

Integrated Payables Services Description

- 1. Integrated Payables Service.** Banc of California ("Banc") hereby offers its Customer and Customer hereby accepts the accounts payables management service (the "Integrated Payables Service," or "Service"). The Integrated Payables Service is an Internet based service that enables access to Customer account information and certain accounts payable management tools. Customer desires to use the Integrated Payables Service to access its Accounts and to facilitate certain services as identified in and subject to this Service Description. Banc reserves the right, with prior written notice to Customer, to place, from time to time, limits on Customer's right to use the Integrated Payables Service. For purposes of this Integrated Payables Service Description ("Service Description"), the term "Account(s)" shall mean one or more deposit or credit accounts of Customer maintained at Banc that have been made accessible using the Integrated Payables Service.

Subject to Banc's prior approval and system limitations, Customer may access the Integrated Payables Service to do the following:

- View accessible Account details;
 - View invoices and supporting documents;
 - Submit payment files and invoice information (payment files may contain Virtual Card Payment, wire, ACH, or check transactions.)
- 2. Acceptance of Treasury Management Services; Supporting Documents.** This Service Description forms part of the Acceptance of Treasury Management Services ("Acceptance of Services") agreed to by Customer. Customer's use of the Integrated Payables Service is also subject to the terms of the Business Online Service Description. The use of each payment product type associated with the Service shall be conditioned upon Customer agreeing to the terms of the applicable service description (collectively, the "Additional Service Descriptions") required for use of the particular payment product type (which may require, in some cases, a separate agreement or addenda between Banc and Customer governing the use of a specific product and/or service). In the event of conflicts between the terms of this Service Description and the terms of the Acceptance of Services, the terms of this Service Description shall control. In the event of conflicts between the terms of this Service Description and the terms of the Business Online Service Description or the Additional Service Descriptions, the terms of this Service Description shall control. Defined terms in this Service Description shall have the meaning provided in the Acceptance of Services, the Business Online Service Description, the Automated Clearing House (ACH) Service Description, and as defined in the Rules, unless otherwise defined in this Service Description.
 - 3. Customer Rights.** Customer agrees not to: (i) make the Integrated Payables Service available or allow use of the Service in a computer bureau service business, or on a timesharing basis, (ii) process Entries for others or act as a Third Party Sender without express and prior approval, or (iii) otherwise disclose or allow use of the Integrated Payables Service by or for the benefit of any third party (for example, in factoring, reselling or in sharing agreements or arrangements with third parties).
 - 4. Banc's Reliance on Customer Data.** Customer assumes the sole responsibility for providing accurate content information in the form and format that Banc requires. Customer acknowledges that Banc and its service providers will have full access to the data input and uploaded to the Integrated Payables Service and Banc may rely on the data for credit and servicing decisions. Banc is not responsible for confirming such information, or for failing to detect and reject duplicate transaction requests. If Customer provides Banc with a transaction request that is incorrect in any way, Customer agrees that Banc may charge Customer's accounts for the transaction whether or not the error could have been detected by Banc. Banc is not obligated to detect errors in Customer's transfer or payment instructions. Customer represents and warrants to Banc that all data input and uploaded by or on Customer's behalf into the Service will be complete and accurate. If Customer notes any errors, Customer agrees to immediately notify Banc. Unless Customer notifies Banc promptly, Banc will assume that the transaction request is authorized. Customer's notification to Banc of an error does not guarantee Banc will be able to cancel the transaction prior to completion of the transaction. In the event that Customer makes an error or issues a duplicate Entry, Customer shall indemnify, defend all claims, and hold Banc harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Banc as result of the error or issuance of duplicate Entries. Customer's indemnification obligations will survive termination of this Service Description and the Disclosure.
 - 5. Communications; Security Devices.** For the purpose of this Service Description, Communications shall have the meaning provided in the Acceptance of Services and shall include Communications to Banc in connection with the Integrated Payables Service. For the purpose of this Service Description, Security Devices shall have the meaning provided in the Acceptance of Services and shall include but not be limited to any Security Devices used to access the Integrated Payables Service.
 - 6. Service Not Replacement for Professional Advisor.** Neither Banc nor the Integrated Payables Service is intended to provide legal, tax or financial advice or planning. The Integrated Payables Service is merely a tool for use to assist Customer's independent decision-making and has not been designed in contemplation of Customer's specific business needs or risk tolerances. Unless otherwise expressly agreed between Customer and Banc, Banc does not guaranty the delivery or accuracy of the content or services provided or performed in connection with the Integrated Payables Service. Prior to making any financial decisions, communicating or taking any payment or collection activity with respect to third parties, Customer represents that it will have obtained appropriate and independent legal and tax advice regarding the same.

7. **Data Retention.** Customer will retain data on file adequate to permit remaking or reconstruction of all requested Services for one year following the date of the execution of the request to which such data relates, and will provide the data to Banc upon Banc's request.
8. **Additional Payment Services.** Depending on Customer's selection at enrollment in Check Payment Services and whether Customer is an ACH originator with Banc and/or a "Virtual Card" Customer with Banc, Customer may elect to have Banc assist Customer with messaging Customer's payees to convert to accept an electronic payment instead of receiving a check from Customer. If elected, Banc or its provider will contact Customer's payees via the method Customer determines. Some methods may cause Customer to incur additional fees such as printing and postage. Customer will need to assign each payee a unique payee identifier code and provide it in Customer's Check Payment Data files Customer sends to Banc. Banc will generate a registration code unique to each payee (e.g. the Customer's vendors) and message the payees to logon to the provider's online portal (the "Vendor Portal") and register to receive an electronic payment instead of a check. Customer understands and agrees that the Vendor Portal is managed and operated exclusively by the provider and Banc is not responsible for any incorrect, missing or untimely information on the portal, claims by Customer's payees or for any other matters associated with the operation of the Vendor Portal. The use of the Vendor Portal by the Customer's payees is entirely voluntary and at their discretion, and is not a requirement by Banc under this Service Description. Once a payee has registered at the Vendor Portal and the provider has verified their account information, the next time Customer sends Customer's Check Payment Data to Banc, Banc will automatically send the payment via the payee's elected method, using the information Banc has on file for the payee, instead of printing and mailing a check. Payees will have access to view online remittances via the Vendor Portal for each payment received by the payee. Alternatively, Customer can elect to receive a file from Banc, containing details of the payees that have registered at the Vendor Portal and which payment mechanism they elected to use and their bank account details for Customer to use in updating Customer's accounts payable system for the payee. If Customer elects, the next time Customer makes a payment, Customer will send the transaction directly as an ACH or Virtual Card payment.
9. **Virtual Card Facilitated Payments.** Subject to the terms hereof, Customer may submit eligible virtual card payment requests to Banc through the Integrated Payables Service ("Virtual Card Payment(s)"). Customer acknowledges that requesting a Virtual Card Payment will cause Banc to create a "virtual card" subject to the terms and conditions of the Virtual Card Agreement (the "Card Agreement"). A "virtual card" is a unique card number issued under Customer's MasterCard account with Banc. No physical or plastic cards are issued with a virtual card. Virtual cards are issued for one-time use for a specified dollar amount with a limited expiration period, as requested by Customer through the Integrated Payables Service. Virtual Card Payments will be construed as a "payment order" as defined under Division 11 of the California Commercial Code. Customer and Banc agree that the Card Agreement is hereby modified to the extent necessary to facilitate Virtual Card Payment instructions submitted by Customer using the Integrated Payables Service. To the extent there are inconsistencies between the Card Agreement, the Acceptance of Services and this Service Description, the Acceptance of Services together with this Service Description will control.

As a precondition to any Virtual Card Payment: (i) Customer must have entered into a Card Agreement with Banc; and (ii) the card account ("Card Account") subject to the Card Agreement must be in good standing. Banc is not liable for any systems delays associated with Virtual Card Payments. Customer shall allow sufficient time when requesting the issuance of a Virtual Card Payment to allow for such delays. In no event shall Banc be responsible for any late fees, or other consequences or damages caused by untimely receipt of payment by a payee. In addition to any other provisions of the Acceptance of Services and this Service Description, Customer acknowledges that any Virtual Card Payment, once issued based on instructions received by Banc by a user using Customer's Security Devices through the Integrated Payables Service, shall be a binding obligation on Customer even if the instructions are unauthorized. All amounts issued on Virtual Card Payments will be posted upon issuance as advances to Customer's Card Account and shall be subject to all terms and conditions of the Card Agreement. There is no right to stop payment on a Virtual Card Payment once issued. If Customer wishes to make a payment with stop payment rights, it will use a different form of payment, such as a check issuance.

Customer will have the sole responsibility to ascertain whether an intended payee has actually accessed and used the Virtual Card Payment. If an intended payee of a Virtual Card Payment is unable to access Customer's payment: (A) Customer shall continue to owe the intended payee the amount of the Virtual Card Payment; (B) Customer agrees to make other arrangements to timely honor its obligation to the intended payee; and (C) Banc will have no liability to Customer or the intended payee for the intended payee's failure to access the Virtual Card Payment.

10. **Wire Transfer Facilitated Payments.** Customer may submit funds transfer requests ("Wire Requests") to Banc through the Integrated Payables Service. A "Wire Request" includes a "payment order," as defined in Division 11 of the California Commercial Code. Customer is responsible for all Wire Requests to the fullest extent provided by law and as set forth in this Service Description. Banc may choose the funds transfer mechanism (for example, FedWire, correspondent bank transfer, internal transfer) to be used when acting upon Customer's Wire Request.

Subject Rules and Regulations. Customer acknowledges that any Wire Request executed by Banc will be subject to rules and regulations applicable to payment orders, including recordkeeping and information transmittal requirement under federal Bank Secrecy Act and its implementing regulations. Customer acknowledges and agrees that Banc may capture and transmit

information regarding a Wire Request (for example, beneficiary's name, address other beneficiary identifies and beneficiary's account number) as part of the processing of a payment order. Customer agrees to assist Banc in connection with any requirements imposed on Banc fulfilling Banc's obligations in this regard.

Foreign Currency Transactions. If Customer requests a funds transfer to a foreign country, Banc may transfer the payment in the currency of the beneficiary bank's country at any exchange rate chosen by Banc. If a funds transfer is returned, Customer agrees that the exchange rate for conversion of the foreign currency into United States Dollars may differ from that used by Banc to process the initial funds transfer. Customer agrees that Banc may not be held liable for any loss or damage due to any act, error, or omission of any international correspondent, domestic receiving bank or agent, including the failure of the international correspondent, domestic receiving bank or agent to locate, or error in identifying the named payee, or from failure to effect payment, or due to any other cause whatsoever beyond Banc's control, including the demise or failure of the international correspondent's domestic receiving bank or agent. Banc is not responsible for losses incurred as a result of the foreign exchange rate applied to the conversion from U.S. Dollars to foreign currency.

- 11. ACH Facilitated Payments.** Customer may submit ACH payment requests ("ACH Payment(s)") to Banc through the Integrated Payables Service, subject to the terms of this Service Description, the Automated Clearing House (ACH) Service Description and the rules of the National Automated Clearing House Association ("NACHA") and the local Automated Clearing House Association (the "Rules").

Processing Entries. Customer may transmit PPD (Prearranged Payments and Deposits), CCD (Corporate Credit), and CTX (Corporate Trade Exchange) credit or debit Entries to Banc through the Integrated Payables Service, in compliance with the formatting and other requirements set forth in the Rules and the Supporting Documents.

12. Check Facilitated Payments.

Generally. The Check Payments Service allows Customer to have checks, in the form of demand drafts authorized by Customer, created for payment against Customer's checking Account ("Check Payment(s)") and mailed to the payee. When using the Check Payments Services, Customer must designate the Account ("Check Payment Account") from which the Check Payments are to be made, the complete name of the payee, and the payee's remittance address, the amount of the payment, the check number, and all other data Customer is required or requested to provide to Banc as part of an instruction to process and issue a Check Payment (collectively "Check Payment Data"). To be eligible for the Services, Customer's Check Payment Account must be a demand deposit checking account.

Deadlines. Check Payment Data received by 8:00 p.m. Pacific Time, on a Business Day, will result in checks being issued the next Business Day. Check Payment Data received by Banc after 8:00 p.m. Pacific Time on a Business Day, or on a non-Business Day, may be treated by Banc as having been received by Banc on the next Business Day. Neither Banc nor any of its providers shall be responsible to review or otherwise determine the correctness of the Check Payment Data or the information contained in a Check Payment Data file.

Additional Conditions and Duties. If Check Payment Data is submitted by Customer past the appropriate deadline or is incomplete or incorrect, Banc may attempt to print and mail Check Payments on the next Business Day, but is not liable to Customer if it fails to do so. Customer agrees to hold Banc harmless for reasonable efforts by it to supplement, complete or correct missing information. If Banc in good faith believes that a check(s) has not been properly authorized or that Customer's Account does not or will not have sufficient immediately available funds to cover the check(s) Customer requested Check Payment(s), Banc may choose to not process such Check Payment(s).

Banc may, at Customer's instruction, create and receive checks payable to Banc or that may otherwise benefit Banc. Banc is not Customer's fiduciary or otherwise responsible to Customer, except as set forth in this agreement. Banc is not responsible for monitoring Customer's use of the Check Payment Services.

Use of Vendors; Use of Information. Banc may use one or more Check Payment vendor(s) to provide the Check Payments Service, and Customer understands that various financial intermediaries and their servicers may be involved in processing any one of Customer's Check Payment instructions. These intermediaries may benefit from interest that accrues on Check Payments between the time Customer's Check Payment Account is debited and the time the payee is paid. Any information Customer provides may be used by Banc or any of these other parties to complete or otherwise deal with Customer's transaction or comply with any laws, rules or regulations. If there is a dispute between Customer and Banc, or between Banc and any other person (including any payee, financial institution or other intended or actual recipient of any Check Payment), Customer authorizes Banc to obtain information regarding Customer, Customer's Account and Customer's Check Payment obligations (or the absence of them) from any party that was involved in the Check Payment transaction or that might otherwise assist in the resolution of the dispute or problem. This may include financial and other information.

Payees. A payee is anyone, including us, that Customer designates to receive a Check Payment.

Remittance-Only Information. Customer may request the creation of 'remittance only information', meaning that Customer is not requesting that a negotiable item be issued. Banc will follow Customer's setup instructions and use reasonable efforts to seek to not have negotiable items print. However, if an item is issued in negotiable form notwithstanding Customer's instruction to



cause it to be created as remittance only information, Banc is not liable for same and Customer agrees that Banc will have met its standard of care notwithstanding that Customer's instructions were not followed.

Available Funds. For Check Payments, Customer will need to have sufficient available funds in Customer's designated Check Payment Account to cover the amount of the Check Payment on the Check Mailing Date and until the Check Payment has cleared for payment through Customer's Check Payment Account. Customer can initiate Check Payments up to the available funds in Customer's Check Payment Account, plus any linked credit or other overdraft facility (as applicable). Banc shall not be responsible for determining whether there are sufficient funds in the Check Payment Account to pay any or all Check Payments requested by Customer.

Non-Recommended Payees. Banc does not recommend that Customer use the Check Payments Services to pay Customer's federal, state or local taxes, courts or other governmental entities. These agencies normally require an accompanying coupon, which cannot be provided via the Check Payments Services. Banc will not be liable for penalties, interest or other damages of any kind if Customer tries to use the Check Payments Services to remit or pay money for taxes, or to courts or governmental agencies.

Payment Changes and Cancellation. Customer has until 1:00 p.m. Pacific Time to correct or postpone a Check Payment instruction via the Service. Customer may not change or cancel a Check Payment instruction via the Service after 1:00 p.m. Pacific Time, unless agreed to by Banc and provided Customer submit the change or cancellation request by Banc's applicable cutoff hour, prior to the Check Mailing Date for the Check Payment instruction and Customer follows the Check Payment instructions provided by the Check Payments Services for changes and cancellations. Upon Banc's agreement to change or cancel any payment pursuant to Customer's request, Customer agrees to indemnify, defend all claims and hold Banc harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Banc as the result of its acceptance of the cancellation or amendment. Customer's indemnification obligations will survive termination of this Service Description and the Disclosure.

Customer's execution of the Acceptance constitutes Customer's acknowledgement and acceptance of the terms and conditions of the Disclosure, together with each applicable Service Description, including any Supporting Documents, corresponding exhibits, schedules, enrollments, or attachments to the same, each as amended by Banc from time to time.