

## Company Authorization Agreement

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between \_\_\_\_\_ (COMPANY) whose address is \_\_\_\_\_, \_\_\_\_\_ (PROCESSOR), and INTERCEPT CORPORATION (IC).

### I. Services Provided

- 1.0 Company has authorized Processor to create and transmit ACH files to IC for the purpose of transferring funds through the Automated Clearing House (ACH) pursuant to the terms of this Agreement, an Agreement with Processor, the rules of the National Automated Clearing House Association (NACHA), laws of the State of North Dakota, and applicable federal rules and regulations for various purposes including, but not limited to providing direct deposit of payroll for Company's employees (Transactees), transfers of funds for flexible benefits plans, tax impounding or any other reason Company may desire to transfer funds electronically through the ACH, which purposes have been approved by IC. Company stipulates that any action that IC takes hereunder is pursuant to apparent authority of Processor and Company, its agents, assigns, officers, directors, employees.

### II. Automated Transfers

- 2.0 COMPANY UNDERSTANDS THAT IC PROVIDES ITS SERVICES ONLY TO PROCESSOR AND COMPANY TO FACILITATE THE MOVEMENT OF FUNDS THROUGH THE ACH. ALL FUNDS TO BE TRANSFERRED, WHETHER PAYROLL, FLEX BENEFITS, OR FOR ANY OTHER REASON, MUST BE PRE-FUNDED AND FULLY GUARANTEED BY PROCESSOR AND COMPANY.
- 2.1 Company warrants it will have sufficient funds on hand in the bank account disclosed herein to honor all transfer instructions received and processed by IC. In the event that transfer instructions are sent to IC and there are not sufficient funds on hand to honor the transfer instructions, such transfer instructions shall be "in error". Company authorizes IC to correct any transfer of funds if the transfer was not properly funded or honored by Company, Company's customers, Transactees, or Company's Bank without any liability to IC. Processor and Company shall be liable to IC for all damages/losses incurred including costs, attorney's fees, and other expenses and Processor and Company hereby authorizes IC to transfer funds from said accounts to reimburse IC for all said losses upon notice to Company.
- 2.2 Company represents that all debit and credit entries have been authorized and that an authorization agreement is of record. Processor and Company will indemnify and hold IC harmless for any failure by Processor and Company to have authorization agreements of record.
- 2.3 Company and/or Company's Customer or Transactee shall have 60 days from the transaction date to notify Processor or IC, in writing, of any discrepancies, errors or problems with a processed transaction, including but not limited to, errors in amounts, erroneous transactions, or other transactions processed.

### III. Liability and Indemnification

- 3.0 PROCESSOR AND COMPANY AGREE TO INDEMNIFY AND HOLD IC HARMLESS FROM ANY AND ALL CLAIMS OF ANY PERSONS WHATSOEVER ARISING OUT OF IC'S PROCESSING ACTIVITIES FOR COMPANY OR COMPANY'S EMPLOYEE/CUSTOMER UNDER THE TERMS OF THIS AGREEMENT EXCEPT TO THE EXTENT THAT SUCH CLAIMS ARISE OUT OF IC'S GROSS NEGLIGENCE OR WILFULL MISCONDUCT, AND THEN ONLY IF PROCESSOR AND COMPANY ARE IN FULL COMPLIANCE WITH THE TERMS OF THEIR RESPECTIVE AGREEMENTS WITH IC INCLUDING, BUT LIMITED TO, SECTION 2.2 HEREIN. SUCH CLAIMS MAY INCLUDE, BUT ARE NOT LIMITED TO, CLAIMS OF COMPANY'S CUSTOMER'S, EMPLOYEES, OR OTHER TRANSACTEES CONTENDING THAT THE TRANSFER WAS UNAUTHORIZED, STOP PAYMENT ORDER WAS ISSUED, ACCOUNT CONTAINS INSUFFICIENT FUNDS, AND ANY OTHER CLAIMS ASSERTED BY SAID CUSTOMER OR TRANSACTEE OR TAXING AUTHORITIES WHOSE CREDITS MAY HAVE BEEN REVERSED OR BANKS WHO MAY HAVE SUFFERED DAMAGE OR LOSS BECAUSE OF INSUFFICIENT FUNDS OF COMPANY. COMPANY UNDERSTANDS AND AGREES THAT IC HAS NO DIRECT FINANCIAL INTEREST IN THE DEBITS AND CREDITS PROVIDED, PURSUANT TO THIS AGREEMENT, AND IS PROVIDING A SERVICE TO COMPANY FOR A FEE. ALL RISK OF LOSS AND LIABILITY TO ANY PERSON OR ORGANIZATION ARISING OUT OF THE SERVICES FURNISHED HEREUNDER SHALL BE THAT OF COMPANY AND PROCESSOR AND NOT IC.
- 3.1 IC is not responsible for the actions of Processor, Company, or others with respect to the amount, accuracy, and timeliness of transmittals or authorization of entries received from Processor. The acts of any other person or organization including, without limitation, banks or other financial institutions, or transmissions facilities, shall not be deemed the acts of IC. Processor and Company shall hold IC harmless from any transfers IC makes upon the direction of Processor or Company when such direction is without proper authority and/or in error. Processor and Company agree that they are responsible and liable for any failure to have authorization for any transfers contemplated hereunder.
- 3.2 To the extent that IC's ability to provide the equipment, facilities or personnel is delayed, reduced, or interrupted by a force beyond IC's control, including, but not limited to, acts of God, public enemy, inclement weather, interruption of communications systems, physical damage to IC's premises, labor disputes, orders or directives of any governmental or quasi-governmental authority, IC shall not be required to perform its obligations under this Agreement or be liable to Processor, Company or Company's Transactee's for any failure to perform.

### IV. Fees

- 4.0 Processor, pursuant to the terms of the Processor Agreement, have authorized IC to electronically collect all sums of money due IC for services provided. In the event IC is unable to collect all sums of money due IC from the Processor, Company authorizes IC, pursuant to terms and conditions of this Agreement, to collect all sums of money from Company due IC immediately when due from the bank account as stated in section 5.6 below.

**V. Miscellaneous**

- 5.0 **Entire Agreement:** This Agreement whether executed as one instrument or in counterparts (including by pdf or facsimile), the current IC Processing Policies, and the Authorization for Debit and Credit Electronic Funds Transfers constitute the entire Agreement between Company and IC and correctly describe the parties mutual understanding of this Agreement. Any and all oral or written agreements, representations or understandings between the parties entered into or made prior to or made contemporaneously with the effective date of this Agreement have been incorporated into this Agreement or were revoked, released or terminated before the effective date of this Agreement. No modifications, deletions, additions, nor amendments to this Agreement shall be binding on IC unless the same are reduced to writing and the writing is signed by IC. All of the terms of this Agreement are subject to the approval of IC and unless IC has executed this Agreement, such approval has neither been obtained nor granted. The parties to this Agreement agree to execute whatever documents are reasonably necessary to carry out the terms and effect of this Agreement.
- 5.1 **Relationship of Parties:** The parties relationship hereunder is to be that of independent contractors. This Agreement is solely for the benefit of the undersigned and may not be relied upon or enforced by any third party. In no event shall any party be deemed an agent, employee, partner or joint venturer of the other or have the authority to bind the other in any way.
- 5.2 **Governing Law:** This Agreement shall be governed by the laws of the State of North Dakota; NACHA; and applicable Federal law Any dispute regarding this Agreement shall be tried and litigated exclusively in the State and Federal Courts located in Cass County, North Dakota. All parties consent to the jurisdiction of said Courts.
- 5.3 **Termination of Agreement:** Any party to this Agreement may terminate this Agreement upon fifteen (15) days written notice, except that upon any failure by Company or Processor to observe any term or condition of this Agreement, IC may immediately terminate this Agreement upon written notice sent to Company and Processor. Company's representations, obligations and duties shall survive termination of this Agreement and Company shall indemnify and hold IC harmless and shall be liable to IC for all sums of monies due and payable hereunder to IC.
- 5.4 **Term of this Agreement:** The term of the Agreement will be for one (1) year from the date of this Agreement and will automatically renew for subsequent successive periods of one (1) year each thereafter, unless either party provides the other party written notice of termination fifteen (15) days prior to the end of any succeeding term of this Agreement.
- 5.5 **Electronic Funds Transfer (15 U.S.C. § 1693):** Company acknowledges that it has been fully advised by its financial institutions and represents and warrants that all of the parties having funds, pursuant to this Agreement, debited and/or credited to or from their financial accounts, are fully advised of and aware of their rights and remedies pursuant to the Electronic Funds Transfer Act found at 15 U.S.C. § 1693, ex el., including, but not limited to the right to receive documentation, right to stop payment, or preauthorized transfers, charges for electronic funds transfers for the right to make such transfers and that Company is in full compliance with such act.
- 5.6 **Compliance with OFAC:** Company further agrees to be in compliance with the Office of Foreign Assets Control Department (OFAC) including verification that Company shall not transact business with individuals appearing on the OFAC specifically designated individuals and corporate entities/nationals and blocked persons list (SDN).
- 5.7 **Account Authorization:** Company authorizes Processor and or IC to initiate electronic debit and or credit entries to and from the bank account disclosed below. Company understands that adjustment entries may be made to this account to insure an accurate and balanced accounting of all transactions. This authorization will remain in effect until Company cancels authorization in writing.

Name on Bank Account \_\_\_\_\_  
 Bank Name \_\_\_\_\_  
 Bank Routing Number (nine digits) \_\_\_\_\_  
 Bank Account Number \_\_\_\_\_  
 Account Type (checking or savings) \_\_\_\_\_

- 5.8 **Notification:** All notices or other communications required or permitted hereunder shall be in writing and shall be effective upon the earliest of: (a) personal service, (b) upon receipt if mailed, (c) the next business day, if sent by overnight courier within the United States, or (d) upon confirmation (including electronic verification) of receipt of a facsimile message, addressed:

If to IC, to: If to Company, to the location/fax as set forth on Company's Client Information Form:  
 Intercept Corporation  
 Attention: Bryan Smith  
 1700 42nd Street S, Suite 2000  
 Fargo, ND 58103  
 Fax: (701) 241-9930

Notice may be given at such other addresses as may hereafter be furnished in writing by the respective parties if given in the manner required above.

COMPANY	PROCESSOR	INTERCEPT CORPORATION
_____ Signature of Authorized Agent	_____ Signature of Authorized Agent	_____ Signature of Authorized Agent
_____ Name Printed	_____ Name Printed	_____ Name Printed
_____ Title	_____ Title	_____ Title
_____ Telephone Number		
_____ Federal Tax ID Number		



## Intercept Corporation Processing Policies

The following constitute the processing policies established by Intercept Corporation and are incorporated by reference into its Processor Agreement and Company Authorization Agreement.

**Transfers and Transmittals:** Intercept Corporation (IC) may refuse to follow Processor's transfer instructions if IC reasonably and in good faith believes that Company's bank account balance is insufficient to fund the dollar amount of the payment instructions, IC reasonably believes that Company, Company's customer, or Company's Transactee Bank will return, reverse or otherwise dishonor the debit to Company's, Company's customer, or Company's Transactee's bank or for any other reason IC deems reasonable.

If any amount transferred from or to Company, Company's Transactee or customer's account is dishonored or returned for any reason, including, but not limited to insufficient funds, account closed, unable to locate account, unauthorized transfer, or is reversed by Company, Company's Transactee and/or Transactee's Bank, IC may:

- a. Reverse any corresponding transfers issued to Processor, Company, Company's Transactee, Company's customer or any other party without liability to Processor, Company, or Company's Transactee or any other party;
- b. Require Processor or Company to wire transfer to IC by no later than 2:00 PM Central Time the day Processor and/or Company were notified of said return;
- c. Re-submit the item and Processor and/or Company will be charged a fee

The processing time limitations are located on the following website: [www.intercepteft.com](http://www.intercepteft.com)

Processor and Company shall have no right to cancel or amend any entry after its receipt by IC. At Processor's or Company's request, IC shall use reasonable efforts to cancel or amend an entry prior to transmittal to the ACH but shall have no liability if such cancellation is not effected.

**Errors and Discrepancies:** Company and/or Company's Customer or Transactee shall have 60 days from the transaction date to notify Processor or IC, in writing, of any discrepancies, errors or problems with a processed transaction, including but not limited to, errors in amounts, erroneous transactions, or other transactions processed. Any such notification must contain the following information:

- a. Company transaction processed under with Fed Tax ID Number;
- b. The name, account number and ABA number on the transaction in question;
- c. The dollar amount of the transaction in question;
- d. Description of the error and explanation of the error.

IC will inform Company and/or Processor of the results of its investigation within 45 days and will correct any error promptly. For transfers initiated outside the United States or transfers resulting from point of sale or debit/access cards, the time period for investigating errors will be 90 days.

**Authorized Representative:** The Processor and Company will designate Authorized Representatives to act on the Processor's and Company's behalf, which shall have the authority to authorize all actions necessary in the preparation and generation of the Processor's and Company's entries. IC shall not be under a duty to inquire as to the authority or propriety of any instructions given to IC by the Processor or Company or any of the Processor's or Company's Authorized Representatives. IC shall be entitled to rely upon all ACH instructions conveyed to IC. IC shall be entitled to act upon the instructions of any person whom is the Processor's or Company's Authorized Representative, whether or not the Processor or Company have authorized such instructions. IC shall not be liable for any loss, cost, expense or other liability arising out of any such instructions.

**Passwords:** The Processor and Company agree that IC may send notices and other communications, including IDs, USER IDs, AND PASSWORD(S) to the current address shown in IC's records, whether or not that address includes a designation for delivery to the attention of any particular individual. IC will not be responsible or liable to the Processor or Company in any way if information is intercepted by an unauthorized person, either in TRANSIT or at the Processor's or Company's place of business unless the interception was caused by IC's breach of reasonable security measures under the circumstances. The Processor and Company must: (1) keep the Processor's and Company's PASSWORD(S) secure and strictly confidential, providing it only to Authorized Representatives on the Processor's and Company's account(s); (2) instruct each person to whom the Processor and Company gives PASSWORD(S) that he or she is not to disclose it to any unauthorized person; and (3) immediately notify IC to get a new PASSWORD assigned if the Processor or Company believe a PASSWORD may have become known to an unauthorized person. IC WILL HAVE NO LIABILITY TO THE PROCESSOR OR COMPANY FOR ANY UNAUTHORIZED PAYMENT OR TRANSFER MADE USING THE PROCESSOR'S OR COMPANY'S PASSWORDS THAT OCCUR BEFORE THE PROCESSOR OR COMPANY HAVE NOTIFIED IC OF POSSIBLE UNAUTHORIZED USE AND IC HAS HAD A REASONABLE OPPORTUNITY TO ACT ON THAT NOTICE WITHIN A REASONABLE TIME. IC may suspend or cancel the Processor's or Company's PASSWORD(S) even without receiving such notice from the Processor and Company if IC suspects a PASSWORD is being used in an unauthorized or fraudulent manner.

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