



SYNOVUS®

Positive Pay and Account
Reconciliation Services
Service Addendum

Synovus Treasury Management Services
Positive Pay and Account Reconciliation Services Addendum

1. **Acceptance of Positive Pay and Account Reconciliation Services.** By selecting the Positive Pay and Account Reconciliation Services (the “**Positive Pay and Account Reconciliation Services**”) on the Enrollment Form, you agree to the terms of this Positive Pay and Account Reconciliation Services Addendum (the “**Positive Pay and Account Reconciliation Addendum**”) and this Positive Pay and Account Reconciliation Addendum thereby becomes a part of the Agreement. The Agreement, together with this Positive Pay and Account Reconciliation Addendum, shall constitute one “**Positive Pay and Account Reconciliation Services Agreement**” for the Positive Pay and Account Reconciliation Services, the terms and conditions of which shall be binding upon both parties and shall govern the establishment and continued use by you of the Positive Pay and Account Reconciliation Services. You acknowledge the receipt of a copy of this Positive Pay and Account Reconciliation Addendum and the current Agreement. This Positive Pay and Account Reconciliation Addendum is effective as of the date accepted by Bank. Capitalized terms used but not defined herein shall have the meanings provided in the Master Services Agreement. If a discrepancy or inconsistency is determined to exist between the terms of the Master Services Agreement and the terms of this Positive Pay and Account Reconciliation Addendum, the terms of this Positive Pay and Account Reconciliation Addendum will control with respect to the Positive Pay and Account Reconciliation Services, but only to the extent necessary to resolve the discrepancy or inconsistency.
2. **Positive Pay and Account Reconciliation Services.** You may use the Positive Pay and Account Reconciliation Services through our Web Site designated for this purpose as follows:
 - a. Positive Pay (further described in Section 2.c. hereof) compares checks paid to those supplied in an Issues File (hereinafter defined in Section 2.c. hereof) by you and matches checks presented for payment with the information on posted transactions. In the event of a mismatch, exceptions are generated for review and decisioning.
 - b. Payee Positive Pay (further described in Section 2.c. hereof) requires the payee to be included in the Issues File. Checks paid that are not in the check issue file, or do not match, are presented to you as exception items. You review and decision the exceptions.
 - c. Reverse Positive Pay (herein so called) is similar to Positive Pay except the Issues File upload process is not included with this feature and all checks paid are considered exception items. You reviews and decisions the exceptions.
 - d. ACH Positive Pay (herein so called) transactions are compared against payment rules provided to Bank by you. Based on the payment rules, the ACH transaction is either processed normally or it is suspended. Suspended transactions will appear as exceptions and you will review and decision the exceptions.
 - e. Full Account Reconciliation (further described in Section 2.f. hereof) compares Checks/Drafts that have been posted on the Account against Checks/Drafts that were issued by you. This is done when you create and send an Issue File. Issue files are all of the Checks/Drafts that have been written on the Account. Full Account Reconciliation completes the analysis and produces a recon statement. This statement lists paid Checks/Drafts, Exception Items (hereinafter defined in Sections 2.d. and 2.e. hereof), and Checks/Drafts that are outstanding.
 - f. Deposit Reconciliation (herein so called) provides you with multiple locations the ability to deposit into one Account and track each deposit made to the Account by location using a unique location identifier. You are given reporting capabilities to track each deposit made to the Account by location. Unique location identifiers on the deposit ticket identify the deposit.
3. **Security Procedures; Client Administration.**
 - a. You hereby designate your Authorized Representative identified in the Enrollment Form as your Administrator, or may identify a different person as Administrator in the Enrollment Form, and agree that he or she may designate authorized users for the Positive Pay and Account Reconciliation Services (each, an “**Authorized User**”) and assign them specific functions and delegate specific permissions to them, all as provided onscreen and in any service procedures provided to you by Bank from time to time. This Administrator function allows you to centralize and monitor access to the Positive Pay and Account Reconciliation Services. If you authorize other persons, including, without limitation, Authorized Users, to use your Credentials for any purpose or in any manner, your authorization shall be considered unlimited in scope, amount, and manner (except to the extent limited to specific functions or permissions through the Positive Pay and Account Reconciliation Services) and (to the extent permitted by applicable law) shall extend to such persons’ designees, until you have notified us in writing that you have revoked the authorization and changed your Credentials, and you are responsible for any transactions made by such persons or their designees until we have received your notice and had a reasonable opportunity to act upon the change of your Credentials. The Positive Pay and Account Reconciliation Services permits you to audit Authorized User activity, and you agree that such audit reports are intended only as one means of monitoring such activity and that you are solely responsible for such monitoring.
 - b. You agree that use of the Credentials and the Administrator function together constitute a “commercially reasonable” Security Procedure for the verification of the authenticity of transactions initiated through the Positive Pay and Account Reconciliation Services based on your transactions and use of the Positive Pay and Account Reconciliation Services. There are no security procedures intended to detect erroneous transactions. You authorize us and our service provider to rely and act upon any transaction or inquiry initiated through the Positive Pay and Account Reconciliation Services using your Credentials and agree to be responsible for any such transaction or inquiry that is processed in good faith.

4. **Positive Pay and Payee Positive Pay.** You will supply an Issues File, in a format that has previously been approved by the Bank (the “**Issues File**”) that identifies the Checks and Drafts issued by you (the “**Checks/Drafts**”) that are to be paid by the Bank upon presentment to Bank. You will transmit or update the Issues File of the Checks/Drafts prior to the cut off time each Business Day to ensure proper identification of potential fraudulent items and to limit the exception items reported and reviewed daily. The Positive Pay and Account Reconciliation Services may be accessed through our Web Site operated for that purpose, as provided in these Positive Pay and Reconciliation Service Terms, the Master Services Agreement, and service procedures provided to you by Bank from time to time. Checks/Drafts not included in the Issues File will not be paid at the Bank’s branch if you attempt to make a deposit or cash the check in person at one of Bank’s branch locations.
5. **Exception Report.** Bank will transmit to you on each Business Day a report through the Positive Pay and Account Reconciliation Services Web Site that identifies the Checks/Drafts/ACH presented for payment on such Business Day: (i) which were not identified; or (ii) which were identified but contained discrepancies in information from that shown on the Issues File. The Checks/Drafts/ACH described in (i) and (ii) are referred to herein collectively as the “**Exception Items**.”
6. **Your Authorization Checks/Drafts/ACH Items.** When Bank transmits a report of Exception Items to you, you agree that you will respond back to Bank concerning the Exception Items online through the Positive Pay and Account Reconciliation Services Web Site by the cut off time on the same Business Day. At that time, you will either confirm the validity of the Exception Items, or will instruct Bank to dishonor the Exception Items. If you do not respond to Bank’s report of Exception Items within the deadlines set forth, then you authorizes and directs the Bank to follow the default decision for these Items. The Bank will honor Exception Checks/Drafts pursuant to your instructions “Pay” or “Return” request when Check/Draft Exceptions have not been received by the Bank. The default decision for ACH Exceptions Items will be “Return” if the Pay or Return Request is not received by the deadlines.
7. **Full Account Reconciliation.** Full Account Reconciliation compares checks that have been posted on the Account against checks that were issued by you. This is done when you create and send an Issues File at an agreed upon time between you and Bank. The frequency of how often the statement is received is up to you. Full Account Reconciliation completes the analysis and produces a recon statement. This statement lists paid account balance summary, statement of activity, Checks/Drafts, Exception Items, and Checks/Drafts that are outstanding.
8. **The Positive Pay and Account Reconciliation Accounts.** You agree to have sufficient collected funds on deposit with the Bank in the Accounts to permit Bank to pay presented Checks/Drafts/ACH, whether or not the Bank has notified you of the presentment of the Checks/Drafts/ACH. You agree and understand that the purpose of the Positive Pay and Account Reconciliation Services is to facilitate your reconciliation of Checks/Drafts/ACH, and increase your ability to detect fraudulent transactions.
9. **Data Transmission.** Bank may require the establishment of a data transmission via secure file transfer protocol. A separate document will be provided on the supported transmission methods. Information will be delivered on a schedule mutually agreed upon time.
10. **Your Obligations.** You shall take appropriate action with your employees, independent contractors, and agents having access to Confidential Information to fulfill your obligations hereunder, including, but not limited to, advising such employees, independent contractors and agents of the proprietary nature of the Confidential Information and the obligations set forth herein, and, if necessary, creating a contractual obligation with such third parties to maintain the confidentiality of any such information. You and your employees, independent contractors, and agents shall safeguard all Confidential Information received by you using a reasonable degree of care, but no less than that degree of care used by you in safeguarding your own confidential information, and you represent and warrant that you exercise reasonable care to protect your own confidential information.
11. **Limitation of Liability; Indemnity.** Neither Bank, nor any of your employees, officers, directors, agents or vendors (individually an “**Indemnified Party**”), shall in any event have any liability in connection with the Services provided to you hereunder due to interruption or failure of communications or data processing facilities or systems, emergency conditions, or any other cause beyond the reasonable control of Bank or any of its employees, officers, directors, agents, or vendors. You agree to indemnify and hold Bank and its employees, officers, directors, agents, and vendors harmless from and against any and all penalties, charges, assessments, claims, liabilities, costs, or expense, including attorneys’ fees, incurred by or assessed against any Indemnified Party in connection with the Positive Pay and Account Reconciliation Services, except, only as it relates to any such Indemnified Party, such amounts as may result from such Indemnified Party’s gross negligence or willful misconduct.