

Policy for EFT Payments

Originally Issued in:	April 2020
Updated:	February 2021
Effective Date:	Immediately
From:	Corporate Treasury
Reviewer:	Yolanda Garcia, Sr. Treasury Manager Shawn Streeter, VP Finance, Corporate Controller

POLICY PURPOSE

Due to the increasing fraudulent attempts throughout the banking industry and the large volume of payments **Extreme Reach, Inc. and all its subsidiaries** (“ER” or the “Company”) execute for its clients, customers and vendors on a daily basis, a payment processing change is required.

The purpose of this policy is:

1. To ensure payments are requested and executed in a secure manner and,
2. To promote the safety of the Company’s funds as incidents of fraud increase globally

This policy establishes requirements with respect to ALL domestic and international **EFT payments (Wires and ACH)** and to **Foreign Checks (checks issued with an address outside of the U.S. and Canada)** to Talent, Performers, Agents, Agency, Production Companies, Vendor, etc.

EFT PAYMENT REQUIREMENTS

To ensure payments are requested and executed in a secure and timely manner, the following is required for all EFT Payments:

EFT (Electronic Funds Transfer) Payments are Wire Transfers and ACH payments.

- All Banking Instructions must be in ER Team Member’s hands prior to invoicing or requesting payment
 - We cannot process any payments without having complete wire instructions
 - All Banks require the following wire instructions:
 - Bank Name, City and State
 - Bank routing number:
 - ABA (9 digits) - for US wires
 - Bank ID and Transit ID (8 digits) – for Canadian wires (3-digit Bank ID and 5-digit Transit ID)

- SWIFT Code – for International wires
 - SWIFT and BSB Code - for Australia
 - IBAN (22-27 digits) – for most European wires
 - Sort Code (6 digits) – for domestic European wires
 - CLABE (18 digits) – for Mexican wires in MXN
 - Intermediary Bank information, if applicable
 - Bank account name
 - Bank Account Name must be the same as on remittance, if not, please provide document to connect Account Name to Payee/Employee Name
 - Bank Account number
- You will be contacted by the Treasury Group for any payments with incomplete banking instructions, if information is not received **within 2 business days, a request for a credit/rebill will need to be made since we cannot hold any payments.**

To promote safety of the Company's funds, the following will be required for all payments via EFT even if the request is internal:

- **Verification:**
 - A current Bank Verification Letter* is required for all wire payments
 - This is a standard letter from the Recipient's bank confirming the wire instructions – **on bank letterhead** – including banking contact
 - Some International banks are unable to provide a Verification letter, therefore alternatives are:
 - a copy of a current bank statement which includes the full banking information and banking contact (redacted)
 - voided check or similar banking documents
 - Please ensure full banking information is provided (i.e. SWIFT, Sort Code, or IBAN)
 - Letter must be dated **within a year of wire request (current)**
 - **NOTE:** Payee Name on BVL must match name on Remittance/Payee, if not please include document that connects relationship
- **Contact:**
 - Call Back to a pre-determined phone number (for first-time payee)
 - You will need to verbally confirm with your known contact that they indeed sent you the banking details
 - Do not use the contact information provided on the email;
 - Please use the pre-determined contact information on the Contract/Agreement

- If a subsequent communication is received advising of a **modification** to the wire instructions - A Call back to the client is required
 - Do not use the contact information provided on the email to change payment method or payment instructions
 - Updated Bank Verification Letter is required

Wire Instruction Information (primarily for the Talent Group)

- Wire instruction support received from the Client must be added to the **Attachment** tab in AdBridge:
 - Bank Verification Letter or alternative
 - Invoice received from the Client
 - Confirmation that a Call Back was completed (if new or modified)
 - If Payee Name on BVL is different than name on remittance, please include document that connects relationship

- Wire Fee(s) must be included on the invoice
 - We will not be able to process the Wire until we have received an invoice for the Wire Fee
 - \$20.00 Domestic Wire
 - \$35.00 International Wire

 - 1 Invoice - each Talent requires a Wire Fee
 - If there are 4 talents on 1 invoice and they are going to the same bank account, only 1 wire fee is required

 - 2 or More Invoices – Same Talent requires a Wire Fee for each Invoice

*** Note: The Bank Verification Letter will reduce the amount of returned wires due to incorrect information manually entered into SBS/AdBridge. This will also eliminate you having to go back to the Agency/Talent/Client/Vendor for additional information.**

Important: Once a wire has been released from the Bank, we are unable to reverse the wire. So please be absolutely sure that the amount is correct and that the payment was to be made. We cannot void or stop a wire.

ER Treasury closes at 4pm Central.

CHECK PAYMENT to Foreign Address

Best practices and due to the high volume of lost/stolen checks, we are no longer issuing checks outside of the U.S. or Canada.

Please review the Talent's record to confirm mailing address location. If address is outside of the U.S. and Canada, a wire transfer will need to be processed.

- You will need to notify the client immediately that we cannot send checks and will need to process a wire transfer. PLEASE NOTE: WE WILL NEED A BANK VERIFICATION LETTER (please refer to the "verification/contact" sections above)
- You will need to charge the client the Wire Fee

Please contact the ER Treasury Team at ERTreasuryGroup@extremereach.com if you have any questions.

APPENDIX

EMAIL SPOOFING:

When an email chain includes wiring instructions, a cyber-criminal inserts themselves into the existing email conversation. This is accomplished by a subtle “spoofing” in which the cyber-criminal appears to be one of the existing participants in the existing email chain. The cyber-criminal creates a new domain name that appears to be the same email address of the original email participants, but is slightly different when reading the email. For example, Joe.DiMaggio@extremereach.com might be spoofed as Joe.DiMaggio@extrenereach.com.

Using the spoofed email address, the cyber-criminal responds to everyone on the email chain (other than to the email address that is spoofed).

The cyber-criminal joins into the conversation, requests that the wiring instructions be modified and includes the “new” wire instructions to a different bank account owned by the cyber-criminal.

PHONE FRAUD:

Fraudsters call the payments department, impersonating a senior company official from an overseas or offsite location stating they do not have access to normal office systems. The caller requests funds to be urgently transferred from company accounts to an overseas account to cover work either underway or completed.

Sometimes the fraudster supports the request by saying they are unable to log onto the company email and that they can send details from a private email address. The fraudsters exploit social engineering techniques to appear legitimate with some knowledge around the personal circumstances of the individual they are imitating. These features include speaking in the same accent, tone and manner as the individual they are imitating

Don't be phished or spoofed! Please make sure you follow this policy without exception to verify contact and banking instructions for new and all modifications to banking instructions.

ER SECURITY TRAINING REMINDERS:

Security Training 2020

Beware Social Engineering

- Psychological manipulation of people into performing actions or divulging confidential information
- Builds trust to undermine
- Little bits of info can snowball
- Uses Pretexting, Baiting, Quid Pro Quo
- Attackers will claim to be an employee to get info.
- Human nature is to want to help others



Prevent Social Engineering

- Confirm via another channel (IM, phone, in person).
- Follow strong checks and balances with internal processes - Question requests
- YOU are our greatest asset in the fight against social engineering and phishing!



Security Training 2020

A Bit About Phishing...

- Email Phishing: Current **#1 Social Engineering Tool**.
- **Easy to Forge** ER Staff Accounts. Question Emails Out of Character
 - Beware of 'forcing' or 'limiting' language. Verify via IM or another channel.
- Caution: **Look-alike domain names** and typosquatting
 - i.e. extre~~n~~reach.com (notice the 'r' & 'n' instead of an 'm')
- What's the **REAL email address?** (not just the one you see)
 - When in doubt - check the 'from' address in the internet headers
- Don't Enter Your Password If Redirected to a Site (**Go to the site independently**)
- **Report any breach, or suspicion of breach**, to IT Corp - ASAP!
- **Report social engineering / phishing scams** to IT Corp so IT can take action
 - See the "Phishing and Email Security" KB
 - Forward the Email, with **copy/paste of Internet Headers**, to IT Corp (KB for this)



BANK VERIFICATION LETTER:

Below is a copy of ER's bank letter – we are also required to provide this information to our customers/suppliers.



Bank of America Merrill Lynch
Treasury Fulfillment Service Operations
T 888.400.9009
eservice@bankofamerica.com

June 10, 2020

EXTREME REACH TALENT, INC.

Regarding: Account / Routing Number Confirmation

Please accept this letter as confirmation that, according to our records, the account referenced below is maintained at Bank of America, N.A. with the following information:

Account number:	458003278481
Active ACH Blocks/Filters on file	Yes
Routing number ACH/EFT	011200365
Routing number DOM. WIRES	026009593
SWIFT Code INTL WIRES	BOFAUS3N (BOFAUS65 if incoming wire is in foreign currency)
Account Name:	EXTREME REACH TALENT, INC.
Account Address:	75 2ND AVE STE 720 NEEDHAM MA 02494-2826

The information set forth above is as of June 10, 2020. Please note that the information provided by the Bank in this letter is given as of the date of this letter and is subject to change without notice, and is provided in strict confidence to you for your own use only, without any responsibility, guarantee, representation, warranty (expressed or implied), commitment or liability on the part of the Bank, its parents, subsidiaries or affiliates or any of its or their directors, officers or employees to you or any third party, and none of them assumes any duties or obligations to you in connection herewith. This letter is not to be quoted or referred to without the Bank's prior written consent. The Bank has no duty and undertakes no responsibility to update or supplement the information set forth in this letter.

If you have any questions, or require further assistance, please do not hesitate to contact us at 888.400.9009.

Sincerely,



Oscar Marchan
AVP, Treasury F&S SrSpec-Service
Treasury Fulfillment Service Operations