



## **CN EASY-PAY PROGRAM Pre-Authorized Debit Agreement (“PAD Agreement”)**

### **1. Authorization**

We (the “Payor”) agree to participate in CN’s Easy-Pay Program for Business Pre-Authorized Debits (“PAD”) and we authorize CN (the “Payee”) and any of its successors or assigns, to draw a PAD, in paper, electronic or other form for the purpose of making payments for goods and services related to our commercial activities on our bank account (the “Account”) at the financial institution indicated (the “Financial Institution”). We authorize the Financial Institution to honour and pay such debits. This authorization is provided for the benefit of the Payee and our Financial Institution and is provided in consideration of our Financial Institution agreeing to process debits against our Account in accordance with the rules of the Canadian Payments Association for payments processed in Canada, or the rules of the National Automated Clearing House Association for payments processed in the United States, (collectively, the “Rules”). We agree that any direction we may provide to draw a direct debit and any previously drawn direct debit, in accordance with this PAD Agreement, shall be binding on us as if authorized by us.

### **2. Amounts and Timing of PADs**

We hereby authorize CN to issue variable amount PADs on the invoice due date, for the full amount on the invoice. We understand and agree that future and existing payables outstanding at the time of participation in the PAD program will be debited from our bank account. These invoices include freight transportation services, with such invoice being generated upon our issuance of shipping instructions and a release of one or more shipments for transportation by CN, in addition to optional services related to the freight services provided by CN. If the invoice due date falls on a weekend or bank holiday, payment will be initiated on the first business day preceding the due date.

**Other than the invoice, we waive any obligation of the Payee to provide us notice of the amount to be debited to the Account and of the date of the debit including any pre-notification obligation of the Payee in favour of the Payor under Section 15 of Rule H1 of the Rules of the Canadian Payments Association (collectively, the “CPA Rules”).**

### **3. Declined Payments**

We hereby acknowledge that CN may apply an administrative charge against our account for returned or declined payments due to insufficient funds.

### **4. Cancellation**

This authorization may be cancelled by both the Payor and Payee at any time upon providing written notification of not less than 5 business days to the other party. We may cancel this at any time online through CN’s eBill application and such cancellation shall be effective no later than 5 business days following the initiation of the cancellation procedure on eBill. This Authorization applies only to the method of payment and we agree that revocation of this Authorization does not terminate or otherwise have any bearing on any contract that exists between the Payee and us or our obligation to pay CN for its invoices. We may obtain a sample cancellation form, or further information on our right to revoke

this Authorization, at our Financial Institution or by visiting [www.payments.ca](http://www.payments.ca) or [www.electronicpayments.org](http://www.electronicpayments.org).

### **5. Discharge of Financial Institution**

We agree that our Financial Institution is not required to verify that any direct debit has been drawn in accordance with this Authorization, including the amount, frequency and fulfillment of any purpose of any direct debit.

### **6. Delivery of PAD Agreement to Financial Institution**

We agree that delivery of this PAD Agreement to the Payee constitutes delivery by us to our Financial Institution. We agree that the Payee may deliver this PAD Agreement to his financial institution and we agree to the disclosure of any information that may be contained in this PAD Agreement to such financial institution.

### **7. Recourse for Unauthorized Debits**

We have certain recourse 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 rights, we may contact our Financial Institution or visit [www.payments.ca](http://www.payments.ca) or [www.electronicpayments.org](http://www.electronicpayments.org).

### **8. Accuracy of information**

We certify that all information provided with respect to the Account is accurate. We agree to keep all Account information up to date at all times on CN's eBill application. Any modification to Account information submitted on CN's eBill application will be effective immediately. If there is any change, this Authorization shall continue in respect of any new account to be used for direct debits.

### **9. Confirmation of Signing Authority**

We guarantee that all persons whose signatures are required to sign on the Account have authorized this PAD Agreement by initialing below and that the persons initialing this Authorization are our signing officers and are empowered to enter into this agreement.

### **10. Protection of Passwords**

We acknowledge that the eBill Electronic Payment Services will be accessible through a password chosen by us. We agree not to give or make available our password to any unauthorized individuals. If we believe that our password has been lost or stolen or that someone may attempt to use our password without our consent or has authorized payments without our permission, we must change the password and notify CN at once.

### **11. Compliance with Rules**

We agree to comply with the Rules or any other rules or regulations that may affect the services described here, as may be introduced in the future or are currently in effect. We agree to execute any further documentation that may be prescribed from time to time by the Rules pertaining to the services described herein.

### **12. Disclaimer of Warranty**

Except as specified in this agreement, CN is providing the service "as is" without any warranty of any kind, expressed or implied, including, without limitation, the implied warranties of merchantability, fitness for a particular purpose, non infringement and title. CN does not warrant that the service is error-free, or that access to and use of the service will be uninterrupted or error-free.

### **13. Limitation of Liability**

In no event shall CN or its licensors or suppliers be liable for any damages whatsoever (including, without limitation, direct, indirect, special or consequential damages) arising out of the delivery, performance, or use of the service, whether incurred by you or any third party, even if CN or its licensors or suppliers have been advised or may otherwise know of the possibility of such damages unless these damages arise out of CN's gross negligence or willful misconduct. If any liability is imposed on CN, its licensors or suppliers, CN and its licensors or supplier's total liability to you or any third party shall not exceed the amount you paid for the service. Some jurisdictions prohibit exclusion or limitation of liability for implied warranties or consequential or incidental damages, so the above limitation may not apply to us. We may also have other legal rights that vary from jurisdiction to jurisdiction.

### **14. eBill Access**

With this agreement, I will become the individual who, in relation to our eBill Electronic Payment Plan, will be the authorized recipient of: (a) all documents and correspondence assigning, confirming or otherwise containing user identification codes, and other security devices; and (b) all other notices, documents and correspondence from CN concerning eBill. In addition, I will have the ability to: (a) view eBill activities performed by the individuals within my organization who have access to eBill and the accounts accessed by them; and (b) grant or revoke access to approve and/or authorize payment of invoices for authorized individuals.

### **15. Contact Information**

For any inquiries, to obtain information or to seek recourse with respect to any PAD issued by CN, we may contact CN at [CN-RM-Prepayment@cn.ca](mailto:CN-RM-Prepayment@cn.ca).