

**PAYEE LETTER OF UNDERTAKING**  
**Business and/or Personal Pre-Authorized Debit ("PAD") Plan**  
**March 2009**

**TO:                   BANK OF MONTREAL (the "Bank")**

In consideration of the Bank agreeing to collect debits in paper, electronic or other form (a "PAD")<sup>1</sup> as instructed by us, and in consideration of other financial institutions ("**Processing Members**") agreeing, through the Rules (the "**CPA Rules**") of the Canadian Payments Association (the "**CPA**"), to accept PADs drawn on accounts of their customers ("**Payors**"), we undertake and agree as follows:

1. (a) We shall comply with, respect and apply the CPA Rules, including, without limitation, any requirement of pre-notification or waiver of pre-notification as set out in CPA Rule H1, and any other rules or regulations which may affect the services provided by the Bank, as may be introduced in the future or are currently in effect and to execute and obtain any further documentation which may be prescribed from time to time by the CPA in respect of PADs. Without limiting the foregoing, we agree not to initiate any debits which do not comply with the eligibility or other requirements set out in the CPA Rules. A copy of the pre-notification requirements currently in place is attached as Schedule "A" to this Payee Letter of Undertaking.
- (b) The Bank shall not be liable for any delay, damage, penalty, cost, expense or inconvenience to us or any other person resulting from the Bank's failure to perform any of the services herein contemplated by reason of any cause beyond the Bank's control.
- (c) We shall be solely responsible for the accuracy and completeness of all information furnished to the Bank. We agree that the Bank shall not be responsible in any way for errors resulting from the inaccuracy or incompleteness of any information furnished to the Bank by us or any officer, employee or agent of ours. We agree that the Bank and other Processing Members may rely on the transit and account numbers provided and that the Bank and other Processing Members shall not be required to confirm the correctness of the Payor's name, the existence or obligations of any Payor, the existence or validity of any Payor's PAD Agreement or to compare any account number with account name.
- (d) We shall indemnify and hold the Bank and all Processing Members harmless from and against all losses, costs, fees, damages, expenses, liabilities, claims, suits and demands whatsoever that the Bank or any Processing Member may suffer, incur or be under or that may be made or brought against the Bank or any Processing Member, by whomsoever made or brought, by reason of or in any way arising out of the action in drawing and issuing any PAD as instructed or issued by us, including, without limitation, for any amounts that may be erroneously paid by the Bank or any Processing Member pursuant to any PAD issued in accordance with our instructions or resulting from the inaccuracy or incompleteness of any information furnished to the Bank by us or any officer, employee or agent of ours.
- (e) We shall indemnify and hold the Bank and all Processing Members harmless from and against and reimburse the Bank and any Processing Member for payment of any claim, made in accordance with the CPA Rules Manual or otherwise, and in respect of any disputed PADs including, without limitation, for any interest claims, claims resulting from stop payments and any declaration filed by a Payor or other person in accordance with the CPA Rules or any claim by a Payor or Processing Member alleging that a PAD was not drawn in accordance with the Payor's PAD Agreement, that the Payor's PAD Agreement was revoked, that any pre-notification was not received by the Payor as required by the CPA Rules or the Payor's PAD Agreement, that no contractual relationship ever existed between the person making the claim and ourselves or that no Payor's PAD Agreement was ever signed by the Payor. We acknowledge that this indemnification is enforceable by the Bank notwithstanding any assertion by us respecting the validity of any Payor's declaration or claim.
- (f) Force Majeure. The Bank shall not be liable to us and/or to any other person who may claim through us for any delay, damage, penalty, cost, expense or inconvenience to us or any other such person resulting from failure on Bank's part to perform any of the services herein contemplated by reason of any cause beyond Bank's control.

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<sup>1</sup> Capitalized terms that are not otherwise defined in this Payee Letter of Undertaking are defined in CPA Rule H1.

2. We agree that we shall accept responsibility for, and that the Bank may debit our account for, the amount of any PADs returned by Processing Members for any reason, including disputed, countermanded or "NSF" PADs, and that such items may be treated by the Bank as other payment items which are credited to our account and subject to other agreements between us, except as otherwise modified herein.
3.
  - (a) We represent, warrant and guarantee to the Bank that prior to initiating any PAD against a Payor's account the Payor will have executed a Payor's PAD Agreement with us; substantially in the form attached as Schedule "B"; or as set out as Samples of Pre-authorized Debit (PAD) Agreements in Appendix II of CPA Rule H1 (or any replacement thereof); or otherwise duly Authorized, and that such Payor's PAD Agreement shall contain all mandatory provisions and requirements pursuant to CPA Rule H1.
  - (b) We agree to initiate PADs strictly in accordance with the Payor's PAD Agreement signed or otherwise duly Authorized by each Payor.
  - (c) We agree that in each Payee Letter of Undertaking, subject to the expiry of any reasonable cancellation notice period, not to exceed 30 days, that has been clearly set out in any agreement between the Payor and us (including in a Payor's PAD Agreement), upon our receipt of any Written or otherwise oral communication from a Payor clearly instructing us to cease issuing PADs or otherwise revoking a Payor's PAD Agreement or an Authorization to issue PADs, we shall use best efforts to cancel the PAD in the next business, billing or processing cycle but shall within not more than 30 days from the notice cease to issue any new PADs against that Payor and not issue any further PADs against that Payor unless and until that Payor provides us with a new Payor's PAD Agreement.
  - (d) We represent, warrant and guarantee to the Bank that each Payor on whose behalf any debit purports to have been drawn or direction purports to have been given, will have signed or otherwise duly Authorized and delivered to us a written or otherwise duly Authorized request authorizing us to issue debits, and where applicable, given a direction pursuant to such a written or otherwise duly Authorized request, to issue a debit as though it were signed by such Payor and authorizing such direction to be acted upon as though it were a written direction signed by the Payor. In addition, we confirm that: (i) the Payor's PAD Agreement will have been signed or otherwise duly Authorized by the valid signing authority(ies) for the Payor's account; and (ii) the signature or otherwise duly Authorized method employed by the Payor meets the requirements of CPA Rule H1 and is in a form that constitutes proper authority for us to debit the Payor's account as may be set out in the Payor's account agreement with that institution.
  - (e) We agree that we will, prior to issuing debits against a Payor's account, inform the Payor of the recourse, notification and all other provisions of CPA Rule H1 relevant to Payors. Where possible, we will provide each Payor with a copy of the Payor's PAD Agreement signed or otherwise duly Authorized by the Payor.
  - (f) We agree to provide the Bank, within 5 business days of the Bank's request, a copy of any Payor's PAD Agreement in respect of which we have issued a PAD. We authorize the Bank to provide any Payor's PAD Agreement received by the Bank to the Payor and the Processing Member.
  - (g) When issuing PADs with a sporadic frequency, we agree to obtain a proper authorization from the Payor for each and every PAD with sporadic frequency prior to initiation of such PADs, in accordance with CPA Rule H1 or where applicable, we agree to have the Payor provide such proper authorization directly to the Bank for each and every PAD with sporadic frequency prior to initiation of such PADs.
4. **Change of Sponsoring Member/Termination**  
We undertake and agree to reimburse the Bank and/or any Processing Member for payment of any claim made by a Payor in accordance with the CPA Rules Manual.

This Payee Letter of Undertaking may be terminated by us or the Bank provided that written notice of such termination is given by the terminating party to the other party not less than 30 days prior to the day upon which such termination is to take effect.

Notwithstanding any termination of this Payee Letter of Undertaking, the provisions of CPA Rule H1 and the indemnification provisions of this Payee Letter of Undertaking will remain in full force and effect with respect to any PAD drawn and issued or other media delivered by the Bank in accordance with the provisions of this Payee Letter of Undertaking prior to the date upon which such termination takes effect.

5. Assignment by the Payee – This Payee Letter of Undertaking may not be assigned by us (the Payee), whether directly or indirectly, by operation of law, change of control or otherwise, without the prior Written consent of the Bank (Payee's Sponsoring Member).

6. No Payor's PAD Agreement entered into by us may be assigned by us whether directly or indirectly, by operation of law, change of control or otherwise except:

a) with respect to the assignment of a Paper Agreement:

i) if we have prominently displayed (e.g. in bold print, highlighted or underlined) an assignment clause in the Payor's PAD Agreement and we have provided to the Payor Written notice of the full details of such assignment, including the identity and contact information of the assignee; or, ii) we have provided to the Payor, prior Written notice of the full details of such assignment, including the identity and contact information of the assignee, a minimum of ten (10) days in advance of any PAD being issued in the assignee's name; or,

b) with respect to the assignment of an Electronic Agreement:

i) if the Confirmation contains, in addition to the clauses on the mandatory form set out in Appendix IV CPA Rule H1, an assignment clause that is prominently displayed (e.g. in bold print, highlighted or underlined) and we have provided to the Payor Written notice of the full details of such assignment, including the identity and contact information of the assignee; or, ii) we have provided to the Payor, prior Written notice of the full details of such assignment, including the identity and contact information of the assignee, a minimum of ten (10) days in advance of the next PAD being issued in the assignee's name;

7. Notice of Payee Name Change

We will provide a minimum of ten (10) days written notice to the Payor in advance of the next PAD, where our name has changed.

8. Time Limitation for Reimbursement

We agree to reimburse the Bank for any claim paid by the Bank as a result of a Reimbursement Claim filed by a Payor or other person alleging that a PAD was not drawn in accordance with its Payor's PAD Agreement, a Payor's PAD Agreement was revoked, any required Pre-notification was not given at least 10 calendar days before the date a related PAD was processed to the account of a Payor, Confirmation was not provided in accordance with section 16 of Rule H1 or no Payor's PAD Agreement existed between the person making the claim and ourselves with respect to a particular PAD

9. Notices of Change

We undertake and agree to (a) accept and act on any notice of change of a Payor's payment routing information that we receive from our Sponsoring Member that was provided to the Sponsoring Member by the Payor's Processing Member in relation to an administrative change to that information by the Processing Member pursuant to Rule F12 that does not involve changing that Processing Member and (b) deem such notice of change to be that Payor's authorization to change its relevant payment routing information, provided that the Bank shall be responsible to us only for the accuracy of information provided in any such notice of change that it provides to the Payee.

10. Re-presentation

Upon the return of a PAD for reason of "Non-Sufficient Funds" or "Funds Not Cleared", we may re-present the PAD electronically on a one-time only basis for the same amount as the original debit and such item may only be re-presented within 30 days, The Payee Letter of Undertaking shall specifically state that a re-presentation shall not contain interest, NSF charges or any other charges in addition to the original PAD amount.

11. Cash Management PADs only:

a) where the Payor and the Payee are the same person, the Payor's shall provide continuing but revocable Authorization to debit its designated account with such Cash Management PADs in a form that constitutes proper authority for the Payor's Processing Member to debit the Payor's designated account as may be set out in the Payor's account agreement with its Processing Member;

b) where the Payee and Payor are not one and the same entity, but are closely-affiliated Businesses, the Payor shall sign or otherwise duly Authorize the Payee Letter of Undertaking related to that Cash Management PAD in a form that constitutes proper authority for the Payor's Processing Member to debit the Payor's designated account as may be set out in the Payor's account agreement with its Processing Member prior to any Cash Management PADs being issued against the Payor's account;

12. It is the express wish of the parties that this Payee Letter of Undertaking and any related documents be drawn up and executed in English. Les parties conviennent que la présente lettre d'engagement du bénéficiaire et tous les documents s'y rattachant soient rédigés et signés en anglais.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
[NAME OF PAYEE]

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## SCHEDULE "A"

### Pre-notification requirements of CPA Rule H1 for Business and Personal PADs Recurring at Set Intervals December 2008

#### Fixed Amount PADs\*

##### Paper Agreements:

Payee must give notice to the Payor of the amount to be debited and the date(s) of debiting at least 10 calendar days before the due date of the first PAD.

Payee must notify the Payor at least 10 calendar days before a change in the amount (including, but not limited to, an annual top-up or adjustment) or payment date, and such notice shall be given to the Payor every time there is a change in the amount or payment date.

##### Electronic Agreements:

Payee must give notice to the Payor of the amount to be debited and the date(s) of debiting at least 15 calendar days before the due date of the first PAD.

Payee must notify the Payor at least 10 calendar days before a change in the amount (including, but not limited to, an annual top-up or adjustment) or payment date, and such notice shall be given to the Payor every time there is a change in the amount or payment date.

#### Variable Amount PADs\*

##### Paper Agreements:

Payee must notify the Payor at least 10 calendar days before the due date of each PAD of the amount and due date of debiting.

##### Electronic Agreements:

Payee must notify the Payor at least 15 calendar days before the due date of first PAD of the amount and due date of debiting.

Payee must notify the Payor at least 10 calendar days before the due date of every subsequent PAD of the amount and due date of debiting.

#### Method of Providing Pre-notification

##### Paper Agreements

- Pre-notification must be given in writing or in any mode of reproducing words in a visible form that the Payor is capable of receiving at his/her/its address of record, including an electronic document, provided that the document is under the control of the intended recipient, the information is substantially in the same form as a paper copy and the information contained in the document is accessible if requested.
- Notwithstanding the provisions of sections 15(a) or (b) in CPA Rule H1, no Pre-notification shall be required for any PAD where the amount of the PAD will decrease as a result of a reduction in municipal, provincial or federal tax.
- Notwithstanding the provisions of sections 15(a) or (b) in CPA Rule H1, no Written notice shall be required for changes in the amount of fixed or variable amount PADs recurring at Set Intervals if the applicable Payor's PAD Agreement specifically provides for the change in amount to occur as a result of a direct action on the part of the Payor (such as, but not limited to, a telephone instruction or other remote means) requesting the Payee to change the amount of a PAD.

## **Electronic Agreements**

- Pre-notification must be given in writing or in any mode of reproducing words in a visible form that the Payor is capable of receiving at his/her/its address of record, including an electronic document, provided that the document is under the control of the intended recipient, the information is substantially in the same form as a paper copy and the information contained in the document is accessible if requested.
- Notwithstanding the provisions of sections 16(b)(ii) or (c)(ii) in CPA Rule H1, no Pre-notification shall be required for any PAD where the amount of the PAD will decrease as a result of a reduction in municipal, provincial or federal tax.
- Notwithstanding the provisions of sections 16(b)(ii) or (c)(ii) in CPA Rule H1, no Written notice shall be required for changes in the amount of fixed or variable amount PADs recurring at Set Intervals if the applicable Payor's PAD Agreement specifically provides for the change in amount to occur as a result of a direct action on the part of the Payor, (such as, but not limited to, a telephone instruction or other remote means) requesting the Payee to change the amount of a PAD.
- If mutually agreed upon by a Payor and Payee, the 15 calendar day Confirmation period in section 16(b)(i) and (c)(i) in CPA Rule H1 may be reduced to a minimum of three (3) calendar days if the Payee verifies the identity of the Payor by a Commercially Reasonable method of verification that uses information known only to the Payor and the Payee but not generally known to any other person.

## **Waiver or Modification**

- The above requirements may be waived or modified by the Payor and Payee, provided that the Payor provides a proper authorization for such waiver or modification.
- \* PADs issued in response to direct action of a Payor (such as, but not limited to, a telephone instruction) requesting the Payee to change the amount of a PAD are exempt from this requirement.

**SCHEDULE "B"**  
**PAYOR'S PAD AGREEMENT**  
**Business Pre-Authorized Debit Plan\* -**  
**Authorization of the Payor to the Payee to Direct Debit an Account**  
**December 2008**

**Instructions:**

1. Please complete all sections in order to instruct your financial institution to make payments directly from your account.
2. Please sign the Terms and Conditions on the reverse of this document.
3. Return the completed form with a blank cheque marked "VOID" to the Payee at the address noted below.
4. If you have any questions, please write or call the Payee.

**PAYOR INFORMATION** *(Please type or print clearly)*

Payor Name:	
Address:	
Telephone:	
Name(s) of Authorized Signing Officer(s):	
Signature(s) of Authorized Signing Officer(s):	Date:

**PAYOR FINANCIAL INSTITUTION/BANKING INFORMATION** *(Please type or print clearly)*

Branch Number	Institution #	Account Number
Name of Financial Institution		
Branch		
Branch Address		
City/Province	Postal Code	

**PAYEE INFORMATION** *(Please type or print clearly)*

Payee Name:
Address: Number, Street/Avenue/Blvd/Crsc/ City/Province/Postal Code

Telephone: Fax: Email:

**PAYMENT INFORMATION** *(Please type or print clearly)*

Please specify whether the payment is a: <i>(Please check one)</i>	<input type="checkbox"/> Fixed Amount: <i>(Please specify)</i> _____ <input type="checkbox"/> Variable Amount: If variable, please specify whether there is a maximum amount or indicate N/A if there is no maximum amount: _____
Occurring at: <i>(Please check one)</i>	<input type="checkbox"/> Set intervals: Please specify the timing (i.e. weekly, bi-weekly, monthly) _____ Sporadic intervals The Payor must describe the occurrence of an Event or other criteria that will trigger the debit of the account <input type="checkbox"/> Mandatory description here: _____
Are top-ups or adjustments permissible? <i>(Please check one)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No

\* This form is for PADs which relate to commercial activities of a Payor who is a corporation, organization, trade, association, government entity, profession, venture or enterprise.



**PAYOR'S PAD AGREEMENT**  
**Business Pre-Authorized Debit Plan**  
**Terms & Conditions**  
**December 2008**

1. In this Agreement "we", "us" and "our" refers to the Payor indicated on the reverse hereof.
2. We agree to participate in this Business Pre-Authorized Debit Plan and we authorize the Payee indicated on the reverse hereof and any successor or assign of the Payee to draw a debit in paper, electronic or other form for the purpose of making payment for goods or services related to our commercial activities (a "Business PAD") on our account indicated on the reverse hereof (the "Account") at the financial institution indicated on the reverse hereof (the "Financial Institution") and we authorize the Financial Institution to honour and pay such debits.

This Agreement and our authorization are provided for the benefit of the Payee and our Financial Institution and are provided in consideration of our Financial Institution agreeing to process debits against our Account in accordance with the Rules of the Canadian Payments Association.

We agree that any direction we may provide to draw a Business PAD, and any Business PAD drawn in accordance with this Agreement, shall be binding on us as if signed by us, and, in the case of paper debits, as if they were cheques signed by us.

3. We may revoke or cancel this Agreement at any time upon notice being provided by us either in writing or orally. We acknowledge that in order to revoke or cancel the authorization provided in this Agreement, we must provide notice of revocation or cancellation to the Payee.

This Agreement applies only to the method of payment and we agree that revocation or cancellation of this Agreement does not terminate or otherwise have any bearing on any contract that exists between us and the Payee.

The Payee shall use best efforts to cancel the PAD in the next business, billing or processing cycle but shall within not more than 30 days from the notice cease to issue any new PADs.

We understand that we may obtain a sample cancellation form, or further information on our right to cancel a PAD Agreement, at our financial institution or at [www.cdnpay.ca](http://www.cdnpay.ca).

4. We agree that our Financial Institution is not required to verify that any Business PAD has been drawn in accordance with this Agreement, including the amount, frequency and fulfillment of any purpose of any Business PAD.
5. We agree that delivery of this Agreement to the Payee constitutes delivery by us to our Financial Institution. We agree that the Payee may deliver this Agreement to the Payee's financial institution and agree to the disclosure of any information which may be contained in this Agreement to such financial institution.

Delete either 6(a) or 6(b) as applicable

6. (a) We understand that with respect to:
  - (i) fixed amount Business PADs occurring at set intervals, we shall receive written notice from the Payee of the amount to be debited and the due date(s) of debiting, at least 10 calendar days for Paper PADs / 15 calendar days for Electronic PADs before the due date of the first Business PAD, and such notice shall be received every time there is a change in the amount or payment date(s);
  - (ii) variable amount Business PADs occurring at set intervals, we shall receive written notice from the Payee of the amount to be debited and the due date(s) of debiting, at least 10 calendar days before the due date of every Paper PAD/ 15 calendar days for Electronic PADs before the due date of the first Business PAD and
  - (iii) fixed amount and variable amount Paper and/or Electronic Business PADs occurring at set intervals, where the Business PAD Plan provides for a change in the amount of such fixed and variable amount PADs as a result of our direct action (such as, but not limited to, a telephone instruction) requesting the Payee to change the amount of a PAD, no pre-notification of such changes is required.

- OR -

- (b) We agree to either waive the pre-notification requirements in section 6(a) of this Agreement or to abide by any modification to the pre-notification requirements as agreed to with the Payee.

If Payor agrees to waive pre-notification, Payor must sign where indicated

\_\_\_\_\_  
Signature of Payor

\_\_\_\_\_  
Signature of Payor

7. We agree that with respect to Business PADs, where the payment frequency is sporadic, a password or secret code

or other signature equivalent will be issued and shall constitute a valid authorization for the Payee or its agent to debit our account.

8. We may dispute a Business PAD by providing a signed declaration to our Financial Institution under the following conditions:
- (a) the Business PAD was not drawn in accordance with this Agreement;
  - (b) this Agreement was revoked or cancelled; or
  - (c) any pre-notification required and not waived by section 6(b) was not received by us.

We acknowledge that, in order to obtain reimbursement from our Financial Institution for the amount of a disputed Business PAD, we must sign a declaration to the effect that either (a), (b) or (c) above took place and present it to our Financial Institution up to and including but not later than ten (10) business days after the date on which the disputed Business PAD was posted to our Account.

We acknowledge that, after this ten (10) business day period, we shall resolve any dispute regarding a Business PAD solely with the Payee, and that our Financial Institution shall have no liability to us respecting any such Business PAD.

9. We certify that all information provided with respect to the Account is accurate and we agree to inform the Payee, in writing, of any change in the Account information provided in this Agreement at least ten (10) business days prior to the next due date of a Paper and/or Electronic Business PAD. In the event of any such change, this Agreement shall continue in respect of any new account to be used for Business PADs.
10. We have certain recourse/reimbursement rights if any debit does not comply with this agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on our recourse/reimbursement rights, we may contact our financial institution or visit the CPA website at [www.cdnpay.ca](http://www.cdnpay.ca).
11. We warrant and guarantee that all persons whose signatures are required to sign on the Account have signed this Agreement below. In addition we warrant and guarantee, where applicable, that we have the authority to electronically agree to commit to this Agreement by secure electronic signature and that our secure electronic signature conforms with the requirements of Rule H1.

If Paee intends to use a payment provider must include statement

12 We agree that a payment service provider will administer the PAD. [INSERT NAME] will be administering the PAD.

- 13 We understand and agree to the foregoing terms and conditions.
14. We agree to comply with the Rules of the Canadian Payments Association, or any other rules or regulations which may affect the services described herein, as may be introduced in the future or are currently in effect and we agree to execute any further documentation which may be prescribed from time to time by the Canadian Payments Association in respect of the services described herein.
15. Applicable to the Province of Quebec only: It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

Name of Payor	Per:	Signature of Authorized Signing Officer Name: Title:	Date
	Per:	Signature of Authorized Signing Officer Name: Title:	Date

**SCHEDULE "B"**  
**PAYOR'S PAD AGREEMENT**  
**Personal Pre-Authorized Debit Plan**  
**Authorization of the Payor to the Payee to Direct Debit an Account**  
**December 2008**

**Instructions:**

1. Please complete all sections in order to instruct your financial institution to make payments directly from your account.
2. Please sign the Terms and Conditions on the reverse of this document.
3. Return the completed form with a blank cheque marked "VOID" to the Payee at the address noted below
4. If you have any questions, please write or call the Payee.

**PAYOR INFORMATION** *(Please type or print clearly)*

Payor Name(s):	
Address:	
Telephone:	
Signature of Payor(s):	Date:

**PAYOR FINANCIAL INSTITUTION/BANKING INFORMATION** *(Please type or print clearly)*

Branch Number	Institution #	Account Number
Name of Financial Institution		
Branch		
Branch Address		
City/Province		Postal Code

**PAYEE INFORMATION** *(Please type or print clearly)*

Payee Name(s):
Address: Number, Street/Avenue/Blvd/Crsc/ City/Province/Postal Code
Telephone: Fax: Email:

**PAYMENT INFORMATION** *(Please type or print clearly)*

Please specify whether the payment is a:  
*(Please check one)*

- Fixed Amount: *(Please specify)* \_\_\_\_\_
- Variable Amount: If variable, please specify whether there is a maximum amount or indicate N/A if there is no maximum amount: \_\_\_\_\_

Occurring at:  
*(Please check one)*

- Set intervals: Please specify the timing (i.e. weekly, bi-weekly, monthly) \_\_\_\_\_

Sporadic intervals

Sporadic intervals

The Payor must describe the occurrence of an Event or other criteria that will trigger the debit of the account

- Mandatory description here: \_\_\_\_\_

Are top-ups or adjustments permissible?  
*(Please check one)*

- Yes
- No

**PAYOR'S PAD AGREEMENT**  
**Personal Pre-Authorized Debit Plan**  
**Terms & Conditions**  
**December 2008**

1. In this Agreement , "I", "me" and "my" refers to each Account Holder who signs below.
2. I agree to participate in this Pre-Authorized Debit Plan for personal/household or consumer purposes.

I authorize the Payee indicated on the reverse hereof and any successor or assign of the Payee to draw a debit in paper, electronic or other form for the purpose of making payment for consumer goods or services (a "Personal PAD") on my account indicated on the reverse hereof (the "Account") at the financial institution indicated on the reverse hereof (the "Financial Institution").

I authorize the Financial Institution to honour and pay such debits.

This Agreement and my authorization are provided for the benefit of the Payee and my Financial Institution and are provided in consideration of my Financial Institution agreeing to process debits against my Account in accordance with the Rules of the Canadian Payments Association.

I agree that any direction I may provide to draw a Personal PAD, and any Personal PAD drawn in accordance with this Agreement, shall be binding on me as if signed by me, and, in the case of paper debits, as if they were cheques signed by me.

3. I may revoke or cancel this Agreement at any time upon notice being provided by me either in writing or orally. I acknowledge that in order to revoke or cancel the authorization provided in this Agreement, I must provide notice of revocation or cancellation to the Payee.

This Agreement applies only to the method of payment and I agree that revocation or cancellation of this Agreement does not terminate or otherwise have any bearing on any contract that exists between me and the Payee.

The Payee shall use best efforts to cancel the PAD in the next business, billing or processing cycle but shall within not more than 30 days from the notice cease to issue any new PADs.

I understand that I may obtain a sample cancellation form, or further information on my right to cancel a PAD Agreement, at my financial institution or at [www.cdnpay.ca](http://www.cdnpay.ca).

4. I agree that my Financial Institution is not required to verify that any Personal PAD has been drawn in accordance with this Agreement, including the amount, frequency and fulfillment of any purpose of any Personal PAD.
5. I agree that delivery of this Agreement to the Payee constitutes delivery by me to my Financial Institution. I agree that the Payee may deliver this Agreement to the Payee's financial institution and agree to the disclosure of any personal information which may be contained in this Agreement to such financial institution.

Delete either  
6(a) or 6(b) as  
applicable

6. (a) I understand that with respect to:
  - (i) fixed amount Personal PADs occurring at set intervals, I shall receive written notice from the Payee of the amount to be debited and the due date(s) of debiting, at least ten (10) calendar days for Paper Agreements, fifteen (15) Electronic Agreements before the due date of the first Personal PAD, and such notice shall be received every time there is a change in the amount or payment date(s);
  - (ii) variable amount Personal PADs occurring at set intervals, I shall receive written notice from the Payee of the amount to be debited and the due date(s) of debiting, at least ten (10) calendar days before the due date of every Paper PAD/ 15 calendar days for Electronic PADs before the due date of the first Personal PAD ; and
  - (iii) fixed amount and variable amount of every Paper and/or Electronic Personal PADs occurring at set intervals, where the Personal PAD Plan provides for a change in the amount of such fixed and variable amount PADs as a result of my direct action (such as, but not limited to, a telephone instruction) requesting the Payee to change the amount of a PAD, no pre-notification of such changes is required.

- OR -

If Payor agrees  
to waive pre-

- (b) I agree to either waive the pre-notification requirements in section 6(a) of this Agreement or to abide by any

notification,  
Payor must  
sign where  
indicated

modification to the pre-notification requirements as agreed to with the Payee.

\_\_\_\_\_  
Signature of Payor

7. I agree that with respect to Personal PADs, where the payment frequency is sporadic, a password or secret code or other signature equivalent will be issued and shall constitute valid authorization for the Payee or its agent to debit my account.
8. I certify that all information provided with respect to the Account is accurate and I agree to inform the Payee, in writing, of any change in the Account information provided in this Agreement at least ten (10) business days prior to the next due date of a Personal PAD. In the event of any such change, this Agreement shall continue in respect of any new account to be used for Personal PADs.
9. I understand that I have certain recourse/reimbursement rights if any debit does not comply with this agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. I understand that I may obtain more information on my recourse/reimbursement rights by contacting my financial institution or visit the CPA website at [www.cdnpay.ca](http://www.cdnpay.ca).
10. I warrant and guarantee that all persons whose signatures are required to sign on the Account have signed this Agreement below. In addition I warrant and guarantee, where applicable, that I have the authority to electronically agree to commit to this Agreement by secure electronic signature and that my secure electronic signature conforms to the requirements of Rule H1.
11. I agree that a payment service provider will administer the PAD. [INSERT NAME] will be administering the PAD
12. I understand and agree to the foregoing terms and conditions.
13. I agree to comply with the Rules of the Canadian Payments Association or any other rules or regulations which may affect the services described herein, as may be introduced in the future or are currently in effect and I agree to execute any further documentation which may be prescribed from time to time by the Canadian Payments Association in respect of the services described herein.
14. Applicable to the Province of Quebec only: It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

\_\_\_\_\_  
Name of Account Holder

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Account Holder

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date