

FIG FEDERAL CREDIT UNION

Business Digital Banking Services — Delivered through the Lumin Digital Banking Platform

SUB-USER AND CROSS-ACCOUNT TRANSFER AUTHORIZATION DISCLOSURE

This Sub-User and Cross-Account Transfer Authorization Disclosure (this “Disclosure”) supplements and is incorporated into the Business Digital Banking Agreement, the Business Account Agreement, and any related agreements, schedules, and disclosures between FIG Federal Credit Union (the “Credit Union”) and the business member (the “Business”). Capitalized terms not defined here have the meanings given to them in those agreements. **If any provision of this Disclosure conflicts with the Business Digital Banking Agreement with respect to Sub-User access or cross-account transfers, this Disclosure controls.**

Please read Sections 5 (Linked Personal Accounts), 6 (Consumer Protections and Regulation E), and 11 (Liability) carefully. They describe circumstances in which the Business, the Primary Administrator, or an individual accountholder may bear the risk of loss for transfers initiated through the Business Digital Banking Service.

1. Definitions

For purposes of this Disclosure:

- **“Business Digital Banking Service”** means the online and mobile digital banking service the Credit Union makes available to business members through the Lumin Digital banking platform, including all features, modules, and channels within it.
- **“Primary Administrator”** means the individual designated by the Business on its enrollment or account records who is authorized to bind the Business, to enroll and administer the Business Digital Banking Service, and to appoint, modify, and revoke Sub-Users. The Business may designate a successor or additional Primary Administrator only through the Credit Union’s documented process.
- **“Sub-User”** means any individual to whom the Primary Administrator grants access to the Business Digital Banking Service, including owners, officers, employees, bookkeepers, accountants, contractors, and other agents of the Business.
- **“Business Account”** means any deposit, loan, or other account held by the Business at the Credit Union and enabled for the Business Digital Banking Service.
- **“Personal Account”** means any consumer account held at the Credit Union by an individual — including the Primary Administrator, an owner, or another individual — that is established primarily for personal, family, or household purposes and that has been linked to the Business Digital Banking Service in accordance with Section 5.
- **“External Account”** means an account held at another financial institution that has been linked and verified for transfers through the Business Digital Banking Service.

2. Appointment of Sub-Users

The Primary Administrator may authorize one or more Sub-Users to access the Business Accounts through the Business Digital Banking Service. The Primary Administrator is solely responsible for determining each

Sub-User's identity, level of access, entitlements, dollar limits, and transaction authority, and for keeping those settings current.

The Credit Union may rely, without further inquiry and without any duty of investigation, on instructions submitted by any Sub-User acting within the permissions the Primary Administrator has granted. The Credit Union is not required to confirm that a Sub-User's instruction is consistent with the Business's internal policies, organizational documents, resolutions, or any separate agreement among the Business's owners, officers, or agents.

The Primary Administrator may grant a Sub-User authority equal to or narrower than the Primary Administrator's own authority, but may not grant authority the Primary Administrator does not itself hold. Available permission settings, entitlements, and any dual-approval or dual-control features are those made available within the Business Digital Banking Service from time to time, and may change.

3. Authority to Transfer Funds

Where the Credit Union has enabled the applicable feature, the Primary Administrator may authorize Sub-Users to initiate transfers:

- between Business Accounts;
- from a Business Account to a linked Personal Account;
- from a linked Personal Account to a Business Account; and
- to or from an External Account, as permitted by the Business Digital Banking Service and any applicable origination agreement.

The Primary Administrator acknowledges that transfers initiated by Sub-Users under these permissions may include, without limitation:

- reimbursement of business expenses;
- contractor or vendor payments;
- payroll, commission, or bonus payments;
- owner, member, or partner draws and distributions;
- emergency or working-capital funding transfers; and
- other business-related transactions authorized by the Business.

Certain payment types — including ACH origination, wire transfers, remote deposit capture, and other treasury or cash-management services — may require a separate agreement, additional approval, or additional authentication before a Sub-User may initiate them. This Disclosure does not itself grant authority to originate those payment types.

4. Responsibility for Sub-Users

The Business and the Primary Administrator agree that:

- Each Sub-User acts as an agent of the Business, and the Business is bound by the Sub-User's acts and omissions within the Business Digital Banking Service;

- Every transaction, instruction, enrollment, or account maintenance request initiated by a Sub-User using valid credentials and within the granted permissions is deemed authorized by the Business, whether or not the Sub-User in fact had authority under the Business's internal policies;
- The Business is solely responsible for supervising and monitoring Sub-User activity, including reviewing account statements, alerts, and transaction history promptly and reporting discrepancies within the time periods stated in the Business Account Agreement;
- The Business will immediately remove or restrict a Sub-User's access when that access is no longer appropriate, including upon termination of employment or engagement, change in role, suspected compromise, change in ownership or authorized signers, or replacement of the Primary Administrator;
- The Business will inform each Sub-User of the applicable terms governing use of the Business Digital Banking Service.

Access removal is effective only when completed within the Business Digital Banking Service or when the Credit Union has received and had a reasonable opportunity to act on a request submitted through the Credit Union's designated channel.

The Credit Union may require the Business to complete periodic entitlement certification for the Business Digital Banking Service, including confirmation of each Primary Administrator, Sub-User, entitlement, transaction limit, and approval setting. If the Business does not complete a required certification or if the Credit Union identifies access that appears inconsistent with the Business's records or risk profile, the Credit Union may suspend, limit, or require re-verification of access until the certification or review is completed.

5. Linked Personal Accounts — Authorization Required

A Personal Account may be linked to the Business Digital Banking Service only with the express authorization of each individual owner of that Personal Account, provided in a form acceptable to the Credit Union. By authorizing the link, the individual accountholder:

- Appoints the Primary Administrator, and any Sub-User the Primary Administrator grants access to that Personal Account, as an authorized user of the Personal Account for purposes of initiating transfers and viewing account information through the Business Digital Banking Service;
- Acknowledges that individuals other than the accountholder will be able to view balances, transaction history, and other information for that Personal Account; and
- Acknowledges the consequences described in Section 6 below, including that transfers initiated by those individuals are **not** treated as unauthorized transfers.

The Credit Union may decline to link a Personal Account, may require additional documentation of authority or ownership, and may unlink a Personal Account at any time. The individual accountholder may revoke the link at any time by notifying the Credit Union; revocation is effective prospectively only, once the Credit Union has had a reasonable opportunity to act on it.

Ownership mismatch and independent consumer authorization. A Primary Administrator may not link, or cause any Sub-User to access, a Personal Account merely by entering account information or credentials. If the owners of the Business are not identical to the owners of the Personal Account, the Credit Union must independently capture authorization from each consumer owner of the Personal Account through a method acceptable to the Credit Union before the link is enabled. The Credit Union may require identity verification,

written or electronic consent, confirmation through the consumer digital banking profile, or other documentation of authority, and may refuse or suspend any requested link until authorization is confirmed.

6. Consumer Protections, Regulation E, and Article 4A

a. Business Accounts.

One consistency issue I recommend cleaning up: Section 6 is numbered “**Consumer Protections and Regulation E,**” but the opening subsection on Business Accounts also addresses **Article 4A**. A cleaner heading would be:

“6. Consumer Protections, Regulation E, and Article 4A”

Also, Section 6 references “**unauthorized or erroneous transfers on Business Accounts**” under Article 4A and applicable rules. That is generally consistent, but if you want tighter drafting, I can revise it to distinguish:

Accounts held for business purposes are not consumer accounts. The error-resolution and limited-liability protections of Regulation E (12 C.F.R. Part 1005) do not apply to Business Accounts or to transfers to or from them. The Business’s rights and obligations regarding unauthorized or erroneous transfers on Business Accounts are governed by the Business Account Agreement, the Business Digital Banking Agreement, Article 4A of the Uniform Commercial Code as adopted in California, and applicable operating rules.

b. Linked Personal Accounts.

A Personal Account remains a consumer account, and Regulation E continues to apply to it. However, under Regulation E an electronic fund transfer is *not* an “unauthorized” transfer when it is initiated by a person to whom the consumer furnished an access device or account access, unless the consumer has notified the Credit Union that transfers by that person are no longer authorized. **As a result, once a Personal Account is linked and access is granted, transfers initiated from that Personal Account by the Primary Administrator or an authorized Sub-User are treated as authorized by the consumer, and the consumer’s Regulation E protections for unauthorized transfers do not apply to them — even if the individual exceeded the authority the consumer intended to give.**

An individual who no longer wishes to permit such access must revoke the link under Section 5. The consumer retains Regulation E rights with respect to transfers that are genuinely unauthorized — for example, transfers initiated by a person who obtained credentials without the consumer’s or the Business’s knowledge — subject to the notice requirements in the Credit Union’s consumer Electronic Fund Transfer Disclosure.

7. Cross-Account Transfers — No Advice and No Duty to Monitor

The Business and the Primary Administrator acknowledge that transfers between Business Accounts and Personal Accounts, and transfers characterized as draws, distributions, reimbursements, loans, or compensation, may have legal, accounting, or tax consequences, and may affect the separateness of the Business from its owners.

The Credit Union:

- Does not determine whether any transfer is appropriate, properly characterized, or permitted under the Business’s organizational documents;

- Does not monitor or verify the business purpose of any transfer;
- Does not provide legal, accounting, or tax advice, and no statement by any Credit Union employee may be relied upon as such advice; and
- Acts solely as a provider of financial services and does not act as a fiduciary, trustee, or adviser to the Business, its owners, or any Sub-User.

The Business is solely responsible for ensuring that all transfers comply with applicable law, its organizational documents, and its internal policies, and for maintaining records adequate to support the characterization of each transfer. The Business is encouraged to consult its own legal, accounting, and tax advisors.

8. Security Responsibilities and Security Procedures

The Business agrees to:

- Maintain the confidentiality of all credentials, authentication factors, and one-time passcodes, and require each Sub-User to use unique credentials that are never shared;
- Promptly notify the Credit Union — by telephone at [800-877-2345](tel:800-877-2345) and in writing — of any actual or suspected unauthorized access, credential compromise, or fraudulent activity;
- Review and certify Sub-User entitlements, limits, and access at least annually and promptly after any administrator change, personnel change, role change, ownership change, suspected compromise, or other event that may make existing access inappropriate;
- Revoke unnecessary access promptly;
- Use commercially reasonable measures to protect the devices and networks used to access the Business Digital Banking Service, including current operating systems, anti-malware protection, and secure networks; and
- Implement and use the dual-control, approval, alert, and limit features made available within the Business Digital Banking Service in a manner appropriate to the size and complexity of the Business.

The Business agrees that the authentication and security procedures actually offered and enabled through the Business Digital Banking Service — which may include credential-based login, multifactor authentication, entitlement and limit controls, alerts, and approval workflows depending on the Business's configuration and the features then made available — are intended to constitute commercially reasonable security procedures for the Business, taking into account the size, type, and frequency of the transfers the Business expects to originate. The Credit Union's representation regarding commercially reasonable security procedures applies only to procedures that are actually available, documented, and configured for the Business Digital Banking Service at the applicable time. If the Business declines a security procedure the Credit Union offers and instead instructs the Credit Union to follow a different procedure, the Business is bound by any payment order accepted by the Credit Union in compliance with the procedure the Business chose, whether or not that order was authorized.

9. Limits, Cutoff Times, and Availability

Transfers are subject to the dollar limits, frequency limits, cutoff times, processing schedules, and available-funds requirements established by the Credit Union and, where applicable, set by the Primary Administrator within the Business Digital Banking Service. The Credit Union may change these limits and schedules at any time, and may refuse, delay, or reverse any transfer that exceeds a limit, lacks available funds, is submitted

after the applicable cutoff time, or that the Credit Union believes may be unauthorized, erroneous, or unlawful.

The Business Digital Banking Service may be unavailable from time to time for maintenance or for reasons beyond the Credit Union's control. The Credit Union is not liable for a transfer that is not completed because the service was unavailable, and the Business is responsible for using an alternative method to complete time-sensitive transactions.

10. Liability

The Business is responsible for all transactions initiated using valid Business Digital Banking credentials, including transactions initiated by Sub-Users, whether or not the particular transaction was authorized by the Business internally.

Except as otherwise required by applicable law, the Credit Union is not liable for any loss, cost, damage, or expense resulting from:

- Permissions, entitlements, or limits granted, configured, or left in place by the Primary Administrator;
- The acts, omissions, misuse, or fraud of any Sub-User or other person to whom the Business or the Primary Administrator furnished access;
- The Business's failure to revoke access promptly or to review Sub-User activity;
- Disputes among the Business's owners, officers, employees, contractors, partners, or other agents, or disputes about the ownership of or authority over transferred funds;
- Transfers authorized through valid authentication credentials and the security procedures described in Section 8; or
- The Business's election not to use an available security, approval, limit, or alert feature.

To the fullest extent permitted by law, the Credit Union is not liable for indirect, incidental, special, consequential, exemplary, or punitive damages, or for lost profits, arising out of or relating to the Business Digital Banking Service, even if advised of the possibility of such damages. Nothing in this Disclosure limits any right or protection that applicable law makes non-waivable, including any protection available to a consumer under Regulation E with respect to a genuinely unauthorized transfer.

11. Revocation and Suspension of Access

The Primary Administrator may modify or revoke Sub-User access at any time through the Business Digital Banking Service. The Business remains responsible for transactions initiated before the modification or revocation takes effect, and for any transaction already in process at that time.

The Credit Union may suspend, limit, or revoke access for the Business, the Primary Administrator, or any Sub-User, with or without prior notice, where the Credit Union believes it is necessary to protect members or the Credit Union, to comply with applicable law or a legal process, or to mitigate fraud, security, credit, or operational risk. The Credit Union may also require re-verification of the Primary Administrator's authority at any time, including upon notice of a change in the Business's ownership, control, or authorized signers, and may restrict access pending that verification.

12. Indemnification

To the fullest extent permitted by law, the Business agrees to indemnify, defend, and hold harmless the Credit Union and its directors, officers, employees, agents, and service providers from and against any claims, demands, losses, liabilities, judgments, costs, and expenses — including reasonable attorneys' fees and costs of collection — arising from or relating to:

- The acts or omissions of any Sub-User;
- Permissions or entitlements granted or maintained by the Primary Administrator;
- Any transfer between a Business Account and a Personal Account or External Account, including any dispute regarding ownership of or authority over the transferred funds;
- Any claim by an owner of a linked Personal Account relating to access granted under Section 5; or
- The Business's breach of this Disclosure or of any related agreement.

This obligation survives termination of the Business Digital Banking Service and closure of the accounts.

13. Third-Party Service Providers

The Business Digital Banking Service is provided in part through Lumin Digital and other third-party service providers. The Credit Union remains responsible to the Business for the service in accordance with its agreements with the Business, but is not liable for the acts or omissions of any third party the Business separately engages, including accounting platforms, payroll providers, aggregators, or other applications to which the Business or a Sub-User grants access to account data or credentials. Access granted to such a third party is treated as access granted by the Business under Sections 4 and 10.

14. Amendments, Notices, and Electronic Records

The Credit Union may amend this Disclosure at any time. The Credit Union will provide notice of amendments as required by applicable law and by the Business Digital Banking Agreement, including by posting the amended Disclosure within the Business Digital Banking Service, sending it to the email address of record, or delivering it by any other method permitted by that agreement. Continued use of the Business Digital Banking Service, or continued Sub-User access, after the effective date of an amendment constitutes acceptance of the amendment.

The Business consents to receive this Disclosure and all related notices, agreements, and amendments in electronic form, and agrees to maintain a current email address and telephone number with the Credit Union. Notices to the Business are deemed delivered when sent to the contact information of record.

15. Governing Law, Severability, and Entire Agreement

This Disclosure is governed by federal law and, to the extent not preempted, by the laws of the State of California, without regard to its conflict-of-laws principles; provided, however, that the Credit Union may modify this governing-law provision for a particular Business if required by applicable law or by a separately executed agreement. If any provision of this Disclosure is held unenforceable, the remaining provisions remain in full force and effect. This Disclosure, together with the Business Digital Banking Agreement, the Business Account Agreement, and the other agreements and disclosures referenced in them, constitutes the entire agreement between the parties regarding Sub-User access and cross-account transfers.

16. Member Acknowledgment

By enabling Sub-User access, linking a Personal Account, or authorizing cross-account transfers, the Primary Administrator acknowledges and agrees, on behalf of the Business, that:

- The Primary Administrator has full authority to bind the Business and to grant the access described in this Disclosure;
- The Primary Administrator understands the permissions being granted and the transactions those permissions allow;
- The Business accepts responsibility for all activity performed by Sub-Users within the permissions granted;
- The Primary Administrator has complied with Section 5 for any linked Personal Account, including ensuring that the Credit Union has independently captured authorization from each consumer owner of that Personal Account before the link is enabled;
- The Business will periodically review and update Sub-User permissions; and
- The Business has read and agrees to the security procedures in Section 8.

ACCEPTANCE

This Disclosure is accepted electronically within the Business Digital Banking Service, or by signature below where the Credit Union requires written acceptance.

Signature of Primary Administrator

Date

Printed Name and Title

Legal Name of Business