

EXTERNAL FUNDS TRANSFER AGREEMENT

Together with the Online Banking Services (“OB Services”) agreement (“Agreement”), incorporated by reference, this External Funds Transfer Service addendum (“Addendum”) describes both your and Apple Bank for Savings’ (“Apple Bank” or “Bank”) rights and obligations when using the Electronic Funds Transfer service (the “Service”) and represents your acceptance of the External Funds Transfer service terms and conditions.

PLEASE TAKE NOTICE: TERMS AND CONDITIONS OF THIS AGREEMENT INCLUDING OBLIGATIONS TO RELEASE, HOLD HARMLESS, AND INDEMNIFY THE BANK, AND DISCLOSURES CONCERNING CONSUMER ELECTRONIC FUNDS TRANSFERS, AND ELECTRONIC COMMUNICATIONS, ARE DEEMED INCORPORATED HEREIN AND SHALL APPLY TO THE EXTERNAL FUNDS TRANSFER SERVICE.

This Addendum contains supplemental definitions and abbreviations at Section VII.

I. THE EXTERNAL FUNDS TRANSFER SERVICE

A. Electronically Signing. By clicking “I Agree,” providing Login Credentials, and/or using the Service, you and anyone else you authorize (i.e., an Authorized Person) agree to be bound by this Addendum, the Agreement, and the Bank’s Rules. Your acceptance constitutes your Enrollment in the Service and affirmative consent under the E-Sign Act. Do not share your Login Credentials or permit access to your logged-in device with a third party, at any time.

B. Eligible External Accounts. You may use the Service to link one or more External Accounts maintained at other U.S. financial institutions (“FIs”), with Eligible Accounts at Apple Bank for Savings. You will be able to initiate electronic funds transfers (“EFTs”) among such accounts through an Automated Clearing House (“ACH”) network. With certain limitations, you may initiate EFTs through ACH, going to (crediting) or from (debiting) your linked accounts. Access to Eligible Accounts may be limited or prohibited, for certain purposes.

ACH/EFT & Check Payment Order. On any given Business Day, when both ACH/EFT debits and checks are presented for payment against your account, Apple Bank will pay ACH/EFT debits first, followed by any checks presented. ACH/EFT debits will be paid in the order in which they are received by the Bank and then checks will be processed in the same manner. For example, if an ACH/EFT debit for \$300 is presented for payment and two checks are also presented for payment, the ACH/EFT debit will be processed first, followed by the two checks in the order in which they were received by the Bank. Additionally, other EFT transactions (e.g., point-of-sale transactions) will be posted to your account throughout the day as received by the Bank.

C. Linking External Accounts.

The Service requires you to establish an authenticated link between an Account(s) and one or more External Accounts to facilitate EFT Transfers, without physical presence at a branch. The owner of the External Account must be the same as the Account owner, user or Authorized Person permitted to access the Service.

To electronically link your External Account at another FI:

- You must furnish the American Bankers Association (ABA) Routing Number and account number for each External Account to be linked; and
- Verify two small micro-deposits (less than \$1.00) that will be made to the account.

Once you have confirmed the micro-deposits, the External Account will be linked for display and use with the Service, allowing you to initiate Electronic Funds Transfers (“EFTs”) through an Automated Clearing House (“ACH”) Network. With certain limitations, you will be able to initiate EFTs to come from (debit) or to go to (credit) your External Accounts.

D. Authorization.

By enrolling in the Service, you authorize the Bank, Q2, and/or FIS Global, their subsidiaries, affiliates and processing agents to: (1) activate the Service, (2) accept and process your Instructions, and (3) enable you to use the Service. Service provider data or messaging rates may apply for use of the Service, including multi-factor authentication steps.

E. External Transfer Processing.

Transfers initiated through the Service are subject to the Operating Rules and Guidelines of NACHA – The Electronic Payments Association (“NACHA”) and applicable regional or local ACH (“NACHA Rules”). All credits to your Accounts or External Accounts are provisional until the Bank or the other FI that holds your External Accounts pays and settles for any such credit. If, for any reason, final settlement or credit is not received, your Accounts or External Accounts may be charged back for the amount(s) thereof, together with any applicable fees or charges. Additionally, illegal transactions, such as online gambling, will be blocked when detected by NACHA and/or the Bank. You agree to comply with and be bound by the Rules, NACHA Rules and related procedures, and the Service terms and conditions.

F. External Transfers.

To use the Service for “External Transfers,” you must maintain at least one deposit Account with us and at least one External Deposit Account, between which you may Transfer funds. Standard Transfer withdrawals affecting your Accounts are executed through ACH entries from or to Linked External Accounts.

G. Fees.

There are no monthly Maintenance Charges associated with the Service and there is no fee for standard processing transactions, inbound or outbound. Fees may be incurred if the account the funds are scheduled to be transferred from, at Apple Bank or another FI, does not have sufficient funds on the date the outgoing transfer is processed.

H. External Transfer Limits.

You may originate withdrawals or deposits through the Service from or to your external Accounts in a standard processing aggregate dollar amount that is limited to \$2,500 per transaction, per qualifying account, per day (completed), and \$5,000 per calendar month, in aggregate. Limits on the number of transactions per account, per day and per month also apply.

I. Tier Limits.

Additional tier limits for external transfers may be available upon customer request and/or Bank approval.

J. External Transfer Processing.

The processing of Transfer Instructions received before the daily business day Cutoff Time of 3:00 PM Eastern Time (“ET”) will begin on the same day. It may take up to three (3) Business Days before any standard processing Transfer is completed. Your Transfer Instructions should allow for this time period between the Send On date and the time your Transfer has been funded. No further Transfer Instruction will

be accepted before completion of a pending Transfer, but you may schedule a Transfer to occur thereafter. You will have the ability to cancel your transfer request before the daily Business Day Cutoff Time through the Online Activity Center. Instructions made after the daily business day Cutoff Time of 3:00 PM ET may not be processed until the following Business Day. When submitting Instructions you should make allowance for the Cutoff Time. You agree to the Bank reviewing all Transfers, and that transaction times may be delayed or transactions not processed, should the Bank's review, in its sole discretion, determine further customer validation is required and/or the transaction request is detected as abnormal or fraudulent behavior.

K. Business Days.

A Business Day is any day other than a Saturday, Sunday or legal bank holiday. All Transfer requests (i.e., to initiate a fund transfer through ACH) made after 3:00 PM ET will be treated as having been received on the next Business Day.

L. External Transfer Authorization.

You authorize us to charge your designated account for all Transfers you initiate through the Service. You agree to have sufficient available funds in your designated account on the send date to cover the amount of the Transfer. We will not be obligated to make any Transfer you request unless there are sufficient available funds (including any available overdraft protection you might have). In the absence of sufficient available funds, the Transfer may be rejected and will not be reintroduced into the ACH network. Transfers to an External Account set up by the daily Business Day Cutoff Time will be originated and will be reflected in your External Account within three (3) business days. A fee of \$35.00 will be charged against your Account for any Transfer initiated against uncollected or insufficient available funds, at the time the outgoing funds are sent. You may also incur a charge by your linked financial institution for transfers scheduled from that account if, when the transfer request is processed, the account has uncollected or insufficient funds.

M. Transaction Confirmation / Statements.

Upon setup of a Transfer Instruction through the Service, you will receive a confirmation on your Computer or Mobile Device screen, of the initiation of the transaction. Your on-screen confirmation will contain a transaction number. You will also receive a security alert to your email address on file in Online Banking. External Transfers will be reflected on your periodic statement for your reference.

II. USER REPRESENTATIONS AND WARRANTIES

By requesting access and using the Service, each User authorizes, represents, and warrants as follows:

(i) The Bank, Q2 and/or Fidelity National Information Services, Inc. ("FIS Global") and any of their processing agent(s) are authorized to use, copy, modify, display and distribute any information, data, materials or other content, both confidential and non-confidential, that the User provides to such processing agents for the purpose of providing the Services;

(ii) User has the right to authorize and permit processing agents to access the User's accounts to effect transfers (i.e., External Transfers);

(iii) By disclosing to and allowing processing agents to use such information, the User is not violating any third party rights;

(iv) The information provided to the Bank, Q2 and/or FIS Global, and their processing agents, is and shall continue to be true, current, correct and complete;

(v) The Bank, Q2 and/or FIS Global, and their processing agents, are authorized to use the submitted information to perform the Funding service and to configure the same to be compatible with the User's accounts;

(vi) The Bank, Q2 and/or FIS Global, and their processing agents are hereby appointed attorney(s)-in-fact and agent(s) of the User, with full power of substitution and re-substitution, for, in the name, place and stead of him or her, in any and all capacities, to access the Accounts, effect funds transfers, with full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with effecting funds transfers, including verifying the content and authenticity of any funds transfer instruction for the purposes of security procedures applicable to Accounts, as fully to all intents and purposes as the User might or could do in person;

(vii) That User shall indemnify, defend and hold Apple Bank, Q2 and/or FIS Global, and their processing agents, their subsidiaries, affiliates, partners, officers, directors, employees, consultants and agents harmless from any and all third party claims, liability, damages and/or costs (including, but not limited to, attorneys' fees) arising from User's use of the Funding service, the Bank's, Q2's and/or FIS Global's, and their processing agents' reliance on the information, instructions, license and/or authorizations provided by the User, and for their violation of the terms hereof or their infringement (or that of any other user of their Funding service account) of any intellectual property or other rights of any person(s) or entity(ies).

Joint Owners. If two or more joint owners hold an Account, the Account may be accessed and linked to External Accounts owned by the same owners. Electronic withdrawals using the Service may be made by each owner independently, up to and including the entire Account balance in accordance with daily/monthly transfer limits, without further consent of any other. The Bank shall not be liable for any such withdrawals made by any owner. Each owner is deemed to be an agent of every other owner for all purposes.

Each joint owner must independently register and authorize his/her use of the Service. We will end your use of the Service if any joint account holder notifies us that (i) he or she never consented to your use of the Service, (ii) the joint account can no longer be operated on your instructions alone, or (iii) he or she is withdrawing consent for you to operate the joint account, mandating closure.

Service Termination.

You may terminate this Addendum and cease your participation, by calling (914) 902-2775, or by notifying us through a secure message in Online Banking, or by writing the Bank at:

Apple Bank
Digital Banking Services
900 Stewart Ave, Suite 605
Garden City, NY 11530

You can locate the hours to contact us by phone at www.applebank.com/hours.

III. FEES

For general information on Fees associated with the Bank's deposit accounts, see the Agreement, as well as the applicable Account Disclosure(s). A fee of \$35.00 will be charged against your Account for any Transfer initiated against uncollected or insufficient available funds, whether such item is paid or unpaid. You may also incur a charge by your linked financial institution for uncollected or insufficient funds transfers.

IV. CONSUMER ELECTRONIC FUNDS TRANSFER (“EFT”) PROVISIONS

A. Scope. These provisions apply to any EFT conducted through the Online Banking, , Bill Payment, internal transfer, External funds transfer, Mobile Banking, Text Banking, or any other Service(s) available now or hereafter by which you authorize and instruct Apple Bank, as the originating depository financial institution (“ODFI”), through Q2 and/or Fidelity National Information Services, Inc. (“FIS Global”), or any third-party processor and any ACH network, to debit or credit one or more of your deposit Accounts. The Act and CFPB Regulation E, as defined herein, govern consumer EFTs. The Bank may rely on any exceptions or exclusions to the provisions contained in the Act or Regulation E. Any terms not defined herein but which are defined in the Act or Regulation E shall have the same meanings as in said statute and regulation.

B. **NOTE:**

See, **Section IV of the Agreement**, for details of Consumer Electronic Funds Transfer (“EFT”) Provisions.

See also, **Section XVII of the Agreement** for additional Definitions.

V. LIMITED LIABILITY OF THE BANK AND THIRD-PARTY PROVIDERS

A. Our Liability. This Section explains the Bank’s and Third-Party Providers’ liability to you only to the extent that the Agreement, Addenda, notices or other disclosures do not separately disclose it. In the event of a conflict, the pertinent provisions of the Addenda shall govern.

B. **NOTE:**

See, **Section XI of the Agreement**, at sub-sections A. through J., for details of the Limited Liability of the Bank and Third-Party Providers. In addition, the Bank and Third-Party Providers will not be liable to you for delays or any failure to provide uninterrupted External Funds Transfer or other Services or Accounts. Unless otherwise required by law, we and they are only responsible to perform Services as described in this Agreement or the Addenda thereto. We and they may ONLY be liable for the actual amount of direct loss or damage that you sustain that directly results from gross negligence, willful misconduct or the breach of an explicit representation or warranty set forth herein.

In addition, we and they will not be liable to you in the following instances:

1. If you provide any incorrect, misleading, incomplete or unauthorized information, or withhold any required information, regarding any of the Services provided pursuant to this Agreement or Addenda thereto.
2. If through no fault of the Bank, you do not have sufficient available funds in your Account(s), Payment Account and/or External Account(s) to make or fund a scheduled External Funds Transfer.
3. If the Q2 technology platform temporarily fails and/or any one or more of the Services, your operating system or software is not functioning properly at the time you access them or attempt to initiate a transaction.
4. If any FI holding your External Account(s), Third-Party Provider or an ACH Operator or network provider mishandles, prevents or otherwise delays the processing or posting of any

Transfer, except as otherwise provided for herein.

5. If circumstances beyond the control of the Bank and/or Third-Party Providers (such as fire, flood, power outage, equipment or technical failure or breakdown) prevents an EFT transfer or other Bill Payment transaction from occurring despite reasonable precautions that we have taken.
6. If there is an administrative hold on your Account(s), Payment Account or External Account(s) (e.g., if access to or use of them is blocked in accordance with the Bank's Rules, NACHA Rules or other FI rules, applicable law or regulations).
7. If there is an outstanding item of legal process resulting in a hold against your Account(s), Payment Account or External Account(s) including, but not limited to, restraining notice, execution, sheriff's or marshal's levy, IRS Notices of Levy, NYS Tax Compliance Levy, Levy by execution, Court Ordered restraint, attachment, warrant or seizure notices, etc.).
8. If your Bill Payment, EFT or Text Banking transfer authorization terminates by operation of law.
9. If your Account transfers exceed any applicable transaction limitations.
10. If you believe someone has accessed one of your Accounts, Payment Account or External Accounts without your permission and you fail to **IMMEDIATELY** notify the Bank (and any affected third-party FI in a transfer).
11. If you have not properly followed the instructions on how to make an External Funds Transfer through an EFT under the Agreement or the Service.
12. If you provide erroneous, misleading, incomplete or unauthorized information or instructions to – or withhold correct information from – the Bank, its subsidiaries and affiliates, Q2, FIS Global, MX, Ensenta, IDology or any of their subsidiaries, affiliates or third-party vendors or processing agents (collectively, "Third-Party Providers").
13. If we have received and act upon erroneous, misleading, incomplete or unauthorized information or instructions including, but not limited to, name(s), dollar amount(s), account numbers, ABA bank routing numbers, email addresses, phone numbers, etc.
14. If we have a reasonable basis for believing that unauthorized use of your user IDs, passwords, login credentials, Secure Access Codes, one-time passwords, Account(s) or any of the Services has occurred, is threatened or may be occurring.
15. If you default under this Agreement, any Addenda thereto or other agreements with us, or
16. If you or we terminate this Agreement.

See also, **Section XVII of the Agreement** for additional Definitions.

VI. ARBITRATION AND CLASS ACTION WAIVER

THIS SECTION REQUIRES THAT CLAIMS BE ARBITRATED AND FORBIDS CLASS ACTIONS UNLESS YOU EXERCISE

YOUR RIGHT TO OPT OUT OF ARBITRATION BY MAIL WITHIN FORTY-FIVE (45) DAYS AFTER ACCOUNT OPENING. If at the time you open this Account you are a covered borrower under the Military Lending Act or you are a dependent of a covered member, this "Arbitration" section is not applicable to your Account(s).

Mandatory Arbitration. If you have a dispute with us, and we are not able to resolve the dispute informally, you and we agree that upon demand by either you or us, the dispute will be resolved through the arbitration process as set forth in this part. If you do not opt out, for a dispute subject to arbitration, neither you nor we will have the right to: (1) have a court or a jury decide the dispute; (2) engage in information-gathering (discovery) to the same extent as court; (3) participate in a class action in court or in arbitration; or (4) join or consolidate a claim with claims of any other persons. A "claim" or "dispute", as used in this Arbitration Agreement, is any unresolved disagreement between you and us, arising from or relating to the Account Agreement or relationship between us, including disagreements related to services, the application for, approval, or use of Accounts, banking facilities, advertising, or mediums used for account access. Claims are subject to arbitration; regardless of what theory on which they are based, whether they seek legal or equitable remedies, or whether they are common law or statutory (federal or state) claims. However, this Arbitration clause is inapplicable to collections matters brought by us against you for monies owed to us.

The arbitration shall take place in the federal judicial district in which you reside, unless the parties agree to a different location in writing. The arbitrator will follow applicable substantive law to the extent it is consistent with the FAA. The arbitrator will give effect to the applicable statutes of limitation and will dismiss barred claims. A judgment on the award may be entered by any court having jurisdiction. No arbitrator shall have authority to entertain any dispute on behalf of a person who is not a named party, nor have authority to make any award for the benefit of any person who is not a named party. The party initiating the arbitration (or appeal of the first arbitration award) shall pay the initial filing fee. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. Each party shall bear their own expense, regardless of who prevails, but the arbitrator will have the authority to award fees and costs to the extent permitted by the Account Agreement, the forum's rules, or applicable law. The arbitrator's award shall be final and binding on all parties, except for any right of appeal provided by the FAA. However, any party can, within 30 days after the entry of the award by the arbitrator, appeal the award to a three-arbitrator panel administered by the forum. Any final decision of the appeal panel is subject to judicial review only as provided under the FAA. Each arbitration, including the selection of the arbitrator(s), shall be administered by JAMS according to such forum's rules and procedures. You may obtain a copy of the arbitration rules by contacting JAMS at 1-800-352-5267 (toll-free) or website: jamsadr.com. If you initiate the arbitration, you must notify us in writing. If we initiate arbitration, we will notify you in writing at your last known address in our file.

Class Action Waiver. The Parties agree to give up any right they may have to bring a class action lawsuit or class arbitration, or to participate in either as a claimant. The Parties agree to give up any right to consolidate or join any arbitration proceeding with others. The Parties waive any right to seek or recover punitive and/or exemplary damages in any Dispute. No Arbitrator shall have the power or authority to award punitive and/or exemplary damages.

Right to Opt Out. You may opt out of this Arbitration Agreement. To opt out, you must send us written notice of your decision within forty-five (45) days of the opening of your Account. Such notice must state that you wish to opt out of the Arbitration Agreement section of this Account Agreement, and must include your name, address, account name, account number and your signature, and must be mailed to:

Apple Bank Depositor Services
Attn.: Arbitration Opt Out
250 West 23rd Street
New York, NY 10011

This is the sole method by which you can opt out of this Arbitration Agreement. Exercising your right to opt out will not affect remaining terms of this Agreement and will not result in any adverse consequence to you. You agree that our business records will be conclusive evidence of whether you cancelled or opted out of this Arbitration Agreement appropriately.

If it is determined that any paragraph or provision in this arbitration clause is illegal, invalid, or unenforceable, the remainder of this arbitration clause shall continue in full force and effect as if the severed provision was not included.

VII. DEFINITIONS

In addition to the definitions in the Agreement, the following apply:

1. "External Transfer Service" is the Service offered by the Bank pursuant to this Addendum, enabled upon Enrollment, through which you can initiate certain external funds transfers through ACH, to or from one or more External Accounts, with certain limitations.
2. "Cancelled" means that a Transfer will neither be processed nor sent at your request;
3. "Completed" means that we have sent a request to Transfer funds to the FI holding your External Account and the FI has not rejected our request to transfer funds on your behalf within the time established by banking institutions. It does not mean funds have necessarily been received into your "Transfer To" account;
4. "Cutoff Time" means 3:00 PM Eastern Time ("ET") on any Business Day and is the time by which we must receive Instructions to have them considered entered on that particular Business Day (see Timing of Transfers, above, for additional details);
5. "Deliver By Date" means the estimated Business Day that a Transfer is expected to complete processing. This date will be up to three (3) Business Days following the transaction date; funds may actually arrive at the "Transfer To" account (and be deducted from the "Transfer From" account) before or after this date;
6. "External Account" means a transactional checking or savings account that, ordinarily, you maintain with a third-party U.S. FI (or sometimes with us) and designate to associate with one or more of your Eligible Accounts, electronically via ACH, subject to Transaction Limitations (see Agreement, at Section 1.C.);
7. "Funding Failed" means when the FI holding your External Account notifies us that your attempted Transfer from your External Account could not be completed;
8. "Funded" means when an amount to be transferred to your External Account has been withdrawn from the available balance of your Transfer From account;
9. "Processed" means that a Transfer is no longer "Pending" or "Funded" and it cannot be changed or Cancelled;
10. "Instruction" includes any information you provide to us to effect a funds transfer (i.e., External Transfer), to be delivered to or from your External Account (e.g., third-party FI name, ABA routing number, your account number, and Deliver By date);
11. "Originating Depository Financial Institution" or "ODFI" is the FI responsible for initiating your ACH entries to an ACH Operator for execution of your Instruction (e.g., transmitting each entry to the Receiving Depository Financial Institution ("RDFI"), etc.) and for NACHA Rules compliance.
12. "Authorized" means any Instruction that you have ordered to be made which has not been Cancelled

by you before the daily business day Cutoff Time;

13. "Returned" means an External Transfer was rejected and not processed by the third party institution that holds your External Account;
14. "Sent" means a Transfer has successfully left our delivery system *en route* to the institution holding your External Account. This is not a confirmation that the institution holding your account has received it;
15. "Transaction Number" means the unique identifier that we send in response to your Instructions to confirm that your Instructions have been received by us;
16. "Transfer" includes any Instruction to move funds electronically (using an EFT) from one account to another (e.g., External Transfer) *via* the External Transfer Service and/or Instructions that have been processed through the Service, as the context requires;
17. "Transfer From account" means the account from which a Transfer is being requested by you via this Service. It includes both your Apple Bank and External Accounts, unless the context indicates otherwise;
18. "Transfer To account" means the account to which a Transfer is being requested by you *via* this Service. It includes both your Apple Bank and your External Accounts, unless the context indicates otherwise.

**Apple Bank for Savings
Member FDIC**

[September 2020]