

Schwab Bank Electronic Funds Transfer Terms and Conditions

charles SCHWAB
BANK

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The Schwab Bank Electronic Funds Transfer Terms and Conditions (“Terms and Conditions”) will govern all transactions initiated under the Schwab Bank Electronic Funds Transfer Service (the “Service”), and your use of such Service will confirm that you have received, reviewed, and agreed to be bound by the Terms and Conditions, including, without limit, any amendments, until you cancel the Service as described in the Terms and Conditions. Please read the Terms and Conditions carefully and retain them for future reference. Other electronic funds transfer services, such as Direct Deposit and transfers between Charles Schwab Bank (“Schwab Bank”) deposit accounts and Charles Schwab & Co., Inc. (“Schwab Brokerage”) brokerage accounts, are governed by your other Schwab Bank and Schwab Brokerage agreements, but may be mentioned here for reference and clarification purposes. You agree that if there is a conflict between these Terms and Conditions and your Schwab Bank Deposit Account Agreement (“DAA”) that the terms of the DAA will govern. Electronic funds transfers associated with your Schwab Bank Visa® Debit Card are governed by the Schwab Bank Visa Debit Card Agreement and your Schwab Bank Deposit Account Agreement.

The terms and conditions contained within this document apply only to electronic funds transfers to or from consumer accounts, established primarily for personal, family, or household purposes. Transfers to or from accounts for corporations, LLCs, partnerships, or other corporate entities are not permitted.

1. Definitions

Available Funds: Available Funds is the portion of your preceding day’s ending balance, plus the current day’s credits, minus the current day’s debits, that is available for immediate withdrawal. Funds in your account are not available if we determine that they are subject to a hold, dispute, or legal process that prevents their withdrawal.

Business Day: Business Days are Monday through Friday, excluding Federal Reserve Bank holidays. If a funds transfer is scheduled for a day other than a Business Day, we will make it on the following Business Day.

Electronic Services: Electronic Services are Schwab Bank’s computer, telephone, facsimile, email or wireless services or systems.

2. Schwab Bank Electronic Funds Transfer Service

When using the Service, transfers of funds between your Schwab Bank account and an account at a bank or other financial institution not affiliated with Schwab Bank (the “Other Account”) are provided using the Automated Clearing House (“ACH”) system. You may authorize transfers to occur: (1) the next Business Day; or (2) on a scheduled basis, which includes (a) on-request transfers—one-time or future-dated transfers, (b) recurring transfers, or (c) any combination thereof. The Service is available by calling Schwab Bank at 1-888-403-9000. The Service is available only between Schwab Bank and financial institutions within the United States.

3. Automated Clearing House (ACH) Authorization

You authorize Schwab Bank to facilitate ACH transactions, which may include permitting Schwab Bank to: (i) initiate credit entries to the Other Account per your written instructions and to credit that account, (ii) initiate debit entries to the Other Account and to debit that account, and (iii) initiate reversals to the Other Account of erroneous or duplicate credit or debit entries and to credit or debit such account as appropriate. This authorization will remain in full force and effect until Schwab Bank has received written notification from you of its termination. Schwab Bank must receive this notification in a time and manner so as to give Schwab Bank and the other financial institution a reasonable opportunity to act on it.

4. Service Setup and First Funds Transfer

To set up and test your transaction instructions through the Service, it may take up to two weeks from the day Schwab Bank receives your signed enrollment form before your first funds transfer can occur. We will notify you when the Service has been established on your account(s).

5. Minimum and Maximum Transfer Amounts

The minimum transfer amount for the Service is \$1. The maximum amount per transfer allowed by Schwab Bank is \$100,000. The daily transfer limit is \$100,000 into and \$100,000 out of your account. Regardless of the amount of the transfer limit, you may not transfer more than the amount of your Available Funds.

6. On-Request Transfers

You may request transfers into or out of your Schwab Bank account to take place on the next Business Day. For transfer dates which fall on a weekend or holiday, your transfer will be completed the next Business Day. Please contact us at least one Business Day prior to your transfer date. Transfer instructions received and acknowledged by 5:30 p.m. eastern time will result in the movement of funds to your Other Account on the next Business Day. For example, if you provide instructions to us by 5:30 p.m. eastern time on Monday, your funds will be transferred to your Other Account on Tuesday. Transfer instructions received or acknowledged after 5:30 p.m. eastern time may require two Business Days to complete. You will need to check with the other financial institution regarding funds availability in your Other Account.

7. Scheduled Transfers

You can establish Scheduled Transfers, which are: (1) on-request transfers—one-time or future-dated transfers; and (2) recurring transfers. For transfer dates that fall on a weekend or holiday, your transfer will be completed the next Business Day.

8. Availability of Funds for the Transfer

Please see your Schwab Bank Deposit Account Agreement under the “**Originating Transfers**” section. In addition, please be advised that if you have an overdraft protection source (i.e., a linked Schwab brokerage account, a linked Schwab Bank account, or an Overdraft Credit Line), Schwab Bank will not consider any overdraft source funds or available credit when determining whether you have sufficient Available Funds to conduct the requested transfer. If you do not have sufficient funds in your account, we may refuse to complete the transaction. We are under no obligation to notify you if we do not complete a transfer because there are insufficient funds in your Schwab Bank account to process the transaction. For transfers

from your Other Account into your Schwab Bank account, you may wish to contact that institution to verify its requirements for funds availability for these types of transactions.

9. How Transfers Are Processed and Recorded

To/from Schwab Bank and/or Schwab Brokerage accounts:

Please see your Schwab Bank Deposit Account Agreement under the “**Real-Time Funds Transfer and Provisional Credit**” and the “**Originating Transfers**” sections.

To/from Your Other Account:

Please see your Schwab Bank Deposit Account Agreement under the “**Originating Transfers**” section.

10. Availability of Funds in Your Schwab Bank Account After a Schwab Bank Transfer from Your Other Account

Funds originating from an ACH transfer from your Other Account will be available no later than the fourth Business Day after the day of your deposit. Schwab Bank is not responsible for delays in funds availability caused by the other financial institution.

11. Requesting Changes to Your Existing Schwab Bank Electronic Funds Transfer Instructions

You may request changes, including changes to the frequency of your transfers, your transfer date, the dollar amount, and the start date of the Service. At our option, we may also allow you to enroll other Schwab Bank accounts you own for transfers to or from the Other Account. If you request and we accept such additional enrollments, transfers initiated to or from your other Schwab Bank accounts will be subject to these Terms and Conditions. You may make these changes by contacting us. Written authorization may be required for all changes regarding your Other Account, and the direction of your transfer (either into or out of your Schwab Bank account[s]). Most change requests must be received by 5:30 p.m. eastern time at least two Business Days prior to the transfer date to effect the changes prior to the transfer. Any changes to the information about the Other Account (such as the account number, transit routing number, etc.) must be received by 5:30 p.m. eastern time 10 Business Days prior to the transfer date to allow for validation of the new information.

12. Confirmation of Transfers

You will get a monthly account statement. All Schwab Bank transactions will appear on your applicable Schwab Bank account statement(s) and may appear on the Schwab.com website if you have a Schwab Bank High Yield Investor



Savings® account or Schwab Bank High Yield Investor Checking® account. You may also confirm a Schwab Bank transfer by calling us at 1-888-403-9000. From outside the U.S., please call collect at 1-317-596-4502.

13. Canceling the Service

You may cancel the Service, as permitted, through an Electronic Service or by simply calling us at 1-888-403-9000. From outside the U.S., please call collect at 1-317-596-4502. When using an Electronic Service, cancellations may be limited to only regularly scheduled transfers. To process your request, we must receive and acknowledge your cancellation notice by 5:30 p.m. eastern time at least two Business Days prior to any scheduled transactions. Schwab Bank reserves the right to cancel the Service, at its election, for any reason, without advance notice.

14. Stopping a Specific Transfer

If you have told us in advance to make On-Request or Scheduled Transfers out of your Schwab Bank account(s), you can stop any of these payments. Call us toll-free, Monday through Friday, by 5:30 p.m. eastern time, at 1-888-403-9000. Alternatively, you may write to us at Charles Schwab Bank, P.O. Box 52083, Phoenix, AZ 85072-2083. We must receive your request at least three Business Days before the payment is scheduled to be made. If you call, we may also require that you put your request in writing to us within 14 days after the call. We will not charge you for such stop requests. If these regular payments vary in amount, the person or organization that you are going to pay is required to tell you, 10 days before each payment, when it will be made, and how much it will be. If you order us to stop one of these payments at least three Business Days before the transfer is scheduled, and we do not do so, we will be liable for your actual, reasonable losses or damages.

15. Transfers to Third-Party Accounts

You may authorize transfers from your Schwab Bank account to a third-party account, where you are not an account holder, at another financial institution. You agree to indemnify Schwab Bank against any loss or damage incurred by Schwab Bank resulting from a transfer of funds between the two accounts. Communications between Schwab Bank and the account holders of any third-party account are limited to cancellation of the Schwab Bank service with that third-party account. A third party may make no other requests for changes to the authorization that you have provided to us. The Schwab Bank Service is not intended for bill payment and we may refuse to facilitate certain transfer requests. Please call a Schwab Bank representative for details.

16. Statement of Schwab Bank's Position on Waivers

No course of dealing, nor any failure or delay in Schwab Bank's exercise of any right under these Terms and Conditions or any right available by law or in equity, shall be deemed a waiver of such right. No waiver or consent in any instance by us shall be deemed a waiver or consent by us in any later instance.

17. Joint Accounts

If there is more than one account holder, each account holder is jointly and severally liable for obligations and transactions resulting from the Service. As stated in your Account Agreement with Schwab Bank, each joint account holder has authority, acting individually and without notice to any other account holder, to deal with us as fully and completely as if the account holder is the sole account holder. We are authorized to follow the instructions of any joint account holder and to transfer funds in such accounts to any joint account holder or upon any account holder's instructions. We are not responsible for determining the purpose or propriety of an instruction we receive from any account holder or for the disposition of payments or deliveries among joint account holders. We reserve the right to require written instructions from all account holders, at our sole discretion. We reserve the right, but are not obligated, to place restrictions on an account in the event we receive notice of a dispute among, or conflicting instructions from, joint account holders.

Any notice we send or transmit to one account holder will be notice to all account holders.

18. Changes in Account Ownership

These Terms and Conditions will remain in effect until you cancel the Service, even if there is a change in the ownership status of your Schwab Bank account or your Other Account.

19. Other Agreements

Your use of the Service is also governed by other agreements that you have consented to as a Schwab Bank customer. (For example, your Schwab Bank Deposit Account Agreement contains an arbitration section.) These agreements may be obtained by contacting Schwab Bank. You should review those agreements for any applicable fees, restrictions, or obligations that might affect your use of an account with the Service.

20. Construction

The term "you" means the Schwab Bank customer(s) contracting for the Service and anyone authorized under the applicable Schwab Bank Deposit Account Agreement (such as a joint account holder or authorized agent) to instruct Schwab Bank with respect to transactions in the account.

21. Disclosure of Account Information

We may disclose your name and/or information about your account or your transactions to our agents and affiliates in order to facilitate your transfer requests. We may also disclose such information to third parties in certain circumstances, which may include: (a) to banks, and other entities that are involved with the products or services we offer or arrange on behalf of customers; (b) when it's requested by a third party to complete a transaction; (c) to verify the existence or condition of your account for a credit bureau or merchant; (d) to comply with a subpoena, court order or request from a government agency or law enforcement authority; (e) to evaluate your creditworthiness or our ability to collect any debt you owe us; or (f) if you give us your permission.

22. Our Liability for Failure to Complete Transactions

If we do not complete an Electronic Funds Transfer to or from your account on time or in the correct amount according to our agreement with you, we are liable for your losses or damages. There are some situations in which we are not liable. We are not liable, for instance, if:

- Through no fault of ours, you do not have enough money in your account to complete the transaction.
- The transaction amount would exceed the funds available under your overdraft protection option, if any.
- Circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- The system was not working properly, and you knew about it when you started the transaction.
- Any Automated Clearing House network or other third-party communication system from which we require information to complete transactions was not working properly.
- Your account is restricted (because of a court order or similar reason), and we are not permitted to make the transaction.
- An error in posting an amount or transaction occurs that is beyond our control.
- An account becomes dormant, in which case we may eliminate Check Card access to that account.
- Your Access Code has been revoked due to inactivity or at our discretion.

There may be other exceptions permitted by law.

23. Consumer's Liability for Unauthorized Transfers

Tell us AT ONCE if you believe your user identification or password (access codes) has been lost or stolen, or if an unauthorized person has learned your access codes or has transferred or may transfer money from your account without your permission. You can notify us by calling or writing Customer Service: Charles Schwab Bank, P.O. Box 52083, Phoenix, AZ 85072-2083. Call toll-free: 1-888-403-9000. Telephoning immediately is the best way of minimizing your possible losses. For accounts with more than one authorized signer, we may accept this report from any authorized signer. If you tell us within two Business Days after you learn of the loss or theft, you can lose no more than \$50 if someone used your access codes without your permission or for an unauthorized Electronic Funds Transfer. However, you could lose as much as \$500 if:

- You don't tell us within two Business Days after you learn of the loss or theft of your access codes; and
- We can demonstrate that we could have stopped someone from using your access codes without your permission if you had told us.

Losses could include the money in your account plus any advances or transfers from an Overdraft Source linked to your account. If unauthorized activity occurs, you agree to cooperate during the investigation and to complete any report or affidavit we may request. Also, if your statement shows Electronic Funds



Transfers that you didn't make or authorize, tell us AT ONCE. If you do not tell us within 60 days after the statement was mailed to you, you may not recover any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason kept you from telling us (such as a long trip or hospital stay), we will extend the time periods.

When you give someone your access codes, you are authorizing that person to access your account, and you are responsible for all transactions that person performs with your access codes. These transactions are authorized transactions. Transactions are considered unauthorized only after you notify us that the person is no longer authorized. Transactions that you, or someone acting with you, initiate with fraudulent intent are also authorized transactions.

24. Error Resolution Procedure

In case of any errors or questions about Electronic Funds Transfers, please contact Customer Service as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt.

Write to:

Charles Schwab Bank
P.O. Box 52083
Phoenix, AZ 85072-2083

Fax to: 1-877-524-3067

Call toll-free: 1-888-403-9000

We must hear from you no later than 60 calendar days after the date we sent the first statement on which the problem or error appeared. If you tell us orally, we may require you to send us your complaint or question in writing within 10 Business Days. We'll need the following information:

- Your name and account number,
- A description of the error or transaction you're unsure about,

- A clear explanation of why you believe it is an error or why you need more information, and
- The dollar amount of the transaction or suspected error.

We will tell you the results of our investigation within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If you are a new Schwab Bank client and the error or question concerns an Electronic Funds Transfer that occurred within 30 days after the first deposit to an account was made, we will tell you the results of our investigation within 20 Business Days after we hear from you. If we need more time, we may take up to 90 days to investigate. In addition, we may take up to 90 days to investigate if the error or question relates to an Electronic Funds Transfer that was initiated outside of the United States or resulted from a Point-of-Sale Debit transaction.

If we decide we need the additional time to investigate your complaint or question, we will provisionally credit your account within 10 Business Days (or 20 Business Days for errors or questions relating to transactions that occurred within 30 days after the first deposit to your account was made) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days, we may not provisionally credit your account. We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

25. Amendments

We may add, delete, or amend terms or services at any time, including fees and charges for the Service. We will notify you of such changes by

mail, email, by posting a notice of a change online, or by any other means permitted by law. Use of the Service after the effective date of the change will constitute your acceptance of such amendment.

26. Use of Electronic Services

Schwab Bank may, from time to time, make certain features and transaction abilities available through any of Schwab Bank's computer, telephone, facsimile, email or wireless services or systems. You agree that use of the Service through Schwab Bank Electronic Services is also subject to the Electronic Services Agreement to which you agree when you first access your accounts via Schwab.com and which is incorporated by reference into these Terms and Conditions and/or the applicable sections of your DAA including, but not limited to, the **Electronic Banking Services** and **Money Transfer Services** sections. Specifically, you agree to be bound by any instruction, request, affirmation, assent, or agreement you transmit through the Electronic Services, including, but not limited to, any consent you give to receive communications from us solely through electronic transmission. Schwab Bank reserves the right to terminate or limit your access to, or features of, the Service (or any portion of it) through its Electronic Services (or any portion of them) in its sole discretion, without notice and without limitation, for any reason whatsoever. If you access the Service via an Electronic Service, you must provide us with an email address for receipt of notices regarding the Service. You agree we may provide you any written notice mentioned in these Terms and Conditions via the email address you have provided us. If your email address changes or becomes disabled for any reason at any time, you agree to notify us immediately.

