



FUNDS TRANSFER POLICIES

This policy covers all funds transfers to or from Credit Union including a funds transfer which is excluded from Division 11 of the California Commercial Code ("Division 11" hereafter) because part of such a transfer may be subject to the Electronic Funds Transfer Act of 1978. This policy is intended to supplement and, as applicable, implement the provisions of Division 11. This policy may be amended at any time in the sole discretion of WesCorp and as amended shall become effective upon notice thereof given by WesCorp to Credit Union.

1. WesCorp and the beneficiaries' institution in a funds transfer may rely on the number in a payment order that identifies an intermediary institution or beneficiary, even if the number identifies an institution or a person different from the institution or person identified by name, so long as the beneficiaries' institution or WesCorp does not know of this inconsistency. WesCorp has no duty to detect such inconsistency.
2. For each payment order WesCorp accepts from Credit Union, WesCorp shall follow Credit Union's instructions concerning any intermediary institution or funds transfer systems or the means by which the payment order is to be transmitted. If Credit Union does not designate an intermediary institution, Credit Union appoints WesCorp as its agent to select the intermediary institution for each such funds transfer. WesCorp shall use ordinary care in the selection of an intermediary institution and Credit Union shall be liable under 11-402 for such payment order as if Credit Union had selected the intermediary institution. Credit Union shall indemnify and hold WesCorp harmless from and against any costs, expenses and liabilities arising out of WesCorp's selection of an intermediary institution in accordance with the terms hereof. WesCorp shall not be obligated to use a designated funds transfer system if WesCorp determines that such use could unduly delay completion of the funds transfer.
3. For each payment order of which Credit Union is the beneficiary, WesCorp shall give notice of payment by posting such amounts to the account records of Credit Union maintained at WesCorp or by such other means as Credit Union and WesCorp may agree, provided however, that under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving Credit Union's account, WesCorp shall not be required to give Credit Union next day notice of receipt of an ACH item, and will not do so. WesCorp shall notify Credit Union of the receipt of payments via periodic statements WesCorp provides to Credit Union.
4. Credit Union shall promptly review all notices from WesCorp regarding the execution of payment orders for Credit Union. Credit Union shall advise WesCorp that a payment order was erroneously executed within two business days following notification.
5. If WesCorp accepts a purported payment order of Credit Union which is not an authorized order, an effective order or enforceable against Credit Union, after determining such fact, WesCorp shall promptly refund or credit Credit Union's account at WesCorp for the amount of such payment order to the extent WesCorp is not entitled to enforce payment. In addition, if Credit Union notifies WesCorp within two business days after the date Credit Union received notice from WesCorp that the payment order was accepted or Credit Union's account was debited, WesCorp shall pay Credit Union interest on the amount to be refunded at a rate equal to WesCorp's daily share rate.
6. Except as provided in Division 11-404(a), in no event shall WesCorp be liable to Credit Union for any incidental, consequential, special or any other similar type of damage resulting from late or improper execution or failure to execute a payment order. WesCorp's liability shall be limited as provided in Division 11-305.
7. Credit Union shall be obligated as specified in Division 11-402 to pay WesCorp for all payment orders for which Credit Union is the sender and which WesCorp accepts.
8. The following security procedures shall apply to each sender that is authorized to send a payment order to WesCorp and each receiver that receives a payment order from WesCorp for the purpose of verifying the authenticity of a payment order or communication amending or cancelling a payment order. The security procedures are not used to detect an error in the content of the payment order.

When a payment order is issued, the security procedure involves use of an identification code by an employee of the sender and may, at WesCorp's sole discretion involve a call-back procedure by WesCorp. When a member of a Credit Union is the receiver, the security procedure involves facsimile notification from WesCorp and the Credit Union is required to call WesCorp back to authenticate the payment order before making the proceeds available to its member or otherwise acting with respect to the payment order.

The names of the employees of the sender or receiver Credit Union who are authorized to authenticate or issue a payment order must be on a list of authorized employees provided to WesCorp by the Credit Union.

Each sender and receiving Credit Union shall prevent any disclosure, except on a "need to know" basis, of any aspects of the security procedures agreed to with WesCorp. The sender or receiving Credit Union shall notify WesCorp immediately if the confidentiality of these security procedures is compromised and shall act to prevent the security procedure from being further compromised.

9. Cut-off times and the time schedule for funds transfer will apply as follows:

- WesCorp accepts payment orders beginning at 8:00 a.m., Pacific Time.
- WesCorp accepts payment orders until 1:30 p.m., Pacific Time.
- Funds-transfer business days include all days except the following standard holidays that are observed by Federal Reserve Banks: All Saturdays; All Sundays; New Years' Day (January 1); Martin Luther King Day (3rd Monday in January); Presidents Day (3rd Monday in February); Memorial Day (Last Monday in May); Independence Day (July 4); Labor Day (1st Monday in September); Columbus Day (2nd Monday in October); Veterans Day (November 11); Thanksgiving Day (4th Thursday in November); Christmas Day (December 25).

10. A fee schedule will apply as specified in the Funds Transfer Fee Schedule.

11. **PRIVACY AND SECURITY OF FINANCIAL INFORMATION.** In the course of performing its obligations under this AGREEMENT, WESCORP may come into possession of "nonpublic personal information" of CREDIT UNION'S natural-person "members" or "customers" as those terms are used in NCUA Regulations at 12 CFR Parts 716 and 748. WESCORP acknowledges and agrees that it may not make any use of that information itself, nor may WESCORP disclose that information to the use of any other person or business with whom WESCORP deals, except solely as is necessary to carry out the purposes of this AGREEMENT. Further, WESCORP agrees to use reasonable efforts to maintain physical, electronic and procedural safeguards that meet or exceed industry norms and any applicable legal requirements, to guard member/customer records and information from any anticipated threats or hazards to the security or integrity of such records, and protect against unauthorized access to or use of member/customer records or information which could result in substantial harm or inconvenience to any member/customer. The types of safeguards which may be put in place, and which may be used alone or combination with others, include: firewalls, software tokens, hardware tokens, VPN technology, strong 128-bit encryption, on-site 24/7 security guards, and electronic badge entry/exit systems. Further, WESCORP agrees to adopt and maintain reasonable information security policies and procedures, which address: internal accounting controls, operational controls, administrative controls, preventive controls, detective controls, and corrective controls.