

THE BANK OF TORONTO

thereon the guarantee referred to in section 5 hereof, but payment may, notwithstanding, be refused until the irregularity be removed.

LETTERS OF CREDIT, DEPOSIT RECEIPTS, ETC.

9. When a letter of credit, deposit receipt, or other item not negotiable and to which the provisions of the Bills of Exchange Act do not apply, is so deposited or presented, a receipt and indemnity in the following form, or to the like effect shall be written or stamped thereon, signed in writing by an authorized officer of the presenting or depositing bank, viz.:—

“Received amount of within from the within named bank, which is hereby indemnified against all claims hereunder by any person.”

AGREEMENT AS TO PRACTICE.

10. While it is understood that in general, for convenience of the depositing or presenting bank, no objection will be made to a restrictive endorsement, or to an irregular endorsement if the guarantee above provided for be given, yet in view of the responsibility which a depositing or presenting bank incurs in connection therewith, each bank undertakes to make all reasonable efforts to have all endorsements on items deposited or presented by it made regular in order that its customers and the public generally may ultimately be led to adopt a regular and uniform system.