



EXTERNAL TRANSFERS SERVICE AGREEMENT AND DISCLOSURE

This External Transfers Service Agreement and Disclosure ("Agreement") provides information about and contains terms and conditions governing your use of the External Transfers service offered by LOC Credit Union (the "Credit Union") and its third-party licensors and service providers ("Service Providers"). This Agreement shall be an addendum to the existing Electronic Funds Transfer Agreement/Disclosure that you have previously entered into with the Credit Union.

The terms and conditions of your Membership and Account Agreement, Digital Banking Agreement and Disclosure, and any disclosures as well as any other agreements with the Credit Union ("Related Agreements") shall remain in full force and effect notwithstanding any provision in this Agreement to the contrary. In the event of an inconsistency between this Agreement and the Related Agreements, this Agreement shall control to the extent of the inconsistency.

You understand that by using the External Transfers service you agree to the terms and conditions set forth in this Agreement, as amended from time to time. By enrolling and/or using External Transfers, or authorizing another to use the service, you agree to comply with these terms and conditions. Your initial use of External Transfers constitutes your acceptance and agreement to be bound by these terms and conditions.

A. General Description

External Transfers allows you to transfer funds between your personal deposit checking accounts at LOC Credit Union and certain deposit or investment accounts owned by you at other U.S. financial institutions ("External Accounts").

An inbound transfer moves funds from an External Account into an eligible account you own at the Credit Union ("Eligible Account"). An outbound transfer moves funds from an Eligible Account you own at the Credit Union to an External Account.

B. Enrollment/Eligibility

You must be enrolled in Digital Services to use External Transfers. External Transfers may not be available for some accounts, e.g., irrevocable trust accounts, custodial accounts, guardianship accounts.

You must be a member in good standing and you must have a valid Social Security Number in order to request External Transfers.

In order to use External Transfers, you must enroll External Accounts.

C. Verification of Identity and Account Ownership

By enrolling External Accounts in External Transfers, you authorize the Credit Union to obtain information from any financial institution(s) holding your External Account(s) in order to confirm your access to and/or ownership of such accounts. You also authorize the Credit Union to request information regarding you and your External Accounts from other third-party sources to verify your identity and account ownership, to protect against fraud, to confirm your pattern of use or exceptional use, to comply with applicable law, and/or as otherwise reasonably necessary in order for the Credit Union to provide the External Transfers service to you.

The Credit Union is under no obligation to you, or any other person, to verify or confirm your identity, registration information, or your ownership of the External Accounts, or to confirm that your Credit Union deposit accounts and the External Account(s) are held in the same name and/or legal capacity. You represent and warrant your Credit Union accounts and the External Account(s) are held in the same name or legal capacity and/or you have the authority to make deposits to and withdrawals from such account(s). You agree to provide true, accurate, current, and complete information about yourself and your External Accounts. You agree to not misrepresent your identity or your account information.

When we enable External Transfers, we will advise you of what your verification method will be. You will be asked to provide proof that you are authorized on the External Account. You will be required to login to the External Account using the credentials you have established for that External Account and validate your ownership of the External Account. This proof may include providing your account information and additional information to validate your ownership of the External Account, or in the alternative, your External Account may receive two (2) small ACH credits for an undisclosed amount and you will need to enter the amount of the credits in the "Manage External Transfer" section of Digital Banking within seven (7) business days in order to complete the verification process. We reserve the right to require other methods of verification which we deem acceptable in our sole discretion.

D. Means of Transfer

The External Transfers service is available for funds transfers to verified accounts in the United States only and transfers are made in U.S. dollars only. You understand the Credit Union has a variety of banking channels and means by which to make External Transfers. In most cases the Credit Union will use the ACH Network to execute your requests, however the Credit Union specifically reserves the right to utilize other methods of transfer.

You agree to be bound by the rules and regulations that govern any applicable funds transfer systems, including, but not limited to, CHIPS or the ACH Network as published by the National Automated Clearinghouse Association (NACHA), and the Federal Reserve Banking System. You agree not to affect any funds transfers from or to an account that are not allowed under the rules or regulations applicable to such accounts including, without limitation, to rules or regulations designated to prevent the transfer of funds in violation of OFAC regulations. You further expressly agree not to originate any transactions which violate the laws of the United States of America.

The Credit Union reserves the right to terminate or suspend your access to the External Transfers Service should you be in violation of any of the applicable rules and regulations governing the ACH Network, including but not limited to the NACHA Operating Rules.

E. Initiating and Scheduling Transfers

After the verification process is complete, you may begin establishing transfers. External Transfers can be scheduled on either a one-time or a recurring basis. Processing of one-time transfers may be initiated immediately or scheduled for initiation on a future date. Transfers may be scheduled in advance. The recurring transfer feature may be used when a set amount is transferred at regular intervals. For example, you may schedule a \$500 transfer from an External Account to your LOC Credit Union Eligible Account every other week on a specified week day.

For one-time and recurring transfers, you will be asked to select the date that you want us to initiate the processing of the transfer.

One-time future-dated or recurring transfers scheduled for a weekend or a non-business day will be processed on the next business day.

The cut-off time for transfers is 2:00 p.m. Eastern Standard Time, as observed in Farmington, Michigan. Any transfer entered after this time will be considered as being initiated on the next business day.

Business Days: Monday through Friday, excluding federal holidays

F. Dollar and Transaction Limits

Daily Inbound Transfer Limits: The maximum total dollar amount for transfers from External Accounts to a LOC Credit Union Eligible Account is \$2,500.00 per day.

Daily Outbound Transfer Limits: The maximum total dollar amount for transfers from LOC Credit Union to External Accounts is \$2,500.00 per day.

Dollar limits may be adjusted at any time by the Credit Union based on your account transactions, and such other factors as the Credit Union may determine to apply in its sole discretion. You agree that in the event that we determine that there are risks associated with an External Transfers transaction, or if we determine that you no longer qualify for this service, we may delay or cancel any transfer, or request that you contact us to provide additional details on the transfer before it is initiated or funds are released.

We will use the date the transaction is scheduled to occur (as opposed to the date you initiate it) to apply these limitations.

Questions regarding the dollar or transaction limit relating to a specific transfer should be directed to the Credit Union at 800.837.4562.

G. Processing Transfers

A transfer remains In Process until fully processed and its status will appear as "Pending". Transfers are listed as Pending based on the timing of the scheduling and the date the payment will process:

- One-time immediate transfers process at the next half hour processing time. Once processed, the transfer is no longer considered pending and does not show on this screen.
- One-time future-dated transfers are pending until the first processing time on the scheduled date. Once processed, the transfer is no longer considered pending and does not show on this screen.

- Recurring transfers (displaying the next scheduled date) are pending until the transfer expires.

You agree that we may cancel a transfer, without prior notice, in the event that:

- Any of your accounts with the Credit Union are not in good standing.
- You have had an overdraft, an over-limit item, or an item returned for insufficient available funds with respect to any Credit Union deposit account during the last three months.
- You have had any prior transfer canceled, revoked, or uncompleted due to reasons such as insufficient funds, revoked authorization, stopped payments, or frozen account.

The Credit Union will not be liable to you if we do not provide notice to you of rejection of a transfer.

H. Inbound Transfers

For inbound transfers, you agree that you will only attempt to register External Accounts that you own or for which you have the authority to transfer funds.

Generally, inbound one-time immediate transfers established before 2:00 p.m. Eastern Standard Time post the next business day. Immediate transfers established after the cutoff time post in two business days. While the Credit Union will make all reasonable efforts to ensure your transfer requests are processed in a timely manner, the Credit Union expressly reserves the right to hold funds beyond the periods set forth in this section.

I. Outbound Transfers

You agree that you will have sufficient available funds in the designated Eligible Account to cover all outbound transfers on the date scheduled. If your Eligible Account does not have sufficient available funds on the scheduled date, we may elect not to initiate one or more of the transfers. If we do elect to initiate the transfer, it may cause an overdraft in your account in which case you will be liable for any overdraft and NSF fees, as set forth in your account agreement and the Credit Union Fee Schedule. The fact that we may honor outbound transfer requests that overdraw the available account balance does not obligate us to do so later. Regardless of whether or not we elect to initiate the transfer, you agree to pay all related fees as disclosed in your account agreement and Fee Schedule.

Generally, outbound one-time immediate transfers established before 2:00 p.m. Eastern Standard Time post the next business day. Immediate transfers established after the cutoff time post in two business days.

While the Credit Union will make all reasonable efforts to ensure your transfer requests are processed in a timely manner, the Credit Union expressly reserves the right to hold funds beyond the periods set forth in this section.

J. Unsuccessful, Rejected, Delays and Cancellations

If an External Transfers transfer fails to be executed, the Credit Union will notify you of via e-mail, U.S. mail, or through messages delivered through the External Transfers service. The method of notification shall be in the Credit Union's sole discretion.

The Credit Union may reject any request for transfer at any time for any reason, at its sole discretion. If the Credit Union rejects an External Transfers transfer request for any reason, you will be informed during your online session or via a secure message within our digital banking platform soon thereafter.

Subject to the limitations included herein, you can cancel one-time future-dated and recurring transfers prior to processing by selecting the "Pending Transfers" category within the External Transfers area of digital banking, and then pressing the "delete" link next to any listed pending transfer. You cannot cancel transfers that are processed. We may, however, at our option attempt to cancel the transaction. While the easiest way to cancel a transfer is through the above-described method, you may request to cancel a one-time future-dated or recurring transfer by calling us at 800.837.4562. If you call, we may also require you to submit your request in writing and get it to us within 14 days. You may not call and cancel an In Process or Processed transfer.

You may cancel or amend a transfer request only if the Credit Union receives your notice of such cancellation or amendment prior to the execution of the transfer and at a time which provides the Credit Union with a reasonable opportunity to act upon such notice. The Credit Union will not be liable to you for any loss resulting from the failure of another financial institution to agree to the recall or amend of your transfer request.

The Credit Union will not be responsible for any delay, failure to execute, or failed execution of a transfer request due to circumstances beyond its control, including without limitation, any inaccuracy, interruption, delay in transmission, or failure in the means of transmission of your request or execution of such request, whether caused by power failures, equipment malfunctions, or acts or omissions of any intermediary beneficiary financial institution. The Credit Union makes no warranties, express or implied, including the failure of any intermediary or beneficiary financial institution to credit you or your beneficiary with the amount of the external funds transfer after receipt of same with respect to any matter.

K. Information Relied Upon by the Credit Union

You acknowledge and agree the Credit Union is relying upon the information you provide in originating a transfer on your behalf. Errors in the information are your responsibility, including incorrect or inconsistent account names, numbers, ABA information, or the name of financial institution holding your External Account. You understand and agree if your instructions identify an External Account by name and account number, the relevant financial institution may execute those instructions by reference to the account number only, even if such number does not correspond to the name. You understand some financial institutions holding your External Accounts may not investigate discrepancies between names and numbers. In addition, you agree that the Credit Union has no responsibility to investigate discrepancies between names and account numbers in this or any other instance.

L. Transfer and Related Fees

You agree to pay all transfer and related fees, e.g., NSF, stop payment, and research fees, as published from time to time in the Credit Union Fee Schedule.

M. Your Responsibility for Errors

You understand the Credit Union must rely on the information provided by you and you authorize the Credit Union to act on any transfer request or instruction which has been or reasonably appears to have been sent by you. You understand financial institutions receiving the transfer instructions may rely on

such information. The Credit Union is not obliged to take any further steps to confirm or authenticate such instructions and will act on them without getting further confirmation. You also understand if you provide the Credit Union with incorrect information, or if there is any error in your transfer request or other instruction, the Credit Union will make all reasonable efforts to reverse or delete the transfer request and/or instructions; but you accept full responsibility for losses resulting from your or any errors, duplication, ambiguities, or fraud in the information you provide. You agree not to impersonate any person or use a name you are not authorized to use. If any information you provide is untrue, inaccurate, not current or incomplete, without limiting other remedies, the Credit Union reserves the right to recover from you any costs or losses incurred as a direct or indirect result of the inaccurate or incomplete information.

N. The Credit Union's Liability

If the Credit Union fails to timely initiate a transfer request or other instruction, causes an incorrect amount to be removed from an account, or causes funds from an account to be transferred to any account other than the account specified in the applicable transfer instruction, the Credit Union shall be responsible for returning the improperly transferred funds and/or for directing any misdirected funds to the proper account. However, the Credit Union shall not be responsible where the failure is the result of another your financial institution's system Except as may be otherwise required by law, the Credit Union shall not be liable for any losses and damages other than those arising from its gross negligence or willful misconduct. The Credit Union shall not liable under any circumstances for any losses or damages if, through no fault of the Credit Union, you do not have sufficient available funds to make the transfer and the transfer is not completed, is later reversed, if your financial institution does not permit the transfer, or the transfer would exceed the credit limit on any applicable overdraft line.

The Credit Union is not responsible for any losses or damages incurred where circumstances beyond the Credit Union's control prevent the Credit Union from making a transfer or if the Credit Union's website was not working properly and you knew about the breakdown when you initiated the transfer.

O. Suspension and Reinstatement of External Transfers Service

In the event the Credit Union, at any time, incurs a problem with your use of the External Transfers service, including without limitation, a failure to debit any of your accounts or to collect with respect to any of your funds transfers as described above, and without limiting any other right or remedy the Credit Union may have under these terms and conditions or otherwise, the Credit Union reserves the right to suspend your use of the External Transfers service, immediately, and without prior notice to you. You understand and agree such action is reasonable for the Credit Union to take in order to protect itself from loss. In the event of such suspension, you may request reinstatement of the External Transfers service by calling 800.837.4562, or by writing to us at LOC Credit Union, 22981 Farmington, MI 48336. The Credit Union reserves the right, in its sole discretion, to grant or deny reinstatement of your use of the External Transfers service. In the event the Credit Union agrees to reinstate the External Transfers service, the Credit Union reserves the right to reinstate the External Transfers Service subject to lower per-transaction and monthly dollar limits and/or with other restrictions than otherwise might be available to you. Based upon your subsequent usage of the External Transfers service, the Credit Union may, in its sole discretion, thereafter restore your ability to effect transfers subject to higher limits as then may be in effect.

P. Disclaimer of Warranties and Limitation of Liability

YOU UNDERSTAND AND AGREE THAT THE EXTERNAL TRANSFERS SERVICE IS PROVIDED "AS-IS;" EXCEPT AS OTHERWISE PROVIDED HEREIN OR AS OTHERWISE REQUIRED BY LAW. THE

CREDIT UNION ASSUMES NO RESPONSIBILITY FOR THE TIMELINESS, DELETION, MIS-DELIVERY, OR FAILURE TO STORE ANY USER COMMUNICATION OR PERSONALIZATION SETTINGS. YOU UNDERSTAND AND EXPRESSLY AGREE USE OF THE FUNDS TRANSFER SERVICE IS AT YOUR SOLE RISK, ANY MATERIAL AND/OR DATA DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE EXTERNAL TRANSFER SERVICE IS DOWNLOADED OR OBTAINED AT YOUR OWN DISCRETION AND RISK AND YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM OBTAINING SUCH MATERIAL AND/OR DATA. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE DIGITAL BANKING AGREEMENT AND DISCLOSURE OF WHICH THESE TERMS AND CONDITIONS ARE A PART. THE CREDIT UNION AND ITS LICENSORS AND SERVICE PROVIDERS DISCLAIM ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED.

Q. Amendment

We reserve the right to change the terms and conditions upon which External Transfers is offered. We will notify you before the effective date of any change, as required by law. Your use of External Transfers is subject to existing regulations governing your Credit Union accounts and any future changes to those regulations.

R. Termination

We reserve the right to terminate your External Transfers privileges without notice if you are in violation of these terms and conditions or if you are using External Transfers in a manner inconsistent with these terms and conditions. **You may cancel** External Transfers at any time by calling 800.837.4562, or by writing to us at LOC Credit Union, 22981 Farmington Road, Farmington, MI 48336. We are not responsible for any transfer made through External Transfers before we have a reasonable opportunity to act on your notice of termination. You remain obligated for any payments made on your behalf.

These terms and conditions are in addition to the terms, conditions and limitations found in the Digital Banking Agreement and Disclosure. Please refer to the Digital Banking Agreement and Disclosure for those terms and conditions.