Receivables Management

بـنك دبـي التجـــاري
Commercial Bank of Dubai

Receivables Management Solutions Agreement

The Receivables Management Solutions Agreement (the Agreement} is made on _____ 20_____, entered into between Commercial Bank of Dubai and

The Client _____

Having its address _____

1. MEANING OF WORDS

Account means an account held with CBD, nominated by the Client, for use in connection with the Service.

Account Pooling means the service which allows the Client to distribute cleared funds from Deposits into the Clients' Accounts based on the Client's Account Pooling parameter setup.

Account Receivables (AR) means the list of invoices or collections due from the Client's Payers which is uploaded into the Service for matching or Reconciliation against Deposits.

Application Form means the form by which the Client provides details for provision of the Service.

Cash means a Deposit into the Client's Account by means of physical notes and coins through the Bank's tellers and branches, cash deposit machines or iCash service.

CBD means the Commercial Bank of Dubai, its successors and assigns.

Checker means the User Role where the User is allowed to verify transactions or requests submitted by the Maker.

Cheque means a Deposit into the Client's Account of any cheque drawn on an account held with a UAE-domiciled bank including On-Us, Clearing and Post-Dated Cheques and deposited through the Bank's tellers and branches, cheque deposit machines or iCollect service.

Client shall mean the Client as named at the beginning of this agreement including its Personnel, successors, assigns and, in relation to its rights to use the Service, any other authorised person acting within his or her authority.

Consolidation Level means the rule which determines the way Deposits will be posted into the designated credit account.

Deposit means any credit into the Client's Account whether it is in the form of Cash, Cheque, Transfer or Inward Remittance.

Exact Matching means the Reconciliation Rule where a Deposit will be matched against an invoice or Payer as per the Client's AR based on specific rules such as invoice number, payer identification or other parameters are defined in the system by the Client.

Generic Matching means the Reconciliation Rule where a Deposit will be matched against an invoice or Payer as per the Client's AR based on generic rules such as FIFO, LIFO, amount-based rules or other parameters as defined in the system by the Client.

iBusiness means CBD's corporate online banking solution through which the Client will access the Service.

iCash means CBD's physical cash collections service using a third-party service provider including collections through smart cash deposit machines provided by the third-parry service provider.

iCollect means CBD's online cheque scanning and depositing service provided through iBusiness.

iDoc means CBD's physical cheque collections service using a third-party courier.

Instruction means any instruction sent to by the Client and received by CBD using the Service, whether or not such Instruction has in fact been properly authorised by the Client.

Inward Remittance means a Deposit into the Client's Account by means of remittance from another bank whether domestic or international. Inward Remittances may be received through payment networks such as SWIFT and the UAE Funds Transfer System. The term Inward Payment shall mean the same and may be used interchangeably.

Maker means the User Role where the User is allowed to initiate transactions or requests and submit the same for further verification or authorisation by the Checker.

Maker-Checker means the User Role where the User is allowed to perform the roles of both Maker and Checker.

Virtual Account (MA) means service where a unique Virtual Account numbers are generated and assigned to each of the Client's Payers for the purpose of identifying the origin of each Deposit. The Virtual Account is not a real Account with CBD but is a reference or identifier used by the Payer in place of a real Account. Any Deposits into the Virtual Account are credited to the designated Account of the Client.

Notice means a notice sent from either party to the other using the means specified in clause 13.

Payer means a person or entity that performs any Deposit into the Client's Accounts. The term Depositor shall mean the same and may be used interchangeably.

Personnel means any of the Client's agents, representatives or employees.

PIN means a Personal Identification Number that is used in conjunction with a Token.

Receivables Management means the group of services including Virtual Accounts, Reconciliation, Account Pooling and other such sub-services and functions provided by the Bank. The terms Receivables Management Solution (RMS) and Receivables & Collections Management (RCMS) shall mean the same and may be used interchangeably.

Reconciliation means the service where Deposits are reconciled or matched against the Payers and/or Invoices maintained in the system by the Client. The terms Receivables Reconciliation, Account Receivables (AR) Reconciliation and Recon shall mean the same and may be used interchangeably.

Reconciliation Rule means any one or more of the rules designated by the Client as the method by which a Deposit shall be allocated or matched against an Invoice or Payer which may include Exact or Generic Matching.

Service shall mean Receivables Management including any of its sub-services and functionalities.

String Search means the service whereby Reconciliation of Deposits is performed by the system by searching for the invoice number in the details or information accompanying the Deposit. The invoice number is searched by matching the invoice number pattern as defined by the Client. The term Invoice String Search shall mean the same and may be used interchangeably.

Transfer means a Deposit into the Client's Account by means of transfer from another CBD account holder. Transfers may be initiated manually through the Bank's tellers, or online through any of the Bank's online or mobile applications. The term Account Transfer shall mean the same and may be used interchangeably.

User means any Personnel given access to the Services.

User Role means the role assigned to Users which defines the level of access (such as Maker, Checker or Maker-Checker.
Words importing the singular include the plural and vice versa.

2. **THE SERVICE**

2.1   CBD will provide the Service agreed between CBD and the Client from time to time on the terms and conditions set forth in this agreement and the Client must comply with these terms and conditions.

2.2   The Service can be accessed through CBD's corporate online banking portal, iBusiness. The Client is required to avail of and shall also be bound by the terms and conditions of iBusiness.

2.3   The Client acknowledges that some functionalities of the Service may only be availed in conjunction with other CBD services such as iCollect, iCash and iDoc. This Agreement does not constitute agreement to such additional services. The Client may avail of such additional services at its discretion by submitting the required documentation and shall be bound separately by the terms and conditions of such additional service services.

2.4   The Client acknowledges that the Service comprises various overlapping and inter-dependent functionalities and the setup of which will require the Client to be actively involved in testing in order to implement the Service in accordance with the configurations required by the Client. The Client agrees and understands that the configurations may affect the level of functionality or availability of such functionalities.

2.5   The Client is solely responsible for determining the configuration and setup of the Service. Where such configuration is not available for the Client to add, modify or cancel from iBusiness or any other banking channel provided to it, the Client, at any time, may make a request to change such configurations to CBD in writing.

Account Pooling

2.6   Account Pooling is applicable to Deposits made through iCash, by Cheque and/or through Virtual Accounts. Such transactions will, by default, be credited to the Account mentioned as part of the Deposit unless and until the Client requests CBD to apply Account Pooling and CBD has accepted and confirmed that the Account Pooling parameters are in place.

2.7   The Client acknowledges and agrees that, where Account Pooling activated, credits for Deposits will be determined by the Account Pooling parameter setup regardless of the Account mentioned as part of the Deposit.

2.8   The following Account Pooling parameters may be applied by the Client.

(a)   Direct – Deposits are credited to a single designated Client Account regardless of the credit Account mentioned as part of the Deposit.

(b)   Percentage Wise – Deposits are distributed to designated Client Accounts as per the defined percentage.

(c)   Slab Wise - Deposits are distributed to the Client's designated Accounts as per the defined slabs.

(d)   Location Wise - Deposits are distributed to the Client's designated Accounts based on the Location of the collection.

(e)   Division - Deposits are distributed to the Client's designated Accounts based on the Division as defined by the Client with each Division having its own credit Account.

(f)   Hierarchy Wise - Deposits are distributed to the Client's designated Accounts as per the hierarchy defined by the Client.

2.9   The Client may request Consolidation Level parameters to be configured in conjunction with Account Pooling. The Client acknowledges that such functionalities are dependent or may be affected by other configurations as requested by the Client, the manner in which Deposits are captured and whether additional information as required by the Service are captured with the Deposit.

(a)   Instrument Level – credits into the Account will be posted by instrument or transactions e.g. per Cheque, per Cash Deposit, etc.

(b)   Deposit Slip Product - credits into the Account will be posted by deposit slip by product (type of Deposit i.e. cash, cheque) e.g. one batch of cheques in a single deposit slip, etc.

(c)   Pick Up Point Product - credits into the Account will be posted by Pick Up Point (as defined in the system for the Client) by product (type of Deposit i.e. cash, cheque). This is applicable only in case the Client has also availed of iCash.

(d)   Pick Up Location Product - credits into the Account will be posted by Location (as defined in the system for the Client) by product (type of Deposit i.e. cash, cheque). This is applicable only in case the Client has also availed of iCash.

(e)   Product - credits into the Account will be posted by product (type of Deposit i.e. cash, cheque).

(f)   Division - credits into the Account will be posted by Division as defined by in the system by the Client.

(g)   Hierarchy - credits into the Account will be posted by Hierarchy as defined by in the system by the Client.

<u>Virtual Accounts</u>

2.10   The Client acknowledges and understands that Virtual Accounts do not constitute real accounts and are used only as a method of capturing identifying information of the Client's Payers. As such, Virtual Accounts do not support account statements, transfers or other debits, and any other transactions reserved for normal current and savings Accounts.

2.11   Any Deposits using a Virtual Account shall be credited to the Client's designated Account with CBD.

2.12   The Client acknowledges that it has sole responsibility to distribute and inform its Payers regarding the Virtual Accounts.

2.13   The Client acknowledges and agrees that CBD is not liable in case:

(a)   The Payer fails to indicate the proper Virtual Account number assigned to them in making any Deposit resulting in a failed transaction, incorrect reporting, incorrect posting or any other exception not under the control of CBD.

(b)   The Payer makes a Deposit directly into the Client's account with

2.14   CBD reserves the right, without prior notice, to add, suspend, disable, or modify Virtual Account transactions access across its various channels such as, but not limited to

(a)   Cash Deposits through automated teller machines, cash deposit machines, branches, tellers, iCash or other deposit centers.

(b)   Cheque Deposits through automated teller machines, cheque deposit machines, branches, tellers, iCash, iDoc, iCollect, or other deposit centers.

(c)   Transfer through CBD various online banking channels including iBusiness, automated teller machines, branches, or tellers.

(d)   Inward Remittances, whether international or domestic, in any currency, received through SWIFT, the UAE Funds Transfer System or any other system.

2.15   Any Deposit to a Virtual Account shall be construed to be and processed as if it were a Deposit to the Client's Account and shall be subject to operational checks and procedures as any normal Deposit.

(a) to the appointment of the Pool Header,

(b) that any debit or credit Pool Interest Amount earned by the Participant Accounts shall be distributed to the Pool Header,

(c) that the Interest Allocation of such Debit or Credit Amounts shall be as per the Interest Re-Allocation parameters as defined by the Client.

<u>Reconciliation</u>

2.16 The Reconciliation service reconciles Deposits against the Client's AR based on the invoice, payer and other Reconciliation Rules as determined by the Client. The Client acknowledges and agrees that CBD is not liable for incorrect, incomplete or failure of Reconciliation in the following instances:

(a) The Deposit information is closely or exactly matching different AR records.

(b) The Deposit information is incorrect, incomplete or missing.

2.17 If Deposit is not reconciled based on the Exact Matching rules, then the system will attempt to reconcile the Deposit based on the Generic Matching rules. Any Deposit not reconciled will remain un-matched until matched by the Client in the system. The Client, at its own discretion, may perform manual matching or reconciliation through iBusiness.

2.18 The Client acknowledges and understands that CBD is not liable in any way for the accuracy of information as provided by its Payers. The Client is solely responsible for instructing its Payers on how to make Deposits into the Client's accounts.

2.19 The Client is solely responsible for updating the system with its Payer and Invoice records, and the accuracy thereof, in order to perform the Reconciliation.

2.20 The Service may perform a String Search on each Deposit based on the format of the Invoice provided by the Client. The Service will reconcile such Deposit subject to:

(a) the Invoice number being in the correct format as provided by the Client,

(b) the Invoice number being available as part of the transaction narration, and

(c) the availability of such a narration field for the method of Deposit used.

3. CLIENT'S UNDERTAKINGS

3.1 The Client will, and shall ensure that its personnel, act in good faith at all times when using the Service and shall ensure that the Service is used only for the purpose envisaged herein. The Client shall not and shall ensure that its personnel do not abuse or tamper with the Service, or any equipment or facilities provided by the Bank with respect to the Service.

3.2 The Client undertakes to protect its infrastructure (including its network) from viruses. The Client is responsible for ensuring that it maintains the infrastructure required to access the Service, which shall include its network and internet access.

3.3 The Client is responsible for the accuracy and completeness of Instructions (including safeguarding the security and integrity of the Service by ensuring that only authorised Users have access to the system and that authorised Users' security credentials and tokens are safeguarded at all times) and for ensuring that they will achieve the Client's intended purpose.

3.4 The Client warrants and represents that they are, at all times, the sole beneficial owners of the Accounts.

3.5 The Client undertakes to comply with relevant Anti-Money Laundering & Combating Financing of Terrorism Laws and Regulations of UAE.

3.6 The Client, in using iBusiness for accessing the Services, may assign, at its own discretion, Maker, Checker or Maker-Checker User Roles to its Users.

3.7 The Client shall immediately contact CBD if the Client suspects or becomes aware of:

(a) Any failure of any part of the Services.

(b) Any error in any part of the Services.

(c) Any error affecting any data accessible through the Services; and/or any programming error or defect or corruption of any part of the Services, and the Client shall promptly assist CBD in implementing any necessary remedial steps.

3.8 The Client undertakes not to:

(a) use the Services in a way or for a purpose not authorised or intended by CBD.

(b) use the Services in contravention of any applicable law or regulation.

(c) use the Services other than for the Client or the Client's affiliates' business purposes;

(d) permit any third party to use the Services or seek to gain or permit any third party to gain unauthorised access to any system or network of CBD.

(e) Transmit or upload any material that contains viruses, Trojan horses, worms, time bombs or any other harmful programs which may interfere with or disrupt the Services or any network connected thereto.

4. BANK'S UNDERTAKINGS

4.1 CBD makes no representations or warranties as to the suitability of any personal computer or modem provided or obtained by the Client for the purpose of using the Services. The Client will be responsible for maintaining personal computers and any other required hardware, equipment or telecommunication lines, at the Client's expense.

4.2 Provided that a User ID, PIN and/or Token (as applicable) have been used for access, CBD is entitled to assume that any access and operation of the Service has been made by a User, regardless of the true identity of the person accessing and operating the Service. CBD's records of the Service transactions shall be prima facie evidence of such access and operation.

4.3 CBD may treat all apparently valid Instructions received by CBD through the Service as properly authorised by the Client, even if made fraudulently and even if they conflict with the terms of any other instructions or mandates given by the Client at any time concerning the Clients' Accounts or affairs. CBD shall be under no obligation to check the authenticity of Instructions or the authority of the person or persons giving them provided that a User ID, PIN and/or Token (as applicable) have been used for access.

4.4 CBD will not be held liable for the loss, alterations or disclosure, howsoever arising, of any information sent by the Client to, or received by the Client from, the Service which is the result of any cause, event, activity or circumstances beyond its direct control

4.5 The Client may access the Service twenty-four (24) hours a day, seven (7) days a week, except during system housekeeping, or at other times when the Service is not available for any reason. CBD shall give the Client prior Notice of any planned system maintenance.

4.6 CBD may maintain details of the Client's computer operating environment, including information regarding the Client's personal computer operating system. This information is retained and used by CBD solely for the purposes of administration and troubleshooting any connection problems that may arise.

4.7 CBD does not guarantee that all Instructions submitted through the Service will be processed or fulfilled by CBD. However, subject to these terms and conditions, CBD undertakes to use all reasonable endeavours to process Instructions which the Client submits via the Service.

4.8 The Client is solely responsible for ensuring that any Instruction is correct and that CBD is under no obligation to check the correctness of any information contained in it.

5. INTELLECTUAL PROPERTY RIGHTS

5.1 The Client acknowledges that the Service system and all related content are subject to copyright and possibly other intellectual property rights (Intellectual Property Rights)

5.2 CBD (or its licensors) retain all right, title, and interest in and to the Intellectual Property Rights comprising the Service system and all related content, and nothing the Client does on or in relation to the Service system or any of the related content will:

(a) transfer any of those Intellectual Property Rights to the Client; or

(b) license the Client to exercise any of those Intellectual Property Rights unless this is expressly stated in writing.

5.3 The Client undertakes that it shall not attempt to replicate, reverse engineer or otherwise tamper, in part or in full, with the functionality of the Service.

6. CONFIDENTIALITY AND SECURITY

6.1 The Client must not, and will ensure that its Personnel do not:

(a) disclose their User ID, password or Token to any other person including any other Personnel, CBD staff, family member or friend; or

(b) act with carelessness in failing to protect the security of a Token.

6.2 CBD reserves the right not to give advance Notice to the Client when changes are necessitated by an immediate need to restore or maintain the security of the Service or its systems or the Client's Accounts.

6.3 Additional Authorised Signatories can only be created in accordance with the procedures specified by CBD from time to time.

7. FEES AND CHARGES

7.1 The Client will pay to CBD the fees and charges for the Client's application and for ongoing use of the Service as set by CBD, the amount and nature of which are set out in the annexure to this Agreement.

7.2 CBD reserves the right to amend or vary its fees and charges related to the Service from time to time by mutual agreement with the Client.

7.3 The Client authorizes CBD to deduct fees and charges due from the Client's Account. The Client undertakes to ensure that its Account is sufficiently funded to cover for such fees and charges. In the event that the Client's Account does not have sufficient funds to cover such fees and charges, the Client shall pay such shortfall on demand and agrees that any of the Client's other Accounts with CBD, irrespective of their designation, may be debited with the relevant payments or amounts due or any part thereof.

8. LIABILITY AND INDEMNITY

8.1 Except to the extent its own fraudulent, willful or negligent acts or omissions cause loss or damage CBD will not be responsible for and excludes all liability for loss or damage (including any indirect or consequential loss or damage) that the Client may suffer or incur by reason or in connection with the Client's use of the Service whether or not it is attributable to CBD, its agents or employees including (without limitation):

   (i) any act or omission of CBD, its agents or employees in relation to the Service or the Client's use of the Service;

   (ii) the inability on the Client's part to access the Service through a telecommunications network or where access to the Service is overloaded, suspended, terminated or otherwise unavailable or unsatisfactory for whatever reason;

   (iii) where CBD acts on an Instruction purporting to be, but which is not in fact, from an authorised User;

   (iv) if for any reason the Service system fails, is unavailable or does not perform as expected or required;

   (v) any error contained in an Instruction or any delays in complying with an Instruction; and

   (vi) any other matter in respect of which liability is excluded under these terms and conditions.

8.2 The Client will indemnify CBD fully against any liability, loss or damage suffered or incurred by CBD howsoever arising and by whomsoever caused, whether arising directly or indirectly from the Client's use and operation of the Service or the Client's access to the Service, except to the extent such liability, loss or damage is due to the willful acts or gross negligence of CBD.

8.3 The Client will indemnify and continue to hold indemnified CBD in full for any claims or demands made by any person against CBD in consequence of CBD having acted in accordance with an Instruction.

8.4 CBD will not be responsible for any loss of or damage to the Client's data, software, computer, telecommunications or other equipment's caused as a result of iPrint service.

8.5 The Client irrevocably agrees to release CBD and hold CBD harmless from and against all actions, suits proceedings, costs, claims, demands, charges, expenses, losses and liabilities however arising out of or in connection with the provision of the Services, including but not limited to the following:

   (a) CBD having acted in good faith in accordance with the Client's Instructions using the Service, notwithstanding that such Instruction(s) may have been initiated or transmitted in error or fraudulently altered, misunderstood or distorted in the lines of communication or transmission; or

   (b) CBD having refrained from acting in accordance with the Client's instructions by reason of failure of actual transmission thereof to CBD or receipt by CBD for whatever reason, whether connected with fault failure of the internet connection or the sending or receiving machine; or

   (c) CBD having refrained from acting in accordance with the Client's instructions, if (i) by doing so it shall be in breach of any law, regulation, or (ii) it suspects that there may be any fraud or illegality (including, without limitation any breach of Central Bank of the UAE regulations relating to money laundering); or (iii) instructed to do so by the Central Bank of the UAE, a competent court of law, law enforcement agency or other regulatory authority.

9. TERMINATION

9.1 CBD may, in its absolute discretion, suspend or terminate the Client's use of the Service in whole or in part at any time with immediate effect without prior notification to the Client, including (without limitation) where it determines that it is necessary in order to protect the security of the Service or the interests of CBD. In all other circumstances, CBD must give the client at least thirty (30) days' prior written Notice of any suspension or termination of the Client's use of the IBusiness Service.

9.2 The Client may terminate the Client's use of the Service by written Notice of termination to CBD. Such termination:

   (a) notwithstanding clause 13, will not be effective unless the Notice of termination is actually received by CBD at the address specified in clause 16;

(b) will take effect from 5pm Dubai time on the Business Day after the day on which CBD actually receives Notice of termination; and

(c) will not affect any obligations incurred by the Client in respect of use of the Service prior to termination.

9.3 All moneys due and owing to CBD in connection with the Service, if not already due and payable, will immediately become due and payable upon the date that CBD actually receives Notice of termination.

10. VARIATIONS

10.1 These terms and conditions may be altered, amended or added to by CBD by giving at least 30 days' Notice. However before implementing these changes the Client will be given advance intimation of such changes to the agreement.

10.2 CBD has the right, in its sole discretion, to change or cancel any of the services that comprise the Service.

11. ASSIGNMENT

11.1 The Client must not in any way assign or transfer to any other person any of the Client's rights and interests under these terms and conditions.

11.2 CBD may assign any of its rights and interests under these terms and conditions without the Client's consent.

12. NOTICES

12.1 A Notice given by CBD to the Client will be deemed to be duly given or made:

(a) if it is:

(i) in writing signed by an authorised officer of CBD; and

(ii) left at the address of the first-named party in the Application Form, sent by courier, sent by prepaid ordinary post (airmail if posted in or from a place outside Dubai) to that party's address, or sent by facsimile to that party's facsimile number; or

(b) if it is given or made electronically from CBD to the Client provided that any Notice given pursuant to Clause 10 may not be given or made electronically.

12.2 A Notice given by the Client to CBD (at the below given address) will be deemed to be duly given or made if it is:

(a) in writing signed by the Client; and

(b) left at CBD's address, sent by courier, sent by prepaid ordinary post (airmail if posted in or from a place outside Dubai) to CBD's address, or sent by facsimile to CBD's facsimile number.

Bank Address:

Commercial Bank of Dubai
P. O. Box: 2668
Dubai, U.A.E.

12.3 A posted letter or facsimile is taken to be received:

(a) In the case of a letter sent by courier, on the day of the courier's signed receipt or, if such day is not a Business Day, on the following Business Day.

(b) in the case of a posted letter, on the third (seventh, if posted to or from a place outside Dubai) day after posting; and

(c) in the case of a facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient.

12.4 A Notice delivered in accordance with clause 13.1(b) is deemed to be received when it enters the Client's computer and is effective when received even if no person is aware of its receipt (provided that if such Notice is received on a day which is not a Business Day it will be deemed received on the next Business Day).

13. RELATIONSHIP OF CBD AND THE CLIENT

Except as expressly provided in this agreement:

(a) nothing in this agreement is intended to constitute a fiduciary relationship or an agency, partnership or trust; and

(b) no party has authority to bind the other party.

14. SEVERABILITY

Any term of this agreement that is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this agreement is not affected.

15. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

16. GOVERNING LAW AND JURISDICTION

These Terms and Conditions shall be construed in accordance with the laws of United Arab Emirates and the rules, regulations and directives of the Central Bank of United Arab Emirates. The law governing the Accounts or any Banking Service or transaction is the law of the emirate in which the Account maintained.

In the event of a dispute arising in relation to any Account, Banking Service or transaction the courts of such Emirates shall have jurisdiction, provided that the Bank may, if it deems appropriate, bring proceedings in any other jurisdiction, inside or outside the United Arab Emirates.

17. ENTIRE AGREEMENT

The approved Application Form, any approved Additions/Amendment Request Forms and these terms and conditions are the entire agreement between the Client and CBD in respect, and all other terms, undertakings and warranties are excluded.

Signed by the parties' duly authorised representatives

_____
Authorised Signature and Company Stamp

_____
Name

_____
Title

_____
Date

_____
Authorised Signature and Company Stamp

_____
Name

_____
Title

_____
Date

FOR BANK USE ONLY

_____
Signature and stamp on behalf of Commercial Bank of Dubai