFI, Company agrees that it is obligated to meet the requirements of an ODFI under the Rules and warrants that it is authorized and legally capable of doing so.
 - j. *Payment to Bank.* Company is required to fund Bank for any credit Entries it originates and any debit Entries returned by the applicable RDFI regardless of whether the Company receives payment from the Originator.
 - k. *Performance of Originator Responsibilities.* Company and its Originators are responsible for the retention and delivery of any records, documentation and data related to Entries, including but not limited to copies of source documents and records of authorization, as required by the Rules.
 - l. *Security Requirements.* Company must establish, implement and update security policies, procedures and systems related to initiation, processing and storage of Entries and resulting Protected Information as outlined in Section 5 of the ACH Service Description and further described herein. Company is required to verify, as part of its annual audit described in Section 5(f) of this Addendum, that it has established, implemented and updated the data security policies, procedures, and systems required by the Rules. These data security policies, procedures and systems must, at a minimum, protect (x) the confidentiality and integrity of Protected Information, (y) against anticipated threats or hazards to the security or integrity of Protected Information, and (z) against unauthorized use of Protected Information that could result in harm to a natural person. Bank may, at its own discretion, require Company to engage a certified, independent audit firm to conduct a SSAE 16 audit. Company will be solely responsible for any costs associated with the SSAE 16 audit as well as timely remediation of issues identified by the SSAE 16 audit. Company must notify Bank immediately of any actual or suspected breach of the data security requirements of the Rules or any applicable privacy law including, without limitation the Gramm-Leach-Bliley Act.
 - m. *Activity of Originators.* Company is responsible to perform ongoing due diligence and monitor the activity of its Originators. Company must provide accurate and complete information to Bank for each Originator in order to minimize risks placed on Company and Bank. Company shall perform ongoing due diligence on Originators to ensure no adverse or negative business activities are occurring and no material change in the nature of business has occurred. If Company identifies any adverse or negative business activity on the part of an Originator, Company must inform the Bank immediately to determine a course of action including but not limited to termination of Company's use of Services for that Originator.
 - n. *Types of Entries.* In accordance with its obligations under Section 4 of the ACH Service Description, Company must restrict the types of Entries an Originator is allowed to originate based on the nature of the Originator business.
 - o. *Originator Exposure Limit.* Company must establish an exposure limit for each Originator and review those exposure limits at least annually and update as needed.
 - p. *Return Rate.* Company acknowledges that Bank has certain responsibilities as an ODFI to monitor and periodically report on Originator and/or Third-Party Sender Unauthorized Entry Return Rate; therefore, Company is responsible for monitoring all origination and return activity over multiple Settlement Dates for Entries transmitted on behalf of its Originators in accordance with the timing requirements of the Rules. If Company or its Originators violate the Unauthorized Entry Return Rate thresholds, Bank, in its sole discretion, may suspend or terminate both Company's and Originator's ACH origination services.
6. Bank Rights and Responsibilities: Limitation of Liability.
- a. All Third-Party Senders must be reviewed and approved by Bank prior to engaging in ACH origination activities for



Originators. Bank reserves the right to reject, in its sole discretion, any Third-Party Sender application.

- b. In performance of its duties under this Addendum or the Agreement, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Company pursuant to this Addendum, and shall not be responsible for the accuracy or completeness thereof.
 - c. Bank shall be responsible for only performing the Services expressly provided for in this Addendum, and shall only be liable for its gross negligence or willful misconduct in performing those Services. Bank shall not be responsible for Company's acts or omissions (including, without limitation, the amount, accuracy, or timeliness of transmittal, or authorization of any Entry received from Company) or those of any other person including, but not limited to, any Federal Reserve Bank, ACH Operator or transmission or communications facility, any Receiver or RDFI (including, without limitation, the return of an Entry by such Receiver or RDFI), and no such person shall be deemed Bank's agent.
 - d. Bank will provide all approved Third-Party Senders with a copy of or access to the Rules on an annual basis.
 - e. Bank reserves the right, upon reasonable notice to Company, to audit Company's and its Originators' compliance with this Addendum, Section 18 of the ACH Service Description, and the Rules.
 - f. Bank shall only be liable for Company's actual costs and losses arising solely from Bank's responsibilities to Company with respect to Entries transmitted pursuant to this Addendum. Bank shall not be liable for any damages or other losses to Company due to claims made by any Originator in connection with any arrangement or agreement under which Company transmits Entries pursuant to this Addendum. In no event shall Bank be liable for any punitive, indirect, consequential, or special damages or lost profits which Company may incur or suffer in connection with this Addendum, whether or not the likelihood of such damages was known or contemplated by Bank and regardless of the legal or equitable theory of liability which Company may assert, including but not limited to lost or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to this Addendum.
7. Company Representations and Warranties; Indemnity.
- a. In addition to those representations and warranties elsewhere in this Addendum and the Agreement, for each and every Entry transmitted by Company, Company represents and warrants to Bank and agrees that:
 - i. Each person shown as the Receiver on an Entry has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry and Company shall provide a copy of such authorization to Bank within five (5) Banking Days of Bank's request;
 - ii. Such authorization is operative at the time of (a) transmittal or (b) crediting or debiting by Bank as provided herein; and
 - iii. Entries transmitted to Bank by Company are limited to those types of credit and debit Entries set forth in Section 4 of the ACH Service Description.
 - b. Company agrees to comply with applicable state and federal law or regulation and Company warrants it will not transmit any Entry that violates the laws of the United States, including, without limitation, regulations of OFAC. Company is responsible for reviewing OFAC's list of Specially Designated Nationals ("SDN") for each Entry it initiates to ensure it is not transacting with anyone who appears on the SDN list (i.e., those individuals or companies who have been identified as targets of sanctions).
 - c. Company shall perform its obligations under this Addendum and the Agreement in accordance with all applicable laws, regulations and orders, including but not limited to regulations and orders administered by FinCEN, and any state laws, regulation or orders applicable to the providers of ACH payment services and Company shall be bound by and comply with the provision of the Rules making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry as described in Section 13 of the ACH Service Description.
 - d. In addition to Company's other indemnification obligations under this Addendum or the Agreement, Company shall indemnify Bank against any Loss and Liability resulting from or arising out of (i) any breach of any of the foregoing warranties, representations, or agreements; or (ii) any claim or any person that Bank is responsible for any act or omission of Company or any other person described in Section 6(c) above.
8. Termination of Addendum.
- a. *Termination by Company.* Company may terminate this Addendum at any time. Such termination shall be effective on the second (2nd) Business Day following the date of Bank's receipt of written notice of such termination or such later date as is specified in that notice.
 - b. *Termination by Bank.* Bank reserves the right to terminate Company's use of Services contemplated by this Addendum at any time, with or without cause or advance notice to Company. Further, Bank may terminate or suspend Company's or its Originators' ACH activities, including those origination services contemplated by this Addendum, for a breach of the Rules in a manner that interfere with Bank's compliance with the Rules or other applicable laws.

- c. *No Effect on Rights or Obligations.* Any termination of this Addendum shall not affect Bank's rights or Company's obligations with respect to Entries initiated by Company prior to such termination, or the payment obligations of Company with respect to Services performed by Bank prior to termination, or any other obligations that survive the termination of this Addendum or the Agreement.