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Your Guide to Member Business Services

Effective April 1, 2021

BUSINESS MEMBERSHIP AND ACCOUNT AGREEMENT

In this Agreement, the term “Account” means any Purdue Federal Credit Union account opened or maintained by an individual doing business as a named business or as a sole proprietorship, a partnership, a limited partnership, a limited liability partnership, an unincorporated association or club, a corporation, a limited liability company or other business entity for business purposes (the “Business Entity”). The words “you,” “your” and “party” mean the Business Entity as applicable, and the beneficial owners of the business, employees, officers, or agents (collectively the “Authorized Signer(s)”) named on the Business Account Application, the Business Account Change Card, Business Account Addition Card or any other document executed in connection with the opening, maintenance or modification of any Account with us. The words “we,” “our,” “us,” “Purdue Federal” and “Credit Union” mean Purdue Federal Credit Union. In this Agreement and the Business Account Fee Schedule (the “Fee Schedule”), the term “Business Savings” may be used to describe the main share account of the Business as well as other share savings accounts with us, the term “Business Checking” or “Business Money Market” may be used to describe your share draft accounts with us and the term “Business Share Certificate” may be used to describe your certificate accounts with us. Any business member relationship (distinguished by Tax Identification Number) established with us will have at minimum a Business Savings account and any number of other accounts. This Agreement does not apply to any consumer accounts that Authorized Signers may have in their personal capacity with us, except as described in the Lien and Security Interest section below.

By opening or using your Account, you agree to be bound by the terms of this Agreement whether you are acting in your individual capacity, in a fiduciary capacity, or in your capacity as an officer, agent or representative of the Business Entity. By signing a Business Account Application, Business Account Change Card, or Business Account Addition Card, each of you, jointly and severally, agree to the terms and conditions of and acknowledge receipt of this Agreement, Business Account Application, Business Account Change Card, Business Account Addition Card, Fee Schedule, the Credit Union’s Bylaws and Policies, and any amendments of these document from time to time, which collectively govern your membership and Accounts.

BUSINESS MEMBERSHIP ELIGIBILITY

FIELD OF MEMBERSHIP

Purdue Federal membership is open to any current student, employee, persons retired as pensioners or annuitants of, and alumni of the Select Employee Groups of the Credit Union, and any current member’s immediate family. A complete list of all current Select Employee Groups is available at any Purdue Federal branch location and on our website at purduefed.com. As a member of Purdue Federal, you share in its ownership. You join a cooperative financial institution organized under federal credit union regulations.

WAYS TO QUALIFY

In order for the Business Entity to qualify for membership a) all shareholders of the corporation; b) all members of the limited liability company; c) all partners of the partnership; d) all members of the information association, organization, or club; or e) the owner of the sole proprietorship, as applicable, meet at least one eligibility requirement for membership with the Credit Union.

MEMBERSHIP SHARE

The Business Entity must also purchase and maintain a \$5.00 share of ownership (the membership share) in the primary share savings Account at the Credit Union as required by our bylaws.

BENEFICIAL OWNERSHIP

The Business Entity must identify owners, which includes any individual who directly or indirectly, through contract, arrangement, understanding, relationship or otherwise, owns 25% or more of the equity interests of a legal entity member and the control prong, which is an individual with significant responsibility to control, manager or direct a legal entity member. The Business Entity must update beneficial ownership information whenever a triggering event occurs. A triggering event includes but is not limited to: change in authorized signers, beneficial owners, or authorized users of credit, a change in wire transfer authority, legal entity name or structure, and any time a new product or service is added.

DOCUMENTATION

Before being accepted for business membership at Purdue Federal, the Business Entity must provide organization documents as applicable including, but not limited to, Certificate of Assumed Business Name, Certificate of General or Limited Partnership, Partnership Agreement, Articles of Organization or Incorporation, Operating Agreement, Bylaws, and Resolutions (“Entity Documents”).

COMPLIANCE WITH LAW

USA PATRIOT ACT

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an Account.

WHAT DOES THIS MEAN FOR YOU?

When you open an Account, we will ask for your name, address, date of birth, taxpayer identification or social security number, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents. These identification requirements apply to all Authorized Signers on the Account or Authorized Users of a debit or credit card. Additionally, we may ask for Entity Documents supporting business entity creation, validity, beneficial ownership, and authorization. You give the Credit Union the right to make photocopies or scans of any personal identification cards, Entity Documents, or other documents which you may be requested to present in initiating various transactions with the Credit Union. This may include a driver’s license, Social Security card, passport, or any other documents that an Authorized Signer may present in order to establish his or her identity, excluding military identification.

- a. **Taxpayer Identification Number (TIN) and Backup Withholding.** The Internal Revenue Service (IRS) requires most recipients of dividends, interest and certain other payments to provide TINs to financial institutions and other payers who are required by law to report the payments to the IRS. We, as well as other financial institutions and payers, must be given the TIN regardless of whether recipients are required to file tax returns. The Credit Union and other payers must generally withhold a percentage of taxable interest, dividends and certain other payments to a payee who does not furnish a TIN. Certain government penalties may also apply. In the event that a) you have

been notified by the IRS that you are subject to backup withholding due to payee under reporting and you have not received a notice from the IRS that the backup withholding has been terminated, or b) you provide us with an incorrect TIN, the Credit Union is required to withhold payment, in part, of dividends owing to you in amounts determined by the IRS and to pay dividends withheld to the IRS.

- b. Unlawful Use of Financial Services and Internet Gambling Enforcement Act (UIGEA).** You represent and warrant that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your Accounts, debit or credit cards, access devices or services for unlawful Internet gambling or other illegal activities. We may terminate your Account if you engage in unlawful Internet gambling or other illegal activities. You represent that you are not engaged in a direct cannabis related business. The Credit Union may decline to accept, process or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us or otherwise) under applicable law, or which is otherwise limited or prohibited, including but not limited to any transaction involving or relating to any gambling activity. Such prohibition or limitation may affect some otherwise prior or allowable transactions such as debits, charges or other transactions at or in relation to a hotel-casino. You understand and agree such limitations and prohibitions are not within the Credit Union's control and that we will not have any liability or responsibility whatsoever for any such use by you or any Authorized Signer or authorized user of a debit or credit card or other access device or for declining to accept, process or pay any such transaction. You further agree to indemnify and hold us harmless from any suits, liability, damages, or adverse action of any kind that results directly or indirectly from your illegal use of your account and/or access devices.
- c. Money Service Business Prohibited.** Our board policy prohibits services to Accounts that operate as a Money Service Business. ("MSB") An MSB includes, but is not limited to, an entity that cashes checks for customers in excess of \$1,000 per person per day in one or more transactions. You represent that you do not and will not operate as an MSB. If in the future you decide to operate as an MSB, you agree to give us thirty days' advanced written notice of this decision and you agree to close your Account with us, otherwise your Account will be subject to immediate suspension or closure.
- d. Cannabis Related Business Policy.** Our board policy prohibits services to Accounts that operate as a direct Cannabis Related Business ("CRB"). A direct CRB includes but is not limited to, an entity that grows, produces, buys or sells or otherwise distributes/dispenses marijuana products. Marijuana is cannabis with Tetrahydrocannabinol (THC) content over 0.3%. At our discretion, we may offer services to indirect CRBs including but not limited to attorneys, accountants, hydroponic suppliers, software suppliers, licensing consultants, or an entity that leases real property or otherwise provides space or equipment to a direct CRB. At our discretion, we may offer services to hemp related businesses including but not limited to industrial farming, hemp-derived cannabinoid (CBD) businesses, CBD retailers and pharmaceutical processing and research related businesses. You represent that you do not and will not operate as a direct CRB. If in the future you decide to operate as a direct CRB, you agree to give us thirty days' advanced written notice of this decision and you agree to close your Account with us, otherwise your Account will be subject to immediate suspension or closure.
- e. Inactive, Dormant and Abandoned Accounts.** If your cumulative Account balance is below the amount disclosed on the Fee Schedule and you have not made any transactions over a period of time designated on the Fee Schedule, we may classify your Account as inactive or dormant. We may charge an Inactive Account fee as disclosed on the Fee Schedule, for processing your inactive Account. If we impose a fee, we will notify you on your next statement. You authorize us to transfer funds from another subaccount of yours to cover any service fees, if applicable. We reserve the right to transfer the Account funds to an account payable and to suspend any further Account statements. If a deposit or withdrawal has not been made on the Account and we have had no other contact with you within the period specified by state law, the Account will be presumed to be abandoned. Funds in abandoned Accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds, and if you choose to reclaim such funds, you must apply to the appropriate state agency.

BUSINESS SHARE INSURANCE

Deposits at Purdue Federal are federally insured through the National Credit Union Share Insurance Fund of the National Credit Union Administration ("NCUA"), an independent agency of the U.S. Government. Account deposits of a Business Entity (or any other Business Entity using the same tax identification number) are insured to a combined total of \$250,000. To estimate the share insurance coverage for your Accounts, please visit NCUA's Share Insurance Estimator at www.mycreditunion.gov/estimator.

BUSINESS ACCOUNT ACCESS

As an Authorized Signer, you are granted access to the Account and you agree to be bound by the following:

- a. Representation.** You expressly represent that a) the Business Entity named on any Business Account Application is duly organized, validly existing and in good standing under the laws of the state where organized and has filed Entity Documents in a manner to ensure that no other person or entity shall conduct business under the same name or any name deceptively similar to that of the business named, and each owner, officer, member, partner, agent, representative or other party who signs on any Business Account Application as an Authorized Signer is qualified and authorized to sign in the capacity represented and is empowered to so act on behalf of the Business Entity.
- b. Account Authority.** Any Authorized Signer, acting singly, shall be authorized to access information and transact business on behalf of the Business Entity with respect to the Account(s) designated on the Business Account Application and is authorized to a) open, modify or close any such Account(s); b) deposit, withdraw or transfer any of the funds in such Account(s) in any manner permitted by us (i.e. cash, checks in person, by mail, electronically or by telephone, whether represented by cash, checks, electronic funds, notes or other evidence of debt); c) receive the statements and records of the Business Entity with respect to such Account(s); d) stop payment against checks or other payment orders; and e) make any other agreements and stipulations with us with respect to such Account(s) and to bind the Business Entity thereto.
- c. Endorsement.** The endorsement of the Business Entity on items for deposit may be written or stamped without designation of the party making the endorsement.
- d. Withdrawal Authority.** We are authorized to honor any and all withdrawals of funds by any one of the Authorized Signers, and we do not need to make any inquiry concerning any such action. You acknowledge that you may not stipulate that withdrawals and any other

actions be performed and signed by two or more Authorized Signers. You agree that any designation by you requiring the signatures of two or more persons is for your internal business purposes only and is not binding on us.

- e. **Indemnity.** We will not be liable for any loss resulting from fraud, negligence or misapplication of funds by any of the Authorized Signers. The Business Entity and all the Authorized Signers, jointly and individually, agree to indemnify and hold us harmless from any claims, demands, expenses, losses or damages resulting from, or directly or indirectly related to, any activity of such parties with regard to any Account maintained with us.

- f. **Additional Documentation.** The Business Entity and the Authorized Signers agree to execute or provide such additional documentation as we may require or deem appropriate in connection with the opening and maintenance of any Account. You agree that you have an ongoing obligation to provide the Credit Union with updated Entity Documents should any of them have changed since you last provided them.

ACCOUNT MODIFICATION

CHANGING AUTHORIZED SIGNERS

In order to add or remove Authorized Signers from any Account any Authorized Signer may elect to a) close the Account and execute a new Business Account Application to obtain a new Account number, or b) may modify the Account by completing the Business Account Change Card or Business Account Addition Card or such other form as we may require, bearing the signature of the person authorizing the change and in the event of an addition, the signature of the person being added to the Account.

- a. **Resolution.** Additionally, we will require the presentment of an updated resolution of the Business Entity, specifying the action to be taken for those individuals who thereafter will be authorized or no longer authorized, to transact on behalf of the Business Entity. A valid resolution may be substituted for the signature of the person authorizing the change.

- b. **Acknowledgement.** You acknowledge and agree that, if you elect to add or remove Authorized Signers by way of account modification rather than by closing the Account(s), we may not be able to verify effectively whether any check presented is signed by the current Authorized Signers, and you agree that we are not required to examine instruments presented.

- c. **Responsibility.** In the event of Account modification, you agree that you bear sole responsibility for denying any Authorized Signer access to the Account and that we will not be liable for the payment of checks or orders signed or made by any later removed Authorized Signer.

BUSINESS DEPOSITS

ORDINARY CARE

You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process, and for that reason, our procedures generally do not include sight-review of items. You acknowledge and agree that reasonable commercial standards do not require us to sight-review every check presented and that any failure to sight-review does not constitute a lack of ordinary care in the payment of an item.

HANDLING OF ITEMS

In this Agreement, the term “check” and “share draft” shall have the same meaning. Funds may be deposited to any Account, in any manner approved by us, including requiring a deposit slip be used for in branch deposits, and in accordance with the requirements set forth on the Fee Schedule. You authorize the Credit Union, in its discretion, to accept ACH transfers, checks, drafts and any other items for deposit into any of your Accounts. We reserve the right to send any check, draft or other item for collection. In handling these items for deposit or collection, we only act as your agent and assume no responsibility beyond the exercise of ordinary care. All items credited for deposit to your Account are provisional and subject to verification and our receipt of final payment. If a deposit is made to your Account and we subsequently verify the amount of the deposit initially credited was incorrect, we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction.

ENDORSEMENT STANDARDS

You authorize us to supply missing endorsements of any Authorized Signers if we choose to supply such endorsements. If a government agency, insurance company, or other institution’s check or draft requires an endorsement as set forth on the back of the check or draft, the Credit Union may require endorsement as set forth on the item. Endorsements must be placed in the space on the back of the check or share draft between the top edge and 1 ½ inches from the top edge. We may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other markings you or any prior endorser has made on the draft or check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

FINAL PAYMENT

Deposited items and ACH transfers credited to your Account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your Account for the amount of such items or transfers and impose a Return Deposit Item fee on your Account, as set forth in the Fee Schedule. We shall have the right to charge back against your Account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use. You agree that we may resubmit an item that has been returned to us for payment. You also agree that if we are charged a fee by any other institution in connection with any of your Accounts then that fee expense may be charged to your Account.

CREDITING OF DEPOSITS

Deposits made after the deposit cutoff time and deposits made on holidays or days other than our business days will be credited to your Account on the next business day. Deposits payable to a member business may only be deposited into accounts of the same name. Please see the Funds Availability Policy below for full details. See the Digital Banking Services Agreement for full detail on items deposited via Mobile Check Deposit. We may also refuse to accept an item for deposit if we believe the item is not collectible. The Credit Union shall not be responsible for any business deposit or transaction initiated by mail, courier service or other third party or made at an un-staffed facility until the item is actually received by us.

We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection and impose a minimum check amount on any item sent for collection. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your Account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits. We may accept items drawn on a non-U.S. financial institution or payable in a foreign currency on a collection basis at our discretion. We reserve the right to hold the funds until the collection process is complete, even after we've accepted the item for deposit. Our Funds Availability Policy does not apply to foreign checks or currency. Transactions made in foreign countries and foreign currencies will be converted to United States dollars prior to posting to your account. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in United States dollars. If a check is returned later for any reason, we will subtract the amount of the check and any charges from other banks from your balance. You agree to any fees or adjustments related to the processing or settlement of these transactions as stated in this Agreement, the Business Fee Schedule, statement, or transaction receipt.

EARNINGS CREDIT

Business deposit account types of Non-Profit Checking, Gold Checking, and Dividend Checking may earn credits against possible account fees based on average Total Balances. These credits are defined as Earnings Credits. The Earnings Credits do not constitute cash and may only offset accrued account fees. Account fees that can be offset by the Earnings Credits are those charged for accounts drafts cleared (also known as Activity Fees), accounts drafts deposited (also known as Service Fees), and minimum balance. Earnings Credit is calculated by taking the Total Balance multiplied by the Earnings Credit Rate divided by 365 days multiplied by the actual number of days in that month. Any unused Earnings Credits are forfeited. Any account fees charged will be automatically debited on the fifteenth (15th) of each month.

NON-SUFFICIENT FUNDS (NSF) DEPOSITS

A deposited item later returned due to Non-Sufficient Funds situation on deposit or for any other reason shall be the responsibility of all Authorized Signers on the Account in which the item was deposited. You acknowledge and agree that we will deduct funds from your Account in the amount of the returned item. Any deposited item that is later returned may incur a NSF fee, which is set forth on the Fee Schedule. The Credit Union is not responsible for the collection of a returned item from the third party. The Credit Union is under no obligation to pay dividends accrued during the time the funds from a returned item were on deposit.

REMOTE DEPOSITS

You may also receive credits to your Account via Remote Deposit Capture. If you wish to use our Remote Deposit Capture service, you will be asked to sign a separate agreement with us.

RIGHT TO REFUSE DEPOSIT

Funds may be deposited in accordance with the requirements set forth in the Funds Availability Policy and other terms of this Agreement. Refusal of any item will be at the Credit Union's discretion. If you request that we accept a regular check or a substitute check for deposit that has already been deposited at a financial institution but returned, we are under no obligation to accept any such check. However, if we do accept the check, you agree to hold us harmless from any loss or liability, including consequential damages, attorney's fees and expenses that may arise because of our acceptance of the item. In any event, at our discretion, we may refuse any deposit, limit the amount that may be deposited, accept all or any part of a deposit for collection only, or return all or any part of any deposit. All collection items are subject to collection fees, which are not charged by us, but by other financial institutions processing the collection items. You will be informed at the time an item is received for deposit if the item will be sent for collection or refused for deposit. If the item is received by mail or night depository you will be notified, in writing, no later than the first business day after the day the deposit is received.

FUNDS AVAILABILITY POLICY DISCLOSURE

This disclosure describes your ability to withdraw funds from your accounts at Purdue Federal Credit Union except for funds deposited to savings, money market, and certificate accounts. We reserve the right to delay the availability of funds deposited to savings, money market and certificate accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

- a. **General Policy.** Our policy is to delay the availability of funds from your check deposits. If deposited funds are not available to you on a given day, you may not withdraw the funds in cash and we may not use the funds to pay items that you have written or honor other withdrawals you request. Please note that even after we have made funds available to you and you have withdrawn the funds, you are still responsible for items you deposit or cash that are returned to us unpaid.
- b. **Business Days.** Every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit in person during normal business hours on a business day, we will consider that day to be the day of deposit for purposes of calculating when your funds will become available. However if you make a deposit after normal business hours, on a Saturday, or on a day we are not open, we will consider that the deposit was made on the next business day we are open for the purposes of funds availability. Deposits made at a Purdue Federal 24-Hour Depository Box after 10 a.m. will be considered deposited the next business day we are open.
- c. **Same Day Availability.** The following types of deposits will usually be available for withdrawal immediately:
 1. Electronic direct deposits
 2. Wire transfers
 3. US Treasury checks that are payable to you
 4. Checks drawn on Purdue Federal Credit Union
- d. **Same Day Availability Deposit In Person.** The following types of deposits will usually be available for withdrawal immediately, if you make the deposit in person to our employee:
 1. Cash
 2. State and local government checks that are payable to you
 3. Cashier's, certified, and teller's checks that are payable to you
 4. Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders that are payable to you

- e. **Availability of Other Check Deposits.** The first \$225 from aggregate check deposits will be available on the day we receive your deposit and the remaining funds will be available on the second business day after deposit. For example, if you deposit two checks of \$700 each on Monday, \$225 of the deposit would be available Monday and the remaining \$1,175 will be available on Wednesday.
- f. **Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.
- g. **When Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:
 1. We believe a check you deposit will not be paid.
 2. You deposit checks totaling more than \$5,525 on any one (1) day.
 3. You deposit a check that has been returned unpaid.
 4. You have overdrawn your account repeatedly in the last six (6) months.
 5. There is an emergency, such as failure of communications or computer equipment.
 6. Instruments drawn off non-U.S. institutions (delay based upon time it takes us to collect from the foreign financial institution).

We will notify you if we delay your ability to withdraw funds and we will tell you when the funds will be available. We will provide you notice at the time of the deposit, unless the deposit is not made in person to our employee, or if the facts upon which a determination to invoke one of the reasons listed above to delay funds become known to us after the time of the deposit. If notice is not given at the time of deposit, we shall mail or deliver the notice to you no later than the first business day following the day the facts become known to us, or the deposit was made, whichever is later. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

- h. **Special Rules for New Accounts.** If you are a new member, the following special rules may apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfer, and the first \$5,525 of a day's aggregate deposits of cashier's certified, teller's traveler's, and federal, state and local government checks may be available on the first business day after the day of your deposit if the checks are payable to you. The excess over \$5,525 will be available no later than the ninth business day after the day of your deposit. If your deposit of those checks (other than a U.S Treasury check) is not made in person to one of our employees, the first \$5,525 may not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available by the fifteenth business day after the day of your deposit. It is our practice to release the hold once the check clears the issuing institution, if that is earlier than the fifteenth business day.
- i. **Mobile Banking Remote Deposit Capture.** Funds from checks deposited via Mobile Banking Remote Deposit Capture will usually be available as detailed in subsections e through h above. You consent that an exception hold notice may be delivered through a phone call, text, email, or online banking message.

CHECKS AND WITHDRAWALS

PAYMENT AUTHORIZATION

In this Agreement, the term "check" and "share draft" shall have the same meaning. You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks or other methods approved by us may be used to withdraw funds from your Account. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips or other forms, and you agree that we will not be liable for any printing errors on any such forms. You agree that we may disregard any information on any check or draft other than the amount of the item, the identity of the drawee bank, any magnetically encoded information, and the signature of the drawer, regardless of whether that information is consistent with any other information on the item. All checks, withdrawal forms, deposit slips and transfer instructions used in connection with any Account must be on forms that we provide or otherwise expressly approve in writing. You agree to complete checks using a non-gel, black or dark blue ink that will readily transfer during any imaging of the check. We will not be liable for any resulting losses, and you agree to hold us harmless, if you fail to follow the requirements in this paragraph. In the event the applicable Account has sufficient available funds on deposit to cover one or more, but not all of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in the order they are presented to the Credit Union.

SIGNATURES

You authorize us to recognize any of the signatures of the Authorized Signers set forth on the Business Account Application or Business Account Change Card in the payment of funds or the transaction of any business for your Account(s). You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Business Account Application or Business Account Change Card. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Business Account Application or Business Account Change Card. While you may require two or more signatures on the Business's checks, you acknowledge that we are under no obligation to examine checks for multiple signatures and we may honor a check signed by any single Authorized Signer. We are not required to honor any restrictive legend on items you write such as "must be presented within 90 days" or "not valid over \$500.00." We do not routinely examine items because of automated check processing. You agree that we do not fail to exercise ordinary care in paying an item solely because we do not routinely sight examine items due to automated check processing. We may recognize facsimile signatures, signatures imprinted by mechanical devices, or any authentications, including orders to pay that are received electronically or telephonically, regardless of the names listed on the Business Account Application, Business Account Change Card, named in the current resolution, or appearing on checks, debit cards or credit cards. You agree that we may act upon and rely upon documentation, correspondence or other instructions with respect to your Accounts that we receive by way of electronic or facsimile transmission, including Business Account Applications, Business Account Change Cards, Business Account Addition Cards, Business Loan Agreements and any other order with respect to your Accounts, and you agree to such verification procedures as we may implement from time to time. You agree that if you give your Account number to a third party, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction, regardless of the Authorized Signers

on the Account. You agree that we may maintain copies of Account records, including copies maintained electronically, in lieu of any original and that any such copy will be considered an original record for any purpose, including admissibility in evidence as an original record before any court or administrative agency.

POSTDATED, INCOMPLETE AND CONDITIONAL ITEMS

You agree not to issue any check that is payable on a future date (postdated). Due to automated check processing, you authorize us to accept and pay any draft drawn on your Account without regard to the date of the draft, even if the draft is presented for payment before its draft date. You agree not to deposit checks, drafts or other items before they are properly payable. If you physically present a postdated item to us, we may refuse that item. You also agree to hold us harmless from any and all loss and liability that we may incur due to our inadvertent payment of incomplete or postdated items, items endorsed "without recourse," or conditional items. You agree that we will not have any duty to discover or comply with postdated, incomplete or conditional items.

STALEDATED ITEMS

We are under no obligation to pay a check that is presented for payment more than six (6) months after its date (staledated), but may charge your Account for the payment unless you have placed an effective stop payment. In the event that a check drawn on your Account is payable, by its terms, within a stated period of time, we are under no obligation to pay that check if it is presented after the expiration of that time period.

AMBIGUITY

You agree that we may decline to accept, process, or pay any item or order that, in our estimation, is ambiguous or otherwise unclear in its terms. You also agree that, at our option, we may use our best efforts to resolve any such ambiguity and you agree to release and hold us harmless from any and all loss and liability that we may incur or that may arise in connection with our attempts to resolve any such ambiguity.

OVERDRAFTS

You agree to maintain funds in your Account at all times sufficient to pay any withdrawal order (whether oral, written or otherwise) for payment against the applicable Account. We are under no obligation to pay any order or item a) the amount of which exceeds the available balance in the Account upon which the order was made or the item was drawn, or b) that would exceed limitations imposed upon the applicable Account under our policies and procedures, or under applicable law.

OVERDRAFT LIABILITY AND PROTECTION PLAN

OVERDRAFT LIABILITY

If on any day, the available funds in your Account are not sufficient to cover check drafts, ACH, fees or other items posted to your Account (excluding ATM and one-time debit card transactions), those amounts will be handled in accordance with our overdraft protection procedures described in the coming sections. The Credit Union uses your available balance to determine whether sufficient funds are available when transactions attempt to clear your Account. Your available balance considers holds placed on deposits and pending transactions (such as pending debit card purchases) that have been authorized but that have not yet posted to your Account. The Credit Union's determination of a Non-Sufficient account balance may be made at any time between presentation of the debit and the Credit Union's midnight deadline with only one review of the account required. Items will be paid in the order they are presented to the Credit Union. The Credit Union may impose a Non-Sufficient Funds or Courtesy Pay/Paid NSF fee for overdrafts created by share drafts, ACH or fees. The Credit Union has no duty to immediately notify you of a Non-Sufficient Funds situation. Your account will then be subject to a Non-Sufficient Funds or Courtesy Pay/Paid NSF fee for the item as set forth in the Fee Schedule whether paid or returned. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If the Credit Union pays a draft or ACH, or imposes a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits. The Credit Union reserves the right to pay items into overdraft, to impose overdraft fees (as stated in the Fee Schedule), and to apply any later deposits or direct deposits (including deposits of Social Security or other government benefits) to those overdrafts or overdraft fees. The total of the discretionary overdraft balance, including any and all fees and charges is due and payable on demand. You must bring your account balance positive within thirty (30) days from the date of the first overdraft occurrence.

COURTESY PAY/PAID NSF

If no overdraft protection is available, the Credit Union may still choose to pay the draft, ACH or fee in a Non-Sufficient Funds situation if your account meets our internal risk-criteria. A Courtesy Pay/Paid NSF fee is applied to the account that had Non-Sufficient Funds when the Credit Union determines your eligibility for this service and chooses to pay in a Non-Sufficient Funds situation. Courtesy Pay/Paid NSF is not a loan, which means that the Credit Union does not engage in credit underwriting as a basis for determining your eligibility. Courtesy Pay/Paid NSF is a non-contractual service offered to members who meet certain criteria and guidelines. If you choose not to participate in Courtesy Pay/Paid NSF, you are required to contact the Credit Union and request to opt out of Courtesy Pay/Paid NSF. This request will be effective after it has been received and processed by the Credit Union.

OVERDRAFT PROCEDURES

Non-Sufficient Funds situations are reviewed first to determine if overdraft protection from another account or Purdue Federal Visa Credit Card has been designated, second to determine whether the overdrawn account is eligible for Courtesy Pay/Paid NSF, and if neither applies, then the share draft, ACH or fee is not paid and the Non-Sufficient Funds fee is applied to the account. Both the Non-Sufficient Funds fee and Courtesy Pay/Paid NSF fee are applied a maximum of once per day.

OVERDRAFT PROTECTION OPTIONS

The Credit Union offers three ways to allow a check draft, ACH or fee to be paid in a Non-Sufficient Funds situation:

- a. **Overdraft Account Protection Plan:** You may designate other Credit Union savings accounts to cover the Non-Sufficient Funds situation from your checking account. Contact a Credit Union representative to review your overdraft protection options and to designate an account or multiple accounts. In this case, the Overdraft Transfer fee may apply when the aggregate overdraft amount is more than ten (\$10) dollars. This request will be effective after it has been received and processed by the Credit Union.

For debit card transactions involving merchant authorization holds, there may be a delay between an authorization and the transaction posting. This delay can sometimes result in a Daily Overdraft Transfer Fee being assessed if there is an insufficient balance in your account at the time of a transaction posting and a transfer is made from the account(s) you have designated for overdraft protection.

It is important to keep in mind that for debit card transactions, we check your balance at two separate times – first, the available balance is checked at the time a merchant authorization request is received, and second, the balance is checked after the transaction “settles” and posts to your account. If your available balance is insufficient to pay the authorized amount requested by a merchant, we will decline the request. If your available balance is sufficient to cover a merchant’s authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant’s authorization request. If a transfer from your designated overdraft protection account occurs, we may charge a Daily Overdraft Transfer Fee on the day a transaction “settles” or posts to your account if the balance in your account is insufficient to pay the posted transaction, even though the available balance was sufficient to cover it at the time the transaction was originally authorized. Any funds in the designated overdraft protection account(s), up to the aggregate amount of the debit card transaction(s) and including the Daily Overdraft Transfer Fee, will be transferred to the checking account and applied to the negative balance.

- b. Overdraft Credit Card Protection Plan:** Another option is to designate that the Non-Sufficient Funds situation be charged to your Purdue Federal Visa Credit Card. In this case, the Non-Sufficient Funds amount would be rounded up to the nearest \$100 and charged to your Credit Card account. Additionally, the Overdraft Transfer fee will apply. Contact a Credit Union representative to request this feature. Standard Credit Card terms and conditions would apply. This request will be effective after it has been received and processed by the Credit Union.
- c. Overdraft from Business Line of Credit Plan:** You may designate a Business Line of Credit at Purdue Federal as a source of overdraft funds. In this case, the Non-Sufficient Funds amount would be rounded up to the nearest \$100 and drawn of your Business Line of Credit. Additionally, the Overdraft Transfer fee will apply. Contact a Credit Union representative to request this feature. Standard Business Line of Credit interest, terms and conditions would apply. This request will be effective after it has been received and processed by the Credit Union.

DIRECT DEPOSITS AND PREAUTHORIZED TRANSFERS

You must authorize any direct deposits to or from Account(s) by a separate authorization form. If applicable, you must notify us at least thirty (30) days prior to any direct deposit or preauthorized transfer you wish to cancel or change. Upon the filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your payor and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union.

If the Credit Union is required to reimburse the U.S. Government for any payment directly deposited into your Account for any reason, you agree we may deduct the amount returned from any of your Accounts, without prior notice and at any time, unless prohibited by law. We may also use any other legal remedy to recover the amount of our liability. You agree that any amount deposited into your account in error by payroll deduction, direct deposit or otherwise, does not belong to you and is not for your use. You authorize us to deduct the errant deposit from your account or from any other account you have with us, without prior notice and at any time. You agree that these errant deposit funds are the property of the Credit Union and you are liable to the Credit Union for the deposit amount and the cost of legal expenses, if any incurred by the Credit Union in recovery of the funds.

BUSINESS ACCOUNT DEBIT CARDS, CREDIT CARDS AND/OR PINS COMMUNICATION

If you request a Business Account Debit Card or Credit Card, we may communicate with you in writing from time to time. These communications may include your PIN. We will send these communications to your Business address as reflected in our records, and you agree we have no liability to you, if our communication to you is lost, stolen or otherwise intercepted by any person at any time.

TERMS

You agree to the terms set out herein and in the remainder of the Agreement and any other Account disclosures regarding the security and safekeeping of your PIN are commercially reasonable and you agree to be bound by and comply with these terms.

ACCESS

We may adopt policies from time to time under which we may issue Business Account Debit Cards, Credit Cards and/or PINs to persons designated by you, who may not be Authorized Signers. You acknowledge and agree the issuance of a Business Account Debit Card, Credit Card and/or PIN in connection with an Account affords ready access to the Account by the person or persons authorized by you, as well as other persons who are provided access to the Business Account Debit Card, Credit Card and/or PIN or who otherwise obtain the Business Debit Card, Credit Card and/or PIN whether by way of negligence, theft, collusion or otherwise.

LIABILITY

As a result, except as otherwise expressly provided in the Agreement and any Account disclosures, you acknowledge and agree that you, and all persons authorized by you to receive a Business Account Debit Card, Credit Card and/or PIN are jointly and severally liable for their use and we will not be liable for any loss resulting from the unauthorized use of the Business Account Debit Card, Credit Card and/or PIN. You jointly and individually agree to indemnify, release and hold us harmless from any claims, demands, expenses, losses or damages including legal fees and expenses, arising out of, resulting from, or directly or indirectly related to the issuance or use of any Business Account Debit Card, Credit Card and/or PIN pursuant to this Agreement.

USAGE

You agree you may withdraw cash or transfer funds from your Account using an ATM, but you may not deposit cash or checks to your Account using an ATM. If you use an ATM not owned by us you may be required to pay a surcharge by the ATM owner. This surcharge will be disclosed to you at the time of the transaction. If you use a Visa Business Debit or Credit Card at a non-U.S. ATM location that dispenses in a currency other than U.S. dollars or for purchases made outside the U.S., the transaction amount will be converted into a U.S. dollar amount on your Card Account. You may be charged a fee by the ATM operator and by any international, national, regional, or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer). The ATM surcharge will be debited from your Account if you elect to complete the transaction or continue with the balance inquiry.

ILLEGAL USE

You also agree as per credit union regulations, and state and federal laws the Business Account Debit Card or Business Credit Card network will not be used by you to process any illegal transactions.

VISA ACCOUNT UPDATER (VAU)

VAU is an account updating service in which your card is automatically enrolled. When your card(s) expire, are lost or stolen and new cards are issued, the service may update relevant card data (Card numbers and expiration dates) to appropriate merchants who participate in an effort to facilitate uninterrupted processing of your recurring charges. The service provides updates to a Visa® database only. The database is accessed by those qualified merchants seeking your account information after you have requested they process a recurring payment or payments. This service is provided as a free benefit to you. If at any time you wish to opt-out of the VAU service, opt back-in, or if you have any questions, please call 800-627-3328.

FOREIGN TRANSACTIONS

Purchases and cash withdrawals made in foreign currencies using your Business Debit Card will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa® from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa® itself receives or the government mandated rate in effect for the applicable central processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. A fee of up to 1.00% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all multiple currency foreign transactions, including purchases, cash withdrawals and credits to your Account. A fee of up to 0.80% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all single currency foreign transactions, including purchases, cash withdrawals and credits to your Account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates.

WIRE TRANSFERS AND AUTOMATED CLEARING HOUSE (ACH)

Except as amended by the Agreement, electronic fund transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located. You may initiate or receive credits or debits to your Account via wire transfer or ACH transfer. You agree that any outgoing wire or ACH transfer is processed at our discretion and you agree to any applicable provisions. You must sign a separate ACH Origination Agreement if you wish to initiate ACH credits or debits. You agree that we will not be responsible for loss by any person, entity or institution where a receiving financial institution posts or processes a payment order request. You also agree that after we have accepted a payment order, no amendment or cancellation will be effective without the agreement of the Credit Union. We are not obligated to execute any order to transfer funds out of your Account if the amount of the requested transfer plus applicable fees exceeds the available funds in your Account. Payment orders we accept will be executed within a reasonable time of receipt, but may not necessarily be executed on the date they are received. Cutoff times may apply to the receipt, execution and processing of fund transfers, payment order, cancellations, and amendments. If a request for a fund transfer, payment order, cancellation, or amendment is received after a cutoff time, it may be treated as having been received on the next business day. Information about any cutoff times is available upon request.

In order to amend or cancel a payment order, a person must be authorized on either a Wire Transfer Security Agreement for wires, or an ACH Origination Agreement for ACH transactions. We may refuse any request to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request that we accept to amend or cancel a payment order will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We will not provide you with next day notice of ACH transfers, wire transfers, and other electronic payments credited to your Account. Instead, the credits will be shown on periodic statements we provide to you. You may contact us to determine whether a credit has been received.

We may accept on your behalf payments to your Account that have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of Indiana as provided by the operating rules of National Automated Clearing House Association (NACHA), which are applicable to ACH transaction involving your account.

Transmitters and receivers of ACH transactions and wire transfers should be aware that the Credit Union might, from time to time, need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with the laws and regulations of the Office of Foreign Assets Control. This action may affect settlement or availability of the transaction.

You must sign a separate Wire Transfer Security Agreement if you wish to initiate wire transfers. When you initiate a wire transfer, you must identify the recipient and the financial institution by name and by account or identifying number. We (and other financial institutions) may rely on the account or other identifying number as the proper identification even if it identifies a different party or institution. You agree to pay any applicable fees related to these services as set forth on the Fee Schedule. Federal Reserve Regulation J governs wire transfers if the transfer is cleared through the Federal Reserve. Terms applicable to such transactions will be disclosed to you at the time the wire is requested in accordance with applicable law.

The Credit Union will not be liable to you for any incidental, consequential or special damages resulting from late or improper execution or failure to execute an ACH payment order or wire transfer. We are not liable for errors, delays, interruptions, or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic, or equipment failure.

SECURITY PROCEDURES

You agree that we may verify the authenticity of payment orders, including ACH and Wire Transfer, using our security procedures in place at the time of such order, which may include, but is not limited to, a combination of signature verification, call back procedures, the use of identifying words or numbers, and identification via valid driver's license, employee ID badge or other photo identification. If you do not agree to our security procedures, you must notify us in writing. In such event, we shall have no obligation to accept any payment order from you until both of us agree, in writing, on an alternate security procedure.

CUTOFF TIMES

Cutoff times for processing various types of funds transfer, payment orders including ACH and Wire, and communications canceling or amending payment orders vary each weekday we are open that is not a federal holiday. If you miss a cutoff time, your transaction may be treated as having been received on the next business day and processed accordingly. Processing times are set forth in the Fee Schedule as well as any applicable ACH Origination Agreement or other agreements.

FORCE MAJEURE

We are not liable for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control such as governmental emergency orders, judicial or governmental action, emergency regulations, sabotage, riots, terrorist action, vandalism, labor strikes or disputes, acts of God, fire, flood, electrical failure, major computer hardware or software failure, equipment delivery delays, acts of third parties, or other delays or interruptions prevents the payment order despite reasonable precautions we have taken.

GENERAL

You agree that only our forms, methods and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you, but you agree that we are under no obligation to do so. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked in an acceptable manner and in time to provide us with a reasonable opportunity to act on it.

STOP-PAYMENT ORDERS

DRAFT OR ACH

You may ask us to stop payment on any draft or ACH you draw or initiate upon your Account. You may request a stop payment by telephone, mail, online at purduefed.com (checks only), or in person at a branch. Stop payment requests submitted through Online Banking will be in effect by the end of the next business day following the day the request was submitted. However, you may not stop payment on any instrument - certified check, cashier's check, teller's check, or any other check, draft or payment - guaranteed by the Credit Union. You may not stop payment of debit card transactions initiated through the use of an ATM or POS terminal. The Credit Union may charge a fee for each draft or ACH for which a stop-payment order is requested, as set forth on the Fee Schedule.

REQUEST

You may request a stop payment by mail, online at purduefed.com, in person, or by telephone. Oral stop-payment orders will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop-payment order will be effective for six (6) months from the date of the stop payment order. A written stop-payment order may be renewed in writing from time to time. We are not obligated to notify you when a stop-payment order expires.

EXACT INFORMATION AND TIMING

The stop payment of a draft will be effective if we receive the order in time for the Credit Union to act upon the order and you provide the Account number and suffix, draft number, and exact dollar amount. You understand the exact information is necessary for our computer system to identify the draft. If you give the Credit Union incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop-payment order is not received in time for the Credit Union to act upon the order, we will not be liable to you or to any other party for payment of the draft.

ACH INFORMATION

The stop payment of an ACH transaction will be effective if you notify the Credit Union of your request at such time and in such manner as to allow us a reasonable opportunity to act upon the stop payment order before the electronic payment is scheduled to be made from your Purdue Federal Account. If the ACH to be stopped is a preauthorized withdrawal with another financial institution, you must notify us of your request at such time and in such manner as to allow us a reasonable opportunity to act upon the stop payment before the withdrawal is scheduled to occur. You are also required to provide the Credit Union with a signed letter to the payee revoking the recurring preauthorized withdrawal. We may be responsible for your direct expenses if we fail to exercise ordinary care in carrying out your stop payment order in connection with a preauthorized ACH withdrawal request made at such time and in such manner as to allow us a reasonable opportunity to act upon the stop payment before the transfer is scheduled and we do not stop the withdrawal. In no event, however, will we be liable for any special, indirect, exemplary or consequential damages (including lost profits) of any kind.

REFUSAL

We reserve the right to refuse to place a stop-payment order if the Account balance is insufficient for the draft for which the stop-payment order is requested to clear. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our action in refusing payment of an item, including claims of any other Authorized Signer, owner of the Business, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

YOUR LIABILITY

You should be aware that while payment of the item may be stopped, you may remain liable to any person, including Purdue Federal, who is the holder of the item despite the stop-payment order. If we credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the draft to the Credit Union and to assist the Credit Union in legal action against the payee or other holders.

CASHIER'S CHECKS

If you purchase a Purdue Federal Cashier's Check and it is subsequently lost, stolen or destroyed, you may file a Declaration of Loss with the Credit Union and request payment of the amount of the check. Reimbursement for the check may be delayed for a period of ninety (90) days from the date of the request. During this 90-day period, the Credit Union may pay the check to a person entitled to enforce it, which discharges all liability of the Credit Union with respect to the check. If the check has not been presented before the 90-day waiting period passes, the Credit Union is obligated to pay the amount of the check to the Business Member who filed the claim and is no longer obligated to pay the check. If the check is then presented for payment by a holder in due course and the Credit Union honors the check, you will be obligated to return the funds to the Credit Union. If the Credit Union chooses to dishonor the check, you will be obligated to pay the holder in due course.

ACCOUNT STATEMENTS

AVAILABILITY

You understand and agree that account statements are made available to you on the date the statement is mailed to you or if you have so consented, when we make the statement available to you electronically. You understand and agree it is your responsibility to ensure that your account statements are received, and you agree that we will not be responsible for the loss or theft of your account statements. You agree to notify us if you do not receive your statements within fourteen (14) calendar days of the time you normally receive them.

CONTENT

You will receive periodic statements through Online Banking with an electronic mail notifying you of the posting of the statement for your Account(s), unless you have elected to receive paper statements via U.S. mail for the fee disclosed in the Fee Schedule. If your Business Savings account has activity or an electronic funds transfer in a given month, a statement will be provided monthly; otherwise, you may not receive a statement until the end of a calendar quarter. You will receive Business Checking or Business Money Market account statements monthly. You understand and agree that, when paid, your original drafts become our property and may not be returned to you in your periodic statement, but copies may be retained by us and made available upon your request for a fee. Business members enrolled in Online Banking will have electronic access to draft copies with the exception of withdrawals made by cashier's check. You also understand and agree that only one periodic account statement for the Business will be provided, regardless of the business entity structure. Any dividends paid or fees assessed will be shown on your statement. The dividend rate and annual percentage yield (APY) may change each dividend period as determined by the Credit Union's Board of Directors. Our Board of Directors declares dividends based on current income and available earnings of the Credit Union after providing for required reserves at the end of the month. The dividend period is monthly and dividends are credited and compounded monthly. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. If your Account is closed or you make a withdrawal during a dividend period before dividends are credited, you may not receive accrued by uncredited dividends. Dividends will begin to accrue on the business day you make the deposit to your account. Dividends are calculated by using the daily balance method. This method applies a daily periodic rate to the principal in the account each day.

RESPONSIBILITY

You agree that our retention of drafts does not alter or waive your responsibility to promptly examine your account statements or your obligation to notify us of any errors. The account statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or fee charged to your Account unless you notify us of suspected errors before your next periodic statement is sent to you by regular or electronic mail.

EXAMINATION

You are responsible for promptly examining each statement or receipt you receive from us. If you think your account statement or receipt is incorrect or if you need more information about any electronic funds transfer listed on your statement or receipt, you agree to notify us promptly in the manner and/or timeframe set forth under Notification.

NOTIFICATION

Any objection you have regarding an unauthorized withdrawal, any payment order or any other item or deposit appearing on or missing from an account statement, will be waived unless you notify the Contact Center at 765.497.3328 or 800.627.3328 or the Member Business Services Department at 765.497.7422 of your objection before your next periodic statement is sent to you by regular or electronic mail.

- a. **Forged, Altered, Unauthorized Items.** We will not be responsible for any forged, altered or unauthorized items drawn on your Account if:
 - (i) you fail to notify the Credit Union within the notification time period listed above; or
 - (ii) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.
- b. **Transactions Believed to be in Error.** You must notify us before your next periodic statement is sent to you by regular or electronic mail regarding any ACH, ATM, point-of-sale (POS), automated telephone banking system, mobile banking, online banking and/ or Visa® Business Debit Card transaction(s) you believe to be in error. It is possible that none of your funds will be refunded to you if it is proven the loss of funds could have been prevented had you notified us within the Notification time period listed above. Your Visa® Business Debit Card offers Zero Liability from unauthorized transactions, excluding ATM transactions and certain commercial card transactions, PIN and other transactions not processed by Visa. If a transaction was made with your card or card number without your permission, you will have no liability for the transaction, unless you were negligent in the handling of your account or card or PIN. Purdue Federal requests that you report any unauthorized use of your account immediately.

INVESTIGATION RESULTS AND PROVISIONAL CREDIT

We will share the results of our investigation with you and will correct any error promptly. If deemed necessary, on a case by case basis, we may credit your Account with provisional credit for the amount you think is in error so that you have use of the funds during the time it takes us to complete our investigation. If we decide there was no error, we will debit your Account for the amount of the provisional credit and send you a

written explanation within three (3) business days of completing our investigation. Copies of documents used in our investigation will be made available upon your request.

ONLINE BUSINESS SERVICES

RESPONSIBILITY

You are responsible for taking the necessary precautions to ensure the safety of your computing environment. This includes taking all steps necessary to keep your systems free of virus, malware, unauthorized access, etc. It is entirely your responsibility to control physical and electronic access to systems used for conducting financial transactions online and/or electronic services to ensure that only legitimate authorized users have access to the financial services offered by us.

REGISTRATION

When you register for Online Banking you will establish a user name, password and secret question security credentials using your Account number and the unique personal identification number you established when you opened your Purdue Federal Account. At your option, you may choose to link all Accounts held under the same TIN to one online user name and password. However, some user functionality may be affected. For example, linked Accounts cannot share our electronic payments (ePay) service or scheduled transfers online. For information specific to linking your Accounts, please call the Contact Center or stop by a branch.

SECURITY PROCEDURES

We are entitled to act on instructions received through your authenticated login with your password, but encourage you to take an active role in devising your security procedures. We strongly encourage you to educate yourself and your employees on how to best protect your particular business from cybercrime, possible ways you might detect unauthorized activity or possible fraud to prevent or minimize your losses, and how to respond. If you believe your password may have been compromised, or someone has transferred or may transfer money to or from your Account without your permission, or if you suspect any fraudulent activity on your Account, notify our Contact Center immediately at 800.627.3328 or 765.497.3328.

SECURITY CREDENTIALS

We may contact you to confirm or reset your security credentials if any Account access or information appears to be compromised.

RESOURCES

This information is provided as a resource only. It is your responsibility to stay current on recommended online security procedures to protect your Business from unauthorized activity or fraud. For additional information, please refer to information published by the following resources: Internet Crime Complaint Center (IC3), Microsoft Security Center, National Institute of Standards and Technology (NIST), and the Financial Services Information Sharing and Analysis Center (FS-ISAC).

LIABILITY

If we do not properly complete a transaction according to this Agreement, the Credit Union may be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We are not liable, for instance, if: a) through no fault of ours, your Account does not contain the funds necessary to process the transaction; b) despite reasonable precautions taken by us circumstances beyond the Credit Union's control (such as fire or flood) prevent the transaction; c) your loss is caused by your negligence or the negligence of another financial institution; d) the funds in your Account are subject to legal process or other claim; e) the transaction would exceed the approved credit limit on your overdraft line-of-credit; f) the ATM where you are attempting your transaction does not have the requested cash available; g) the ATM or POS terminal was not working properly and you were aware of any malfunction when you started your transaction; h) your funds on deposit are being restricted due to a loan delinquency; i) telecommunication issues beyond our control prevent the transaction; or j) transactions are not completed due to other exceptions stated elsewhere in this Agreement. We will not be liable for consequential damages, except liability for wrongful dishonor. We will only be liable under this Agreement if you prove our failure was caused by our willful misconduct or gross negligence and you incurred actual damages.

You agree to hold us harmless from any costs or damages that we sustain as a result of carrying out your instructions. If you ask the Credit Union to follow any instructions we believe might expose it to claims, lawsuits, expenses, liabilities or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions, or may require you to indemnify us or post a bond or other protection. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable federal and state law, regulations and operating letters, clearinghouse rules, and general banking practices followed in the area served by us. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the written form including but not limited to deposit tickets, email requests, specific service agreement, etc. being used for the Account and the terms of this Agreement. Any conflict between oral representations by you or our employees and any written form will be resolved by reference to this Agreement and the applicable written form.

LEGAL PROCESS

You agree that we may debit your Account for charges and costs, including attorneys' fees, in connection with negotiations, responses, appearances and the production of statements, items or other documents, pursuant to subpoena, court orders, levies, garnishments or other instruments of legal process to the extent not otherwise prohibited by law. You agree that any levy, attachment or garnishment against your Account and any subsequent fee, as set forth in the Fee Schedule will be subject to our contractual lien as set forth in the following paragraph, and you authorize us to exercise that contractual lien whether or not any outstanding obligation is in default, subject to applicable law.

ACCOUNT INFORMATION

Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your Account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (i) it is necessary to complete the transaction; (ii) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (iii) such disclosure is in compliance with the law, government agencies or court orders; or (iv) you give us your written permission. Unless prohibited by law, the requesting party on a subpoena or other court or governmental agency issued information request will be billed for Account Research as disclosed on the Fee Schedule for our time spent responding to the request. The fees for Account Research will be deducted from your Account if not paid by the requesting party within sixty (60) days of billing.

LIEN AND SECURITY INTEREST

Unless prohibited by law, you pledge and grant as security for all obligations the Business Entity may have now or in the future, all shares and dividends and all deposits and interest, if any, in all Accounts the Business Entity has with us now and in the future. If you pledge a specific dollar amount in your Account for a loan, we will freeze the funds in your Account to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged Account may be withdrawn unless the Business Entity is in default. Federal or state law, as applicable, gives us a lien on all share and dividends and all deposits and interest, if any, in Accounts you have with us now and in the future. Except as limited by law, the statutory lien gives us the right to apply the balance of all the Business's Entity's Accounts to any obligation on which it is in default. After you are in default, we may exercise our statutory lien rights without further notice to you. We may apply these funds in any order to pay off the Business's Entity's indebtedness. If the Credit Union chooses not to enforce its lien, we do not waive our right to enforce the lien at a later time. If we do not apply the funds in your Accounts to satisfy your obligation, we may place an administrative freeze on your Accounts in order to protect our statutory lien rights and may apply the funds to the amount you owe us at a later time. In addition, if you open a Business Account for a sole proprietorship, you grant the Credit Union a consensual security interest in your Purdue Federal personal accounts and agree the Credit Union may use the funds from your Purdue Federal personal accounts to pay any debt or amount now or hereafter owed the Credit Union, unless prohibited by applicable law. This lien does not apply to any Individual Retirement Account or security in my primary residence. All accounts are non-assignable and nontransferable to third parties.

BUSINESS ACCOUNT RESTRICTIONS

Our Accounts have certain restrictions and limitations, as follows:

- a. Regulation D Transfer and Withdrawal Limitations.** For savings and money market accounts, during each calendar month, federal regulation may prohibit you from making more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer, telephonic order, Digital Banking, or instruction or similar order to a third party (including checks). If a transfer request would exceed the transfer limitations in any calendar month period, we may refuse or reverse the transfer, and your account will be subject to suspension, or closure by the Credit Union. These restrictions do not apply to withdrawals or transfer requested in a branch, by mail, or at an ATM and do not apply to transfers of any method that are directly applied to your Credit Union loan. Due to COVID, we have temporarily removed the transfer limitations as allowed by federal regulation. We will provide notice as required by law of any future changes.
- b. Withdrawal Restrictions.** We may permit a withdrawal only if you have sufficient available funds in your Account to cover the full amount of the withdrawal or have an established overdraft protection plan. You agree that the Credit Union reserves the right to require a 48-hour notice prior to making cash withdrawals of \$3,500 or more. You agree that we reserve the right to require you to give notice in writing of any intended withdrawals from any Account of not less than seven (7) and up to sixty (60) calendar days in accordance with applicable law before such withdrawal. You agree the Credit Union has the right to review and approve any form of Power of Attorney (POA) and may restrict any withdrawals or transfers on your Accounts if the POA is deemed unacceptable. You also agree that we may impose withdrawal limitations on any of your Accounts at any time, including your ability to access your Accounts electronically or otherwise, if you are delinquent under any obligation you owe to the Credit Union.
- c. Debit Card Restrictions.** We permit Visa® Business Debit Card withdrawals only if you have sufficient funds available. Withdrawals are limited to \$410 per day from ATMs and \$2,500 per day for POS purchases. Standard online limits will only be increased temporarily for large business purchases or emergencies. Requests for increases may be initiated by telephone, but we must receive a written request (email is acceptable) before an increase may be made. Requests for increases can only be approved during normal business hours.
- d. Wire Transfer Restrictions.** We will not send any outgoing wire transfer unless the funds are on deposit at the time of the request. Once the Credit Union has sent the outgoing wire we are unable to reverse or recall the wire for any reason. The pre-set amount will be noted in a separate agreement for wire services. The Credit Union reserves the right to periodically review financial information of the Business and will notify you if we deem it necessary to adjust dollar limits.
- e. Other Restrictions.** We may also refuse to allow a withdrawal in other cases, for example: any dispute amongst the Authorized Signers about the Account (unless a court ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the Account secures any obligation to us; any required documentation has not been presented; or if you fail to repay a Credit Union loan on time. You will be advised of the reason(s) for refusal if such action is taken.
- f. Sub-accounts.** NOTICE for Account Holders: Your Business Savings or Checking Account will consist of a transaction sub-account and a savings sub-account. Funds not routinely needed to pay debits may be transferred to a savings sub-account. We may periodically transfer funds between these two sub-accounts. The Savings Account will be governed by the rules governing our other Savings Accounts indicated within the Regulation D Transfer and Withdrawal Limitations section above. This process will not affect your available balance, the dividends you may earn, NCUA insurance protection, your statement, or any other Account features.

BUSINESS ACCOUNT NOTICES

You have a responsibility to provide notice, as follows:

- a. Loss, Theft or Unauthorized Usage.** In the event you discover loss, theft or unauthorized usage of Business checks, Business Debit or Credit Cards or the Account(s), you agree to notify us immediately by phone toll free at 800.627.3328 and in writing at Purdue Federal Credit Union, PO Box 1950, West Lafayette, IN 47996-1950.

Possible Fraudulent Debit or Credit Card Transactions. We use a neural network (monitoring system) to identify possible fraudulent transactions. If we believe you may be the victim of possible fraud, the cardholder will be notified by phone or email to verify if the transactions are valid. If contact cannot be made, the Business Debit and/or Credit Card will be blocked without notification.

- b. Business Name or Address Changes.** It is your responsibility to notify us upon a change of Business name or your name, change of Business mailing address, change of your phone number, or change in your email address. The Credit Union is only required to attempt to communicate with you at the most recent Business mailing address you have provided to us or that we have received through the National Change of Address (NCOA). The Credit Union may require any change notice from you to be provided in writing.
- c. Consent to Contact.** You provide your express written consent to receive phone calls and text messages from the Credit Union. You understand and agree that your consent covers any phone number, including any cell phone number, you have provided to the Credit Union now or at any time in the future. You understand and agree that phone calls and text messages may be generated using automated technology and may relate to your accounts, transactions, loans or other products and services offered by the Credit Union. You understand that your consent is not required to make a purchase. Telephone, message and data rates may apply.
- d. Consent to Monitoring and Recording.** You provide your express consent to our monitoring and recording of conversations and other communications with you. Your consent applies to monitoring and recording of telephone conversations, electronic messages, electronic records and transactions, or other data transmissions between you and us regarding your accounts, loans, or other products and services offered by the Credit Union. Your consent applies regardless of who initiated the contact. Unless required by applicable law, you agree we can rely on your consent to monitor and record communications provided herein and we are not obligated to notify you each time prior to our recording. Conversations and communications are monitored and recorded for quality control, fraud prevention, and training purposes.
- e. Effect of Notice.** Any written notice you give to us is effective when it is actually received by the Credit Union. Any written notice we give to you is effective when it is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address or is posted electronically to Online Banking (if applicable). Notice to any one Authorized Signer is considered notice to all Authorized Signers, and owners or officers of the business entity. You consent to electronic delivery of all notices, statements, and communications regarding your Account from Purdue Federal.

DISPUTE RESOLUTION

If a) we suspect that fraudulent misconduct is or has taken place with respect to any Account; b) we are notified that an Authorized Signer has died or is incompetent to manage his or her affairs; c) we have been notified that a dispute exists between or among the Authorized Signers or third parties with regard to their respective interests in the Account; d) there are competing claims to funds on deposit; or e) we are in doubt concerning the respective interests of any parties to an Account or the persons claiming an interest in the Account, we may restrict withdrawals from the Account until we are satisfied that any obligation we may have at law and under this Agreement has been met or until any such dispute, doubt, suspected fraudulent misconduct or probate matter has been resolved by a court of competent jurisdiction or by written settlement agreement entered into by all Authorized Signers to the Account and any third party making claim to funds in any such Account. You agree that we may recover any attorneys' fees or costs expended in connection with the foregoing, which fees will be payable by you directly or out of the Account made the subject of any such dispute, doubt, misconduct or probate proceeding, or out of any other Account in which you have an interest.

DEATH OF SOLE PROPRIETOR OR AUTHORIZED SIGNER NOTIFICATION

We may continue to honor all transfers, withdrawals, deposits and other transactions on the Account until the Credit Union is notified of a sole proprietor or Authorized Signer's death. Once we are notified of the sole proprietor or Authorized Signer's death, the Credit Union may pay drafts or honor other payments or transfer orders authorized by the deceased for a period of ten (10) calendar days after the date of death unless we receive instructions from a person handling the estate of the sole proprietor or a remaining Authorized Signer in the case of all other Businesses to stop payment on the drafts or other items.

DOCUMENTATION

We will require an original copy of the death certificate for the sole proprietor or Authorized Signer. Depending on the ownership structure of the business entity, the Credit Union may also require one or more of the following: updated resolutions, necessary tax releases, letter of testamentary, notice of administration or Small Estate Affidavit, as well as proper photo identification of any person claiming an interest in the estate of the sole proprietor Account. We may first deduct any amount that any of you owe us. If any of you pledge the Account to secure any Purdue Federal obligations, that pledge shall take precedence over the interest of any beneficiary.

CREDIT REPORTING INFORMATION AUTHORIZED SIGNERS

Each Authorized Signer authorizes the Credit Union to obtain information concerning any accounts with other financial institutions and the credit history, including any consumer account reports or credit reports for the business entity and/or each Authorized Signer. Authorized Signers understand and consent that the Credit Union may report information concerning this account to business account reporting companies. Authorized Signers consent to the disclosure of any adverse action information regarding this account to the other Authorized Signers on this account.

NEGATIVE INFORMATION NOTICE

We may report information regarding the Business's loan, share, or deposit account to credit bureaus. Late payments, missed payments, or other defaults on the Business's Accounts may be reflected in the Business's credit report.

TERMINATION/RESTRICTION OF BUSINESS MEMBERSHIP THE BUSINESS

You may terminate your Credit Union membership after giving notice of your intent to withdraw from membership in writing or by withdrawing your minimum required membership share, if any, and closing all your Accounts.

THE CREDIT UNION

We may terminate your Account at any time without notice to you or may require you to close your account and apply for a new account if: (i) there is a change in ownership of the Business or Authorized Signers; (ii) there has been a forgery or fraud reported or committed involving your Account; (iii) there is a dispute as to the ownership of the funds in the Account; (iv) any share drafts are lost or stolen; (v) if there are excessive returned unpaid items not covered by an overdraft protection plan; (vi) if there has been any misrepresentation or any other abuse of any of your Accounts; or (vii) if the Credit Union reasonably deems it necessary to prevent a loss to the Credit Union or the Credit Union has already taken a loss. The Credit Union reserves the right to require the consent of all Authorized Signers for termination of an Account. The Credit Union is not responsible for payment of any draft, withdrawal or any other item after your Account is terminated; however, if the Credit Union pays an item after termination, you agree to reimburse the Credit Union for the payment. Pursuant to the Credit Union's Board Policy, you may be denied services or Credit Union products for causing a loss to the Credit Union or other inappropriate actions—such as abuse or potential abuse of your account or services or harassment of employees, manipulation or other misuse of Credit Union services or products in the furtherance of an illegal purpose, etc. You may be expelled for any reason as allowed by applicable law.

LIMITATIONS FOR MEMBERS RESIDING IN NON-US COUNTRIES OR TERRITORIES; OR IN CERTAIN US STATES

The Credit Union may limit, refuse, close or terminate any account or service if: (1) we deem it necessary due to legal, or regulatory requirements of a foreign country that are not directly applicable to US residents; or (2) we deem it to be in the Credit Union's best interests to not provide accounts or services due to potential exposures or obligations under non-US laws, rules, or regulations or contractual obligations of the Credit Union. The Credit Union may also limit, refuse, close or terminate any account or service if: (1) we deem it necessary due to legal or regulatory requirements of a state in which we do not maintain a physical presence and/or provide services only to a limited number of persons residing in that state; or (2) we deem it to be in the Credit Union's best interests to not provide accounts or services due to potential exposures or obligations arising or related to the laws of a state where we do not maintain a physical presence.

ENTIRE AGREEMENT

AMENDMENT

Except as otherwise prohibited by applicable law, we may amend this Agreement and the Fee Schedule at any time and from time to time as determined at our sole discretion and without prior notice to the Business. We will notify you of any changes in terms, rates or fees as required by law. The Credit Union reserves the right to waive any term in this Agreement or Fee Schedule. Any such waiver shall not affect our right to enforce any right in the future.

SEVERABILITY

In the event that any portion of this Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of this Agreement.

GOVERNING LAW

This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state of Indiana, and local clearinghouse rules, as amended from time to time. Any legal action regarding or relating to this Agreement shall be brought in Tippecanoe County, Indiana.

ENFORCEMENT

You agree to be liable to us for any loss, cost or expense that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your Account without prior notice to you. In the event the Credit Union brings a legal action to enforce the Agreement or collect any amount due under this Agreement, we shall be entitled, subject to applicable law, to payment of our reasonable attorneys' fees and costs, including fees on any appeal, bankruptcy proceeding and any post-judgment collection actions.