

Bills Collection Service Product Terms and Conditions (PTC)

A. SCOPE OF SERVICE/S

1. RCBC shall accept the payment of bills by **CLIENT's Customers/Payors** or collection of sales/funds from its agents/distributors through any or all of the following collection channels (the "**Collection Channels**") under RCBC's Bills Collection Service, availment of which will be indicated in Cash Management (CMS) Enrollment Form (CEF) and Bills Collection Implementation Form.

- Over-the-Counter (OTC) in RCBC Branches
- Internet Banking
- Automatic Debit Arrangement (ADA)
- Automated Teller Machine (ATM)
- Partner Payment Centers (PPC)
- Bills Pay (Instapay)
- QR Bills Pay (Instapay)

2. All Collection Channels, whether availed of upon signing of the CMS Enrollment and Bills Collection Enrollment forms or hereafter, shall be subject to the provisions herein and such terms and conditions as the CLIENT and RCBC shall agree upon for a particular Collection Channel.

3. 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..

4. All bills payments received, verified, and processed by RCBC shall be stated in the **Daily Bills Collection Report** which will be submitted to the CLIENT based on an agreed schedule.

5. 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).

B. RESPONSIBILITIES OF THE PARTIES

1. Handling of Transactions

a) The CLIENT shall have its own arrangement with its Customers/Payors for the issuance of the official receipt of the CLIENT confirming the payment made through RCBC under this PTC. The CLIENT shall be solely responsible in issuing the corresponding Official Receipt (OR) or Provisional Receipt (PR) to its Customers/Payors upon receipt and verification of the Bills Collection 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 an 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. RCBC shall not be liable for the non-issuance or delay in the issuance by the CLIENT of OR/PR to its Customers/Payors, or for failure or delay on the part of the CLIENT to act on any request of its Customers/Payors for a refund.

b) Any deficiencies in the payment made by the Customers/Payors shall be settled solely between the CLIENT and the Customers/Payors.

c) In case of misposting or double payment, RCBC shall debit the CLIENT's ACCOUNT upon due notice to the CLIENT.

d) RCBC shall not be liable for accepting partial payments or for accepting payments for past due accounts, it being understood that RCBC is authorized to collect any amount paid by the Customers/Payors.

2. Returned Checks

a) Any check which is returned unpaid by the drawee bank will be returned by RCBC to the CLIENT from RCBC's receipt thereof in accordance with

RCBC's existing policies, and the processes below on returned check/s, together with a **Debit Advice**.

b) Returned checks shall be handled as follows:

i. Returned checks shall be debited for their full value from the Account/s, including the interest charges on the full value of any check or checks credited to the Account/s, 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 for the full value of the returned check could not be made due to insufficient funds in the Account/s, and the CLIENT fails to fund the Account/s at the end of the banking day, the undebited amount shall be subject to an interest rate equivalent to RCBC's prevailing commercial lending rate from the time of overdrawing / deficiency up to funding.

3. CLIENT's Customers/Payors

a) Client-Customer/Payor Disputes - In the performance of this Service, RCBC is not acting as an agent or representative of the CLIENT or its Customers/Payors. RCBC is merely acting as a conduit between the CLIENT and its Customer/s/Payor/s. 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.

b) Customer/Payor Agreement - The CLIENT shall be solely responsible in advising its Customer/s/Payor/s of the collection/payment process under the Service 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.

c) The CLIENT agrees to hold RCBC, its stockholders, directors, officers, employees and representatives free and harmless, as well as indemnify them, from any and all liabilities, claims, losses, damages and suits of whatever nature arising out of or in connection with the CLIENT's duties and responsibilities to its Customers/Payors.

C. CONSIDERATION

The CLIENT shall maintain a Service Availment Required Average Daily Balance ("Required ADB") in the Account/s. CLIENT shall also pay RCBC Add-Ons Service Fee per transaction, which shall be automatically debited by RCBC from the ACCOUNT on the fifth (5th) banking day of the following month or payable in such other manner as may be agreed upon by the parties in writing.

D. AUTOMATIC DEBIT ARRANGEMENT.

1. In connection with the Services, RCBC shall process the collection/payment to CLIENT through an automatic debit arrangement under which the CLIENT's Customers/Payors shall authorize RCBC in writing to debit their accounts (collectively, the "Payor Accounts" and individually, the "Payor Account") with RCBC for the amount necessary/desired to pay their bills. The CLIENT shall take care of advising its Customers/Payors about this additional collection channel.

2. The CLIENT shall enroll its Customers/Payors in RCBC Online Corporate (ROC) under **Automatic Debit Arrangement (ADA)**. ADA enrollment forms submitted on or before 12:00 p.m. to RCBC shall be approved within five (5) banking days upon receipt of the ADA enrollment form. Upon approval of ADA enrollment, the CLIENT can already process ADA billing via ROC.

3. In case ROC is offline, but core banking system is online, the CLIENT may issue a Letter of Instruction (LOI) to RCBC to manually debit the accounts supposedly for auto-debit duly verified and endorsed by the Branch of Account. In addition, the CLIENT shall attach a list of accounts for debit and provide a file template, to be provided by RCBC, for manual uploading by RCBC.