

Paymode® Operating Rules

Version 8.0
08/22/2024

These Operating Rules govern Payer's access to, and use of, the Paymode Services described herein (the "Services").

1. LICENSE RIGHTS AND ACCOUNT PROFILE

- a. Following the Network Member's enrollment, and subject to Bottomline receiving payment of any fees applicable to the Network Member's use of the Services, the Network Member shall have a limited nonexclusive, nontransferable, revocable license to access and use the Services for which the Network Member has subscribed. The Services are to be used solely for the Network Member's internal business purposes and may only be accessed and used online through the Website.
- b. Upon enrollment, each Network Member is responsible for keeping all information in the Network Member's membership profile accurate and up-to-date, including but not limited to proper identification of the Network Member's Transaction Account(s), authorized users and their entitlements, phone numbers, e-mail addresses, and mailing addresses.
- c. All use of the Services is subject to Bottomline and its Banking Partner, each completing and being satisfied with, the results of all due diligence and verification of information that Bottomline, its Banking Partner or Services Provider, deems appropriate to comply with all applicable laws and regulations, including but not limited to, those requirements associated with knowing your customers (KYC) and anti-money laundering (AML). The Network Member authorizes Bottomline, its Banking Partner or Services Provider, directly or through third parties, both initially and from time to time thereafter, to validate the identity of the Network Member, including directors, officers, shareholders and beneficial owners, evaluate creditworthiness, and verify any information provided by the Network Member, including but not limited to verification of any bank accounts provided by Network Member, and other matters related to KYC and AML.

2. ACCOUNT SECURITY PROCEDURES

- a. Once an account profile has been created, the Network Member will select a security procedure as described in the applicable Services documentation, as may be updated by Bottomline from time to time, for authenticating instructions initiated by the Network Member and its representatives, including, without limitation, initiation and approval of Payment Authorizations, which security procedures may be updated by the Network Member from time to time (such security procedure, as then updated and in effect, the "Security Procedure"). For clarity, once updated, such prior Security Procedure will cease to be the "Security Procedure" under these Operating Rules. The Security Procedure may include combinations of challenge/response authentication using user identification codes, passwords, security codes, shared secrets, cryptographic keys, and other authentication mechanisms based on information, possession of devices, activity or other appropriate factors, which combinations may be updated by the Network Member at any time (such combinations, as then updated and in effect, collectively, the "Access Credentials").
- b. The Network Member has sole responsibility for the custody, control and use of all Access Credentials and devices associated with the Network Member (each a "Device"). The Network Member will not allow any individual to initiate a request or provide any instruction related to the Services or to have access to any Access Credentials or Device without proper supervision, appropriate authority, and compliance with strict and effective security controls. Bottomline will be fully protected in relying on the Access Credentials as set forth in the Security Procedure.

- c. The Network Member must immediately contact its Membership Administrator (with concurrent notice by telephone, confirmed in writing, to Bottomline's Member Support) and request that Access Credentials be revoked if the Network Member suspects or discovers that its Access Credentials have been compromised, or if an individual with Access Credentials is no longer affiliated with, or no longer authorized to act for, the Network Member.
- d. Bottomline may revoke any Access Credentials at any time in its sole discretion.

3. PAYMENT AUTHORIZATION

- a. Payment may only be initiated by the Network Member submitting a Payment Authorization (or a file containing Payment Authorizations) to Bottomline or its Services Provider using the applicable Security Procedure. Each Payment Authorization received by Bottomline shall initially be an "Unauthenticated Payment Authorization". An Unauthenticated Payment Authorization will be deemed authenticated, and the Network Member will be bound by the information therein, if, and only if, the Payment Authorization is issued in the Network Member's name and authenticated (either individually or within a file) using the then current Security Procedure (each such Unauthenticated Payment Authorization, thereby becoming an "Authenticated Payment Authorization"). The Network Member acknowledges that the Security Procedure is a satisfactory security procedure for verifying the authenticity of Payment Authorizations.
- b. Payment Authorizations must be in proper form and contain all required information, including identification of the Payee and the amount of the payment. Bottomline or the Services Provider, if applicable, may reject any Payment Authorization if: i) it is not properly formatted; ii) it is not initiated and authenticated using the Security Procedure; iii) it does not comply with the requirements of the applicable documentation, including any processing limits set by the Network Member, Bottomline, or the Services Provider, if applicable; or iv) processing the Payment Authorization would contravene security or risk parameters, violate these Operating Rules or the agreement pursuant to which the Network Member uses the Services, or expose you, Bottomline, or others to risks unacceptable to Bottomline.
- c. Bottomline or the Services Provider, if applicable, will provide an acknowledgment message for Payment Authorizations that are authenticated in accordance with the Security Procedure. If Bottomline rejects any Payment Authorization, Bottomline will endeavor to notify the Network Member by telephone or electronic means. Notwithstanding the foregoing, if an acknowledgment is not provided within the time period specified in the documentation, the Network Member should contact Bottomline Member Support as retransmission of the Payment Authorization may be required. Payment Authorizations are processed based on cutoff times set forth in the documentation.
- d. Subject, but not limited to, the exceptions contained in clauses (i) and (ii) of this Section (d), Bottomline will be liable for, and promptly upon demand reimburse the Network Member for the direct actual losses sustained by the Network Member, to the extent such losses are no longer retrievable despite Network Member's cooperation and arose from an Unauthorized Payment Transaction that Bottomline is the sole cause of and, if and only if 1) such Unauthorized Payment Transaction is not in fact authorized by the Network Member or the Network Member's agent; and 2) such Unauthorized Payment Transaction was not made in the following circumstances, which the Network Member and Bottomline agree are circumstances the Network Member can best control and for which the Network Member bears the risk:

- i. The Unauthorized Payment Transaction was: A) made, directly or indirectly, by a person entrusted by the Network Member at any time with duties to act for the Network Member with respect to Payment Authorizations or who obtained access to the Network Member's Payment Authorization transmitting facilities; or B) authenticated as having been authorized using the Access Credentials assigned to the Network Member; or
 - ii. The Unauthorized Payment Transaction was made, directly or indirectly, by a person who obtained, from a source controlled by the Network Member, information that facilitated the security breach (information includes any access device, computer software or hardware security device).
- e. Bottomline will have no liability for relying upon any information provided by the Network Member as part of any Authenticated Payment Authorization. If the Network Member sends Bottomline a stop payment request with respect to any Authenticated Payment Authorization, Bottomline will make a reasonable effort to act on that request, however, Bottomline will not be liable if despite making such reasonable efforts in response to such request, Bottomline is unable to effect such stop payment request. With respect to any Payment Authorization, Bottomline will work with the Network Member to "recall," or reverse, a payment arising from such Payment Authorization after it has entered the banking system or if a payment is via credit card, Network Member acknowledges that if such payment was made pursuant to an Authenticated Payment Authorization, Bottomline will have no such ability once the payment has been authorized for settlement.
- f. Except under the circumstances described in Section 3.d, Bottomline shall have no liability for executing payments in reliance upon and in accordance with any Authenticated Payment Authorization. If a payment made in reliance upon any Authenticated Payment Authorization is: i) misdirected or unauthorized; ii) an overpayment; iii) a duplicate payment; or iv) any other unintended payment, Bottomline will cooperate with the Network Member to attempt to recover the payment from the recipient(s), but the Network Member acknowledges recovery may not be possible.

4. PROCESSING PAYMENTS AND SERVICES

- a. General Payments. Unless otherwise permitted by Network Members' Services Provider, Bottomline requires confirmation of the receipt of cleared funds in the Settlement Account prior to initiating the credit to the Payee's Transaction Account pursuant to a Payment Authorization. Bottomline reserves the right to require customer-initiated wire settlement for certain payments. Processing of any payment may be delayed if the Network Member's bank, the Payee's bank, and/or any other bank or processing entity involved in the funds transfer system utilized to process the payment is not open for business on a day on which it is required to act (for example, to accept a debit or credit instruction). Payment processing deadlines and timeframes that apply to various funding methods available through the Services are set forth in the applicable documentation. In the event Network Member's funding of any Payment has been successfully processed by Bottomline and is dishonored, rejected, or otherwise not paid to the Payee, Network member shall immediately fund the amount of the rejected payment and any non-sufficient funds charge or similar fee incurred as a result of such delayed funding, as permitted under applicable law.
- b. Automated Clearing House ("ACH") or Electronic Funds Transfers. All debits and credits initiated by Bottomline as part of providing the Services to Network Members will be processed by the Banking Partner. Bottomline or the Banking Partner may select any ACH processor for debits and credits sent through the ACH network or any other processor for debits or credits sent through another network. All payments sent through the ACH network are made in accordance with Nacha Rules and Article 4A of the Uniform Commercial Code ("Article 4A"). Notwithstanding contrary provisions of Article 4A, the parties agree that the

provisions of Article 4A shall apply to the Network Member's funding of the Settlement Account. Both parties will comply with the Nacha Rules and Article 4A for all Payment Authorizations and Nacha Entries, including the provisional payments rules specifying that payment of a credit by the Receiving Depository Financial Institution ("RDFI") to the receiver is provisional until the RDFI receives final settlement. If final settlement is not received, the RDFI is entitled to a refund from the receiver of the amount credited. This means that the receiver will not have been paid. Except as provided herein, the provisions of Article 4A shall govern any unauthorized or misdirected Payment Authorizations or payments as if the Network Member and its agents were a "sender," Bottomline and the Banking Partner were a "receiving bank," the Payment Authorization were a "payment order," and the Payee were a "beneficiary," as all of those terms are defined in Article 4A. Notwithstanding the foregoing, in the event any payments presented for processing are to be processed outside of the United States, such payments shall be in accordance with all rules and regulations of the specific clearing system in which such payment is processed.

- c. Card Payments. A Payer may request Bottomline to initiate payments to Vendors by way of an electronic card transaction. Bottomline will process card transactions pursuant to a Payment Authorization, from the Payer and based upon the preference specified in the applicable Vendor's membership profile. Pursuant to the preference of the Vendor to receive card transactions for payment, Bottomline will process the request by either: A) submitting the required information directly to the Vendor, and the Vendor will process the payment through its merchant services provider; or B) by using the credit card identifiers and acquiring bank information provided on the Vendor's membership profile to process the payment on the Vendor's behalf. All credit card transactions regardless of the method in which they are processed are subject to and shall be in accordance with the applicable card brand rules.

Bottomline represents, warrants and covenants that it shall comply with applicable Payment Card Industry Data Security Standards ("PCI DSS") as such may be amended from time to time, with respect to card data received by Bottomline in connection with this Agreement. Additionally, Bottomline acknowledges that it is responsible for the security of such data it receives.

- i. Prefunded Card Payments. In the case of a prefunded card payment, the general payment provisions related to funding of a payment before the release of the payment to the Vendor will apply. Any funds for card payments that are not successful will be returned to the Payer in accordance with Bottomline's current procedures.
- d. Invoice Automation. Payers enrolled in this Service are solely responsible for confirming that Payment Authorizations accurately reflect invoices collected from the Payee by Bottomline on Payer's behalf. If a Payee elected by Payer opts to enroll for Invoice Automation Services only, and is not enrolled as a Network Member Vendor in any other Service, memberships will not be authenticated by Bottomline, and Payer acknowledges it is solely responsible for activating such trading relationships and assumes all risks in conducting any transactions using the Invoice Automation Service with such Payees.

As it pertains to this Service, Payer provides Bottomline with permission to act on its behalf to capture Payee invoices and authorizes Bottomline to provide invoice status information to Payees via the Paymode Services. Payer shall at all times remain solely responsible for authenticating any and all invoices received through this Service.

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- e. ERP Connector. An ERP Connector may be made available to Network Member through a third party provided of Bottomline, or directly provided by Bottomline, as part of the Services. Connectors interact with the ERP system to provide specialized integration support for a variety of functions as defined in the documentation for the Services; this functionality may vary between ERP systems and is only available for

select ERP systems. Network Member use of the ERP Connectors is optional. Notwithstanding anything to the contrary, Bottomline disclaims any warranty or covenant related to the ERP Connector service availability and provides this Service “AS IS”.

- f. API Connectivity. Bottomline may make available a suite of application programming interfaces (APIs) through which Network members can interact with Paymode. Use of the APIs is subject to authentication in accordance with the Security Procedure selected for use with the APIs and is restricted to the currently available set of functionality found at <https://api.paymode.com/docs/index.html>. In addition, Network Members may not use the APIs to do any of the following or to allow others to do any of the following: (i) Facilitate illegal transactions; (ii) access the services for personal, family or household purposes; (iii) act as a service bureau or pass through agent for the Services; (iv) transfer any rights granted to them under their agreements with their Services Provider or these Operating Rules; (v) access or attempt to access non-public Bottomline systems, programs, data, or services; (vi) copy, reproduce, republish, upload, post, transmit, resell, or distribute in any way, any data, content, or any part of the Services, Documentation, or our website; (vii) work around any of the technical limitations of the Services or enable functionality that is disabled or prohibited; (viii) reverse engineer or attempt to reverse engineer the Services; (ix) perform or attempt to perform any actions that would interfere with the normal operation of the Services or affect use of the Services by our other users; or (x) impose an unreasonable or disproportionately large amount of traffic activity or load on the Service.

Due to the nature of APIs, we may add or remove functionality and update the API documentation from time to time. We will provide notice to Network Members in the event of material changes to the APIs so that you may continue to use the APIs with minimal disruption. Additionally, Bottomline may make certain APIs available in a “test” or “pilot” mode. With respect to any APIs labeled “test” or “pilot,” Network Members acknowledge that these services are still in development, may contain bugs or errors, may be feature incomplete, may materially change prior to a full commercial launch, or may never be released commercially. Network Member use of APIs is optional. Notwithstanding anything to the contrary, Bottomline disclaims any warranty or covenant related to API service availability and provides this Service “AS IS”.

- g. Collaboration/Document Exchange: Collaboration and discussion functions and features may be made available to you. Bottomline is not responsible for monitoring content of the discussion and collaboration capabilities and makes no representations or warranties related thereto. Network Member will not upload documents that are defamatory, offensive or illegal, and Network Member acknowledges that Bottomline is not responsible for the content of documents uploaded by other Network Members. The collaboration and discussion functions and features are provided “as is” with no representations or warranties of any kind made by Bottomline.

5. OWNERSHIP

Network Member acknowledges that the Services, materials, and all intellectual property rights embodied therein, including lists of Network Members, are confidential trade secrets of Bottomline and remain the exclusive property of Bottomline. The Services may only be accessed and used online at the Website solely for the Network Member’s internal business purposes. Network Member agrees not to: i) use or disclose the Services and materials except as expressly permitted by these Operating Rules; ii) remove or alter any copyright notices or other proprietary legends contained in the Services; iii) disassemble, decompile, or reverse-engineer the Services; iv) access or copy the Services in order to build a similar or competitive product or service; v) make the Services accessible or available to any third party; vi) use the Services to operate a service bureau or otherwise provide the Services, or services similar thereto, to any third party; vii) access the Services through any automated or semi-automated means, including spiders, robots, crawlers, indexers, scripts for screen or database

scraping, or any other program, device, process or methodology that results in the collection of information through automated access to the Website; or viii) use the Services in violation of any law or regulation.

6. SUSPENSION OF SERVICES

- a. Without prejudice to all rights and remedies available under these Operating Rules or applicable law, Bottomline may deny or suspend access to the Services and discontinue the Services immediately (with prompt subsequent notice to the Network Member) if:
 - i. The Network Member breaches any of these Operating Rules;
 - ii. If, as a result of any due diligence or verification described in Section 2, any of the following occurs: A) discrepancies that Bottomline, the Services Provider or Banking Partner deem incompatible with use of the Services which could potentially lead to a violation of any law or regulation, including but not limited to those associated with KYC, AML or applicable card brand rules; or B) it is determined in Bottomline's, its Services Provider's or Banking Partner's reasonable judgement that that processing any Payment Authorization(s) may be in violation of applicable laws or regulations including, but not limited to, the Patriot Act;
 - iii. The Network Member undergoes any Insolvency Event. Insolvency Event shall mean: A) the Network Member terminates, liquidates or dissolves its business or disposes of substantially all of its assets; B) the Network Member voluntarily, or involuntarily, becomes the subject of any bankruptcy, insolvency, reorganization or other similar proceeding; C) the Network Member fails to generally pay its debts as they become due; or D) the Network Member experiences a material adverse change in its financial condition or its ability to perform its obligations under these Operating Rules; and
 - iv. Applicable fees for the Network Member's use of the Services have not been paid.
- b. To avoid doubt, suspension of access to the Services does not release the Network Member or Bottomline from obligations related to protecting confidential information and all obligations that accrued prior to termination.

7. PRIVACY PROTECTIONS AND CONFIDENTIALITY

- a. Protecting the privacy of Network Members is important to Bottomline. All information collected by Bottomline about Network Members and their representatives is subject to the Privacy Policy at <https://secure.paymode.com/policies/privacypolicy.htm>.
- b. Network Member acknowledges that Bottomline has an obligation to protect the privacy of other Network Members. Network Member agrees to keep all information that the Network Member receives about other Network Members, including Network Fee information, confidential and use such information only in connection with proper use of the Services. Network Member may not disclose information about other Network Members, or identify other Network Members other than those which are the Network Member's trading partners, to any third party.
- c. To facilitate enrolling Payees and other trading partners of the Network Member, the Network Member may provide Bottomline with certain information regarding its Payees or other trading partners with which the Network Member desires to transact business using the Services (the Network Member's "Trading Partner List").

- d. Bottomline acknowledges that the Network Member's Trading Partner List and Transaction Data are and shall remain the property of Network Member and shall be considered confidential information of the Network Member and shall not be disclosed by Bottomline to any third party. Bottomline will establish and maintain procedures to safeguard the confidentiality of a Network Members Trading Partner List and Transaction Data.
- e. Bottomline may, however: i) use and disclose the names and contact information of businesses identified in the Trading Partner List with the Payer's Services Provider and as part of Bottomline's efforts to obtain contact information for the business, solicit enrollment in the Network and, if enrolled as a Payee, configure to receive payments. Bottomline may compile and disclose aggregate system performance metrics and other statistical data from Transaction Data, but only in a manner that does not disclose any Network Member Transaction Data. Further, you authorize Bottomline to compile, use and disclose aggregate system performance metrics and other statistical data with regard to your organization's use of the Services, to any outside third party, but only in a manner that such data has been anonymized and aggregated with other Network Members' data and is not identifiable to any specific Network Members' data.
- f. If Bottomline suspects or knows that you are using or have used the Services for unauthorized, fraudulent, or illegal purposes, Bottomline may share any information related to such activity with the appropriate financial institution, regulatory authority, or law enforcement agency consistent with our legal obligations. This information may include information about you, your Network Member account with Bottomline, your Customers, and Transaction Data made through your use of the Services.
- g. If the Network Member is a "Covered Entity" or "Business Associate" under the Health Insurance Portability and Accountability Act ("HIPAA") and the Network Member provides (or receives) "Protected Health Information," as defined in HIPAA, to (or from) Bottomline, the terms of the **Health Care Information Privacy Addendum** at <https://secure.paymode.com/policies/HCIPIA.htm> will apply.
- h. If the Network Member uses the Services in connection with any Health Care Payment and Remittance Advice transactions, as defined in 45 C.F.R. Part 162, Subpart P, the terms of the **Health Care Transactions Addendum** at <https://secure.paymode.com/policies/healthcaretransactionsaddendum.htm> will apply.
- i. In the event of a conflict between these Operating Rules and the Health Care Information Privacy Addendum or the Health Care Transactions Addendum, the Health Care Information Privacy Addendum and the Health Care Transactions Addendum shall prevail.

8. INTELLECTUAL PROPERTY INDEMNITY

- a. Bottomline will defend, indemnify, and hold the Network Member harmless from any claim or demand (including attorney fees) made by any third party alleging the Services infringe any third party's copyright of a Berne Convention country or patent of the United States of America, and Bottomline will pay all costs and damages finally awarded in any such action.
- b. Bottomline's obligation is subject to: i) prompt notice from the Network Member of any such claim or action; ii) the Network Member not having made any admission of liability or agreed to any settlement or compromise; iii) the Network Member providing to Bottomline, in a prompt and timely manner, the documents, information and assistance Bottomline reasonably requests; iv) Bottomline having sole control of defending such claim or action; and v) the Network Member's use of the Services being in accordance with these Operating Rules and the applicable documentation. Bottomline will have no liability for any combination of the Services with other software or materials not provided by Bottomline.

- c. Bottomline's indemnity obligations under this Section are Bottomline's entire obligation, and the Network Member's exclusive remedy, with respect to any infringement claim in connection with the Network Member's use of the Services.

9. BOTTOMLINE REPRESENTATIONS AND WARRANTIES

Bottomline represents and warrants to the Network Member that:

- a. Its agreement to be bound by these Operating Rules, and its performance in accordance with these Operating Rules, has been duly authorized and does not contravene any law, regulation or governmental rule ("Laws").
- b. It will provide the Services in accordance with the applicable user documentation and all applicable Laws. If the Network Member notifies Bottomline of a material failure of the Services to conform to the foregoing warranties, as the Network Member's exclusive remedy, Bottomline will use reasonable efforts to resolve the failure in accordance with its then-current member support policies.
- c. Network Payment Score. The Network Payment Score and information related thereto is provided to Payer strictly on an "as is" and "as available" basis, without any express or implied warranty of any kind, including but not limited to warranties of completeness, accuracy, merchantability, fitness for a particular purpose, or non-infringement. The Network Payment Score is provided to Payer for informational purposes only, it is not a recommendation or advisement, and Payer acknowledges it should conduct its own analysis before pursuing any action. Any action taken by Payer in reliance of Network Payment Score or the information related thereto is strictly done so at Payer's own risk.
- d. **EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION, BOTTOMLINE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE. BOTTOMLINE DOES NOT WARRANT THAT THE SERVICES OR ACCESS TO THE WEBSITE WILL BE UNINTERRUPTED OR OPERATE ERROR-FREE.**

10. NETWORK MEMBER REPRESENTATIONS AND WARRANTIES

- a. The Network Member represents and warrants that:
 - i. Its agreement to be bound by these Operating Rules, and its performance in accordance with these Operating Rules, and the Network Member's use of the Services and the Network Member's authorization to Bottomline to perform the Services, including, but not limited to, executing credit and debit transactions to the Network Member's Transaction Account, have been duly authorized and do not contravene any Laws.
 - ii. All information provided by the Network Member is true, complete and not misleading. The Network Member will promptly notify Bottomline if any information submitted in its enrollment application changes.
 - iii. The Network Member's Membership Administrator, and each of its representatives for which user access accounts are configured, are authorized to utilize all entitled privileges, including, as applicable, initiating Payment Authorizations, and authorizing credits and debits to the Transaction Accounts. The Network Member's Membership Administrator is authorized to configure Transaction Accounts and configure other user access accounts and entitle those accounts with privileges up to and including Membership Administrator privileges.
 - iv. Except for certain out-of-network payments that may be permitted by Bottomline, the Network

Member will use the Services only for payments to business or government entities. It will not send payments to any consumer or individual unless otherwise expressly agreed to by Bottomline and Network Member, and Network Member will abide by all applicable Laws, regulations, card brand rules, and other Third Party Service Provider terms and conditions made available to Network Member in relation to its use of the Services.

- v. Network Member will promptly notify Bottomline in writing, and in any event within three (3) business days, upon Network Member learning of an event where it believes and/or has information that a person has, or may have engaged in the falsification of data (i.e. creating, altering, recording or omitting data in such a way that the data does not represent what actually occurred) in reporting the results of, or in the course of performing, recording, supervising or reviewing transactions contemplated under this Agreement.
 - vi. Network Member agrees to cooperate and continuously work with Bottomline or any other applicable party throughout the course of any investigation of a potential or actual security event or fraud, including any potential event described herein. Network Member's cooperation to include, but not be limited to, providing any additional documentation requested by Bottomline to complete and investigation.
- b. The Network Member agrees to provide and maintain all internal systems and is responsible for upgrading and configuring said systems to be and remain compatible with the Services.
- c. The Network Member acknowledges:
- i. The Services enable the Network Member to make payments to other Network Members. Bottomline does not guarantee or have control of, or liability for, any products, services, or other consideration being paid for using the Services (the "Underlying Transaction"). The Network Member will defend, indemnify and hold Bottomline, its representatives and authorized resellers harmless from any claim or demand (including attorney fees) made by any third party arising out of any Underlying Transaction or the Network Member's breach of any of these Operating Rules.
 - ii. Bottomline's exclusive role in connection with payments is merely that of a data processor providing services to the Network Member; and Bottomline, its Third Party Service Providers and Banking Partner act as a "mere conduit" and not an initial transferee in connection with payments.
- d. If the Network Member uses the Services to receive payments from other Network Members, all terms and conditions of the Terms of Use at <https://secure.paymode.com/policies/TofUagreement.htm> will apply to the Network Member's use of the Services in the capacity of a Payee.
- e. If the Network Member is participating in a Service that has assigned a Network Fee rate to a Payee, the Network Member further acknowledges:
- i. That Bottomline will charge a Network Fee to the Payee in relation to each payment made by the Network Member to the Payee;
 - ii. Bottomline may affect the charge by deducting the amount of the Network Fee from the payment initiated by the Network Member or by debiting the Payee's account; and

- iii. Bottomline will have no liability for any claim made by the Payee against the Network Member related to Bottomline's collection of the proper amount of the Network Fee.
- f. The Network Member will exercise and demonstrate its good faith effort, cooperation and support in enrolling Vendors to the Paymode program in accordance with the current onboarding strategy. Network Member acknowledges that the onboarding strategy will be designed to maximize acceptance of Virtual Card and Premium ACH.

11. LIMITATION OF LIABILITY

- a. Bottomline will be liable only for actual direct damages incurred by the Network Member that are solely caused by Bottomline's gross negligence, willful misconduct, or failure to exercise reasonable care in providing the Services, which for purposes of these Operating Rules, shall mean those instances in which Bottomline fails to ensure an Authenticated Payment Authorization is submitted through the Network Member's Security Procedures. In no event will Bottomline or its representatives and authorized resellers be liable for: i) any indirect, consequential or punitive loss, damage, or expense, including any loss of business profits, revenue, or goodwill, or ii) loss or corruption of data, even if advised of the possibility of such loss or damage.
- b. Bottomline or its representatives and authorized resellers will not be liable for, and will be excused from providing the Services in the event of, any failure or delay caused by: i) circumstances beyond Bottomline's control, including any natural disaster, emergency conditions (such as war, riot, fire, theft or labor dispute), legal constraint or governmental action or inaction, or breakdown or failure of equipment; ii) any act, omission, negligence or fault of the Network Member; or iii) Bottomline having reasonable belief that performing such actions would violate any Law.

12. REPORTS

Information concerning debits and credits to the Network Member's Transaction Account will be reflected in reports available to the Network Member through the Services (the "Records") and in the account statements provided by the Network Member's bank (the "Network Member Bank Statements"). If there is a discrepancy between the Records and the Network Member Bank Statements, the Network Member must provide written notice to Bottomline, with a statement of relevant facts, within 14 days after receipt of the first Network Member Bank Statement or other notice from the Network Member's bank (including the Network Member's bank electronic notices and banking service websites), indicating the discrepancy. The Network Member must notify Bottomline promptly by telephone or other means specified by Bottomline for such purpose and confirm such notice in writing.

13. TRANSACTION DATA BACKUP

The Network Member is responsible for retaining a backup copy of all Transaction Data that it provides Bottomline. In the event of loss or corruption of Transaction Data by Bottomline, Bottomline shall give prompt notice of such to the Network Member. Bottomline shall, at its sole expense, regenerate lost or corrupted Transaction Data from backup files maintained by Bottomline or copies of backup data maintained by the Network Member. Bottomline's sole liability for lost, destroyed, corrupted, or damaged data is limited to accurately and timely restoring such data and making the Services accessible to the Network Member.

14. SEVERABILITY

If any provision of these Operating Rules is invalid, unlawful, or unenforceable, the remaining terms and conditions are not impaired or otherwise affected and continue to be valid and enforceable to the fullest extent permitted by law. No delay or failure to exercise any right or remedy under these Operating Rules is deemed to be a waiver thereof. No waiver of any breach or default is a waiver of any other breach or default. Any waiver must be in writing.

15. GOVERNING LAW

Interpretation and enforcement of these Operating Rules shall be governed by the laws of New York, without reference to its conflict of law principles. The United Nations Convention on Contracts for the International Sales of Goods will not apply to the Services.

16. NOTICES

- a. Bottomline and the Network Member may send one another communications and information (“Notices”) relating to these Operating Rules and the Network Member’s use of the Services, by mail, courier, or by posting the Notices on the Website. Further, Bottomline may send Notices through unencrypted electronic messages such as e-mail to the e-mail address in the Network Member’s account profile that direct the recipient to further information on the Website. Any Notice sent to a Network Member by posting to the Website shall be deemed received on the earlier of: i) the date the recipient actually accesses the Website or, ii) five (5) business days after it is posted.
- b. Notices sent to the Network Member by mail or courier may be sent to the postal address designated in the Network Member’s membership profile. Any Notice sent by mail or courier shall be effective when received. Notices sent to Bottomline must be sent by mail or courier to:

Attention: Paymode
Bottomline Technologies, Inc.
100 International Drive, Suite 200
Portsmouth, NH 03801

17. MEMBER SUPPORT

Bottomline’s Member Support is available on business days from 8:00 a.m. to 8:00 p.m. ET (Eastern Time) to assist with any questions or problems the Network Member may have related to use of the Services. If the Network Member becomes aware of any errors, difficulties or other problems with the Services, it will promptly inform Bottomline’s Member Support team. Bottomline will make reasonable efforts to fix or provide workarounds for reported errors and to provide the Network Member with support and consultation concerning the Services. The Network Member will cooperate with Bottomline to resolve errors, difficulties or other problems by providing Bottomline, on request, a listing of input, output and all other data that Bottomline may reasonably request in order to reproduce operating conditions similar to those present when such errors, difficulties or other problems were discovered.

18. CANADIAN NETWORK MEMBERS

You agree and consent that this agreement and all related communications and documents to this agreement including but not limited to customer support and the applicable support documents, shall be in English only. Vous acceptez et consentez que le présent contrat ainsi que tous les documents et communications connexes, y compris, mais sans s’y limiter, le support à la clientèle et les documents de support applicables, soient rédigés uniquement en anglais.

19. AMENDMENTS

- a. These Operating Rules are binding on Bottomline and Network Member and amend, and replace in their entirety, all previous versions of Operating Rules. In the event Network Member has contracted directly with a Service Provider for the Services (“Reseller Agreement”), in addition to the terms and conditions of the Reseller Agreement, these Operating Rules govern the Network Member’s use of the Services between Service Provider and Network Member. Notwithstanding the preceding sentence, to the extent Section(s) 6, 7 or 15 of these Operating Rules directly conflict with the Reseller Agreement, such Section(s) of the Operating Rules will not supersede or replace those terms and conditions contained in the Reseller Agreement.
- b. Bottomline Technologies, Inc. may amend these Operating Rules at any time by posting revised Operating Rules on the Website and such revised Operating Rules will become effective fifteen (15) days after such posting. The Network Member’s continued use of the Services after the effective date of any such revised Operating Rules shall be deemed acceptance thereof. Notwithstanding the foregoing, if a Network Member’s agreement pursuant to which the Network Member is accessing the Services is directly between the Network Member and Bottomline (“Direct Agreement”), and incorporates alternative Operating Rules, the Network Member agrees to be bound by such alternative Operating Rules in lieu hereof and each reference to “Operating Rules” in the Confirmation Agreement between the Network Member and the Banking Partner shall mean such alternative Operating Rules. This provision shall not be affected by any amendment of these Operating Rules.

20. DEFINITIONS

Unless otherwise specified or inconsistent with the context, each of the following capitalized terms shall have the meaning set forth in this Section:

Access Credentials: shall have the meaning set forth in Section 2.

Banking Partner: the bank provider that processes payments made via the Services for the Network Member.

Materials: such materials shall include the following: i) all documentation provided by Bottomline, whether in print, electronic or online format, as amended from time to time, regarding the Services; and ii) all user identification codes, passwords, and other access credentials provided by Bottomline in connection with the Services.

Membership Administrator: the individual enrolling the Network Member in the Service Network, configuring the Network Member’s profile, and otherwise overseeing the Network Member’s membership (including adding and deleting users), utilizing a user access account entitled with Membership Administrator entitlements.

Nacha Rules: the rules of Nacha (including any other clearing house rules applicable to automated clearing house transactions), as amended from time to time.

Network Fee: The fee collected by Bottomline from a Premium Enrollment Vendor for Payment(s) made through the ACH Program.

Network Member: any business that has enrolled to become a member of the Services Network.

Optional Services: the payment services provided by Bottomline, and any other optional services to which a Network Member has subscribed, and Bottomline provides.

Payee: a Network Member, or other individual or entity permitted by Bottomline, using the Services to receive payments from Payer.

Payer: a Network Member using the Services to receive invoices and/or make payments to Payees and/or Vendors.

Payment Authorization: a message transmitted electronically by a Payer to instruct Bottomline to initiate a payment from the Payer's Transaction Account for payment to a Payee.

Paymode: : collectively, the Systems, the Website, the Materials, and the Services.

Provider Agreement: an agreement between a Payer and Services Provider pursuant to which the Payer is accessing the Services.

Service Network: Payers/Payees authorized by Bottomline to issue/receive Payments using the Services for a fee.

Third Party Service Provider: a third party directly contracted with Bottomline to provide the Services.

Service Provider: a bank or other business authorized by Bottomline to make the Services available to its customers.

Settlement Account: the Banking Partner's account into which the Payer's funds are deposited for subsequent disbursement to the applicable Vendor or for return to the Payer.

Systems: Bottomline's proprietary software and systems available for providing the Services through the Website.

Transaction Account: with respect to a Payer, a bank account designated by the Payer from which the amount needed to fund Payer's Payment(s) are transferred to Bottomline for subsequent payment to the applicable Payee(s) (or returned to Payer) in accordance with the agreement pursuant to which such Network Member uses the Services, and with respect to a Payee, a bank account designated by the Payee for receipt of payments from the Payer in accordance with the agreement pursuant to which such Network Member uses the Services.

Transaction Data: the data entered or loaded to the Website by the Network Member for purposes of obtaining the Services.

Unauthorized Payment Transaction: a payment from the Network Member's Transaction Account initiated as a direct result of an Unauthenticated Payment Authorization.

Vendor: a Network Member that has enrolled to send invoices to, or receive payments from, other Network Members.

Website: the website provided by Bottomline to Network Member in order to access and use the Services.