

# Business Electronic Fund Transfer Agreement and Disclosure

For use with our Account  
Agreement and Disclosures



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BUSINESS ELECTRONIC  
FUND TRANSFER AGREEMENT  
AND DISCLOSURE

FOR

CITY NATIONAL BANK  
VISA® BUSINESS CHECK CARDS  
CITY NATIONAL BANK BUSINESS  
AUTOMATED TELLER MACHINE CARDS  
POINT OF SALE TRANSFERS  
TELEPHONE BANKING TRANSFERS  
PRE-AUTHORIZED TRANSFERS  
OTHER ELECTRONIC FUND TRANSFERS

This Agreement contains terms and conditions governing City National Bank's electronic fund transfer ("EFT") services available to businesses and other entities that are not consumers ("natural persons"). As used in this Agreement, the terms "we," "our," "us" and "CNB" mean City National Bank and include each of our vendors providing one or more of our services. The terms "you" and "your" means you, the business owner or other authorized person using a service covered in this brochure. This Agreement is for use with our *Account Agreement and Disclosures* brochure, which you were provided. Capitalized terms not defined in this Agreement may be defined in that brochure. Additional terms and conditions governing our services and accounts, including the terms of our DISPUTE RESOLUTION PROGRAM, are contained in that brochure and should be read carefully. If you need another copy of that brochure, please contact us or check our website, *cnb.com*.

By opening a deposit account with us, each person designated in the account agreement as an "Authorized Signer" or otherwise designated as a person authorized to initiate an electronic fund transfer is authorized to initiate electronic fund transfers from the deposit account. We are entitled to rely upon electronic fund transfer instructions received from any such person by any means when confirmed in accordance with the security procedure to which you and we agree. **Instruction may be given to transfer funds between accounts maintained with us by any Authorized Signer or other authorized person without regard to the ownership of the account to which the funds are transferred and without regard to the number of signers required to withdraw funds from the account.**

BUSINESS ELECTRONIC FUND  
TRANSFER SERVICES

***CNB Visa Business Check Card Transactions and CNB Business ATM Card Transactions***

CNB Visa Business Check Cards and CNB Business ATM Cards are provided for business use only and should not be used for personal, family or household purposes. By accepting and using either card, you, as the business owner or authorized representative of the business, and each person to whom a CNB Visa Business

Check Card or CNB Business ATM Card is issued on behalf of the business, represent to us that the card will not be used for personal, family or household purposes and that all transactions conducted by means of a card shall be the responsibility of the business. **Further, you understand and you shall advise each person to whom a card is issued that each transaction originated by means of either card is NOT a "consumer" transaction, as defined in the *Electronic Fund Transfer Act* and in Regulation E and is not governed by or entitled to the protection of federal law and regulation.**

You may use a CNB Visa Business Check Card as a debit card to pay for transactions at locations participating in the networks identified on your card. Funds to pay for transactions originated by use of a CNB Visa Business Check Card as a debit card are charged to the business account you designate and maintain with us.

You may use a CNB Visa Business Check Card and CNB Business ATM Card to perform transactions at CNB ATMs and certain other ATMs participating in the networks identified on your card.

Transaction amounts conducted using your CNB Visa Business Check Card or your CNB Business ATM Card are limited to the available balance (i.e., the balance on which no holds are placed) in your designated business account and your available overdraft protection, if any, and are subject to further limitation as stated below. Total daily card transaction and amount limits also apply.

Your CNB Visa Business Check Card and your CNB Business ATM Card remain our property and must be returned to us upon request. Each person to whom a CNB Visa Business Check Card or CNB Business ATM Card is issued on your behalf must sign the card upon receipt. Retention of, signature on or use of either card constitutes your agreement and the agreement of the person to whom the card is issued to comply with the terms and conditions set out in this Agreement and as they may be amended or otherwise changed by us from time to time. You are responsible to inform each person to whom the card is issued of these terms and conditions.

In the event you require emergency cash or emergency card replacement services through Visa, you agree that we may provide personal data to Visa U.S.A., its members or their respective contractors to meet your requirement.

Your CNB Visa Business Check Card and your CNB Business ATM Card must be linked to a designated business account established with us. We may deduct from the account the amount of any transaction originated by use of either card as well as the amount of any fee or charge assessed by us or by others for use of either card. Your account and transactions conducted using either your CNB Visa Business Check Card or your CNB Business ATM Card are subject to our applicable schedule of fees and the terms and conditions in this Agreement. For more information, refer to our *Fee Schedule: Business Products & Services*. To request a copy, contact your relationship manager or client representative at your branch. If a transaction requires a signed authorization, the transaction may be charged to your designated business account if the signature resembles the signature of an authorized person appearing on the card.

You shall maintain sufficient collected funds or available overdraft protection in your designated business account at all times. The amount shall be sufficient to allow us to deduct from the account or hold in the account the transaction amount when we are notified of a

transaction or when a transaction is presented or charged. If you do not maintain sufficient collected funds or available overdraft protection in your account at that time, the transaction may be rejected. You acknowledge that neither your CNB Visa Business Check Card nor your CNB Business ATM Card is a credit card and neither card automatically provides credit or overdraft protection.

You must apply separately for a credit line or for overdraft protection for your account. If an overdraft occurs in your account by use of either card you must repay the overdraft at once. A fee may be charged for an overdraft on your account and interest may be assessed.

A personal identification number ("PIN") must be used by each person to whom a card is issued who selects to pay for each nonsignature-based transaction by PIN at the PINPAD using a CNB Visa Business Check Card.

You are responsible for all transactions and charges incurred by your use of your CNB Visa Business Check Card (which includes use of your CNB Visa Business Check Card's number) or your CNB Business ATM Card. You are responsible for all transactions and charges incurred by use of your CNB Visa Business Check Card or your CNB Business ATM Card by anyone authorized by you. You, and each person to whom a card is issued, will take reasonable precautions to prevent unauthorized use of your CNB Visa Business Check Card and your CNB Business ATM Card and you will not disclose the PIN for either card to anyone whom you do not want to use the card. If the PIN is disclosed to anyone and that person then conducts a transaction using your CNB Visa Business Check Card, or your CNB Business ATM Card, the transaction will be deemed authorized and the person will continue to be authorized to conduct transactions until you notify us otherwise by telephone at **(800) 773-7100**. You shall notify us AT ONCE if you discover or suspect: unauthorized use of your CNB Visa Business Check Card, your CNB Visa Business Check Card number or your CNB Business ATM Card; unauthorized disclosure of a PIN for either card; or any erroneous or unauthorized transaction appearing on your statement.

You are responsible and liable for transactions originated by means of a card issued to a person no longer authorized to conduct transactions on behalf of the business until we have received notice from you that the person is no longer authorized and we have had a reasonable opportunity to act on the notice.

If you are eligible, you may incur no liability for unauthorized use of your CNB Visa Business Check Card or card number under our "zero liability" policy for transactions processed through the Visa network, including Internet and telephone purchases, and if you notify us as stated above but in no event later than sixty (60) days following the mailing date or delivery date of the first statement showing any unauthorized transaction. If you suspect that your CNB Visa Business Check Card or card number has been lost or stolen, you may not be responsible for any unauthorized purchases if you report the theft to us promptly. We will reimburse you for the face amount of any "unauthorized transaction" conducted by use of the CNB Visa Business Check Card or card number and processed through Visa unless we determine, based on evidence satisfactory to us, that you were grossly negligent or fraudulent in handling your CNB Visa Business Check Card, card number or your account. We may provide you with provisional credit for an unauthorized transaction within five (5) business days from receipt of notice unless we determine a longer

period is required. An "unauthorized transaction" does not include any transaction by you or anyone to whom a card is issued or person authorized by a cardholder, or other person with an interest in or authority or apparent authority to conduct business on the account. Nor does it include a transaction by a cardholder that exceeds the authority given by the CNB Visa Business Check Card account owner or a transaction from which you, the person issued the card or the business derive no benefit. Under our "zero liability" policy, a transaction is not an "unauthorized transaction" if you furnish a CNB Visa Business Check Card, the number for such card or any other identifying information respecting the card to another person and expressly or by implication give that person authority to perform one or more transactions, and the person thereafter exceeds that authority; or if, for any other reason, CNB reasonably concludes that the facts and circumstances do not support a claim that the transaction was unauthorized. We reserve the right to deny you the benefit of this policy if we ask you for a written statement, affidavit or other information in support of the claim and you do not provide the information requested within a reasonable time set by us. Our "zero liability" policy does not apply to any unauthorized transaction not processed through Visa on an account that involves the use of a PIN for a cash withdrawal at an ATM.

You shall not use your CNB Visa Business Check Card or your CNB Business ATM Card for any illegal transaction, including but not limited to illegal Internet gambling.

You may not stop payment on a transaction originated by use of your CNB Visa Business Check Card or your CNB Business ATM Card.

We may charge or restrict your designated business account for a transaction either on the day the transaction is presented to us for payment by electronic or other means or on the day we receive notice of the transaction, whichever is earlier. If we place a hold on your account and the transaction is charged to your account before the hold expires, the balance available to you in your account may be reduced by the amount of the transaction as well as the amount of the hold. We are not responsible or liable to you if a transaction is not charged to your account because a hold placed on a prior transaction has not expired. We will place a hold on your account for the amount stated in the notice of the transaction. This hold may exceed the amount of the transaction that is charged to your account. **We are not responsible or liable to you if a transaction is charged to your account before a hold expires or if the amount of the hold placed for a reported transaction exceeds the amount of the actual transaction charged to your account.**

We may be liable to you for damage or loss you incur if we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you. However, we are not responsible or liable to you if a transaction originated by use of your CNB Visa Business Check Card, card number or your CNB Business ATM Card is refused by anyone for any reason. We are not responsible or liable to you if, through no fault of ours, you do not have enough money in your account to make a transfer you order or authorize from the account or if the transfer would go over the limit on your overdraft protection, if any, or transactions on your account are restricted by legal process or otherwise. If you attempt to conduct a transaction at an ATM, we are not responsible or liable to you if the machine does not have enough cash to complete your transaction or the terminal or system is not working properly and you know about the breakdown when you start the transaction. We are not responsible or liable to you if you attempt to use your CNB Visa Business Check

Card, card number or CNB Business ATM Card during the period when our processing service is not available because of maintenance or for any other reason that is beyond our reasonable control, such as natural disaster, labor or civil unrest, mechanical or electrical failure, computer or equipment failure or otherwise.

IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES.

You may not receive cash refunds for purchases you make using your CNB Visa Business Check Card or CNB Business ATM Card. If a merchant who honors your CNB Visa Business Check Card or your CNB Business ATM Card gives you credit for merchandise returns or adjustment, the merchant will do so by sending us a credit that we will apply as a credit to your designated business account with us. You are responsible to settle directly with the merchant or other business establishment that accepted your CNB Visa Business Check Card or CNB Business ATM Card any claim or defense with respect to goods or services purchased with either card. Any such claim or defense that you assert will not relieve you of your obligation to pay the total amount of the transaction plus any appropriate charges we may be authorized to make. We are not responsible for any damages or liability if a merchant misrepresents the quality, price or warranty of goods or services you pay for by using your CNB Visa Business Check Card or CNB Business ATM Card.

You may not use your CNB Visa Business Check Card or your CNB Business ATM Card in certain countries where, by reason of federal law or regulation, restrictions apply to monetary transactions conducted in or through the country. Transactions you attempt to conduct in such countries using your CNB Visa Business Check Card or your CNB Business ATM Card may be blocked. When planning to travel abroad, you may call us at **(800) 773-7100** to determine the countries where restrictions currently apply.

If you use your CNB Visa Business Check Card or CNB Business ATM Card to conduct a transaction in a foreign currency, we will charge your account for the U.S. Dollar equivalent of the transaction currency as transmitted to us. The transaction currency amount will be converted to U.S. Dollars, the billing currency, by the bank or network through which the transaction is processed in accordance with its operating regulations or conversion procedures in effect at the time the bank or network processes the transaction. The exchange rate used for the conversion will be selected by the processor from a range of rates available in the wholesale currency market on the date of conversion or such other date as is provided in the processor's regulations, which rate may vary from the rate the processor itself receives, or the applicable government-mandated rate then in effect. The exchange rate used on the conversion date may differ from the rates available on the date the transaction was conducted or on the posting date identified in your monthly statement and may also differ from the rates available through financial institutions in the country in which the transaction was conducted. We do not determine the exchange rate. You agree to pay all charges and accept all credits for the converted transaction amounts.

We may establish daily limits on the number and dollar amount of transactions that you may originate by use of your CNB Visa Business Check Card or CNB Business ATM Card. Your limits will be disclosed to you separately. We may change these daily limits from time to time.



If your designated business account also limits the number of transactions that may be conducted during a statement cycle, debit card and POS transactions conducted using your CNB Visa Business Check Card and your CNB Business ATM Card may count toward this limit. Transactions conducted using an ATM do not count toward this limit. We count a transaction as having occurred when it is received by us in the Pacific time zone at local time. For more information, refer to our *Fee Schedules: Business Product & Services*. To request a copy, contact your relationship manager or a client service representative at your branch.

We may change the terms and conditions of this Agreement as it applies to our business electronic fund transfer services, our fees for these services and the transaction limits on these services from time to time on notice to you. Usually we will provide you with written notice sent to your address as shown on our records at least 21 days prior to any change. However, we reserve the right to make changes without prior written notice if the change is necessary, in our opinion, to maintain the security of your account or the electronic fund transfer system.

We reserve the right to terminate your use of your CNB Visa Business Check Card or your CNB Business ATM Card at any time with or without cause and without prior notice to you.

You are responsible to us for all damages or liability arising by reason of your failure or the failure of any other authorized person to abide by the terms and conditions of this Agreement as it applies to our business electronic fund transfer services or misrepresentations concerning your use of your CNB Visa Business Check Card or CNB Business ATM Card to the extent permitted by law.

### ***Using Your CNB Visa Business Check Card or Your CNB Business ATM Card at Automated Teller Machines***

You may use your CNB Visa Business Check Card or your CNB Business ATM Card at our ATMs and at other ATMs participating in the networks identified on your card.

Either card has access to your designated business account. We reserve the right to limit card access. Transactions on certain accounts may count toward transaction limits. For more information, refer to our *Fee Schedules: Business Product & Services*. To request a copy, contact your relationship manager or a client service representative at your branch.

If you use either card at one of our ATMs, you can:

1. Check the balance in your designated business checking account.
2. Withdraw cash from your account. You may withdraw up to the total of your disclosed daily limit.
3. Make deposits to your account (at ATMs that accept deposits).

There is no transaction charge when you use either card to conduct a transaction at one of our ATMs.

You may also use either card to conduct some of the transactions listed above at ATMs operated by other institutions. If you conduct a transaction at an ATM that is not operated by us, the operator of the machine or any network used to complete the transaction may impose a surcharge or fee. There are some

limitations on transactions you may conduct through such a machine; for example, you may not make a deposit to your accounts with us. Also, we may charge a per withdrawal fee for each cash withdrawal conducted at an ATM operated by another institution. This charge is in addition to any fee imposed by the operator of the machine or the network used to complete the transaction.

You should receive a receipt at the time you get cash or perform another transaction using an ATM. If you do not receive a receipt for any reason and have requested one, please contact us. All withdrawals and deposits are subject to later verification by us. If you perform transactions at an ATM on a day that is not a Business Day for us or after our ATM processing cut-off time, your transaction will be posted to your account on our next Business Day.

Most of our ATMs are available 24 hours a day, 7 days a week, except for brief periods when routine maintenance, inspection or repair is required. Some of our ATMs located in building lobbies have limited availability and some do not accept deposits. For the locations and availability of our ATMs, please call the telephone number listed on your statement or contact us at **(800) 773-7100** or visit *cnb.com*.

### ***Point-of-Sale ("POS") Transactions***

You may purchase goods and services and get cash using your CNB Visa Business Check Card at POS terminals in retail locations participating in the networks identified on your card.

The amount of the purchase, together with any charge related to the transaction imposed by others, will be automatically deducted from your designated business checking account. Participating retail outlets and locations are subject to change without notice. The maximum amount you can purchase on any day is disclosed to you when you receive your card. Each transaction is subject to the fee schedule for your account. Transactions received before our cut-off time on a Business Day will be processed that day. Transactions received after our cut-off time or conducted on days that are not Business Days will be processed on our next Business Day. You may not stop payment on a POS transaction.

### ***Telephone Banking Service and Account-to-Account Transfer Service***

Our Telephone Banking Service allows you to obtain information about your designated checking and savings accounts with us and, with authorization, to order the transfer of funds between your designated checking and savings accounts with us using a touch-tone telephone or as we otherwise permit. You may be required to complete our *Telephone Banking Transfer Authorization* form before we will provide the transfer service. Transfers between accounts are only processed on our Business Days. Transfer orders received on a Business Day during normal business hours and before our cut-off hour are usually processed at or about the time of the receipt of the order. Transfer orders received after our cut-off hour on any Business Day or on a day that is not a Business Day for us will be processed on our next Business Day. You may use our Telephone Banking Transfer Service 24 hours a day, 7 days a week. We may restrict transfers between accounts to the collected funds in the account. Transfers from certain accounts are subject to excess transaction limits and fees.

## ***About Your Personal Identification Number ("PIN") for Business Transactions and Your Security Code***

A PIN may be required to conduct any transaction using your CNB Visa Business Check Card or your CNB Business ATM Card. A PIN will be provided to each person to whom a card is issued on behalf of the business at the time that person first receives the card. The PIN may be changed by the person at any time and we encourage the person to do so. It is each person's responsibility to keep the PIN secure. Each person to whom a card is issued on behalf of the business agrees not to write the PIN selected on a CNB Visa Business Check Card or CNB Business ATM Card or anything the person carries with or near the card. Each person agrees not to tell anyone else his or her PIN. Each person agrees not to let anyone else use his or her CNB Visa Business Check Card or CNB Business ATM Card. Each person agrees not to allow anyone to see him or her entering the PIN in any machine. If any person does any of the foregoing, a person conducting a transaction on your account, using the PIN, may be deemed authorized to do so by you. You shall inform each person to whom a card is issued on behalf of the business of their obligations stated above.

We may provide you with a Security Code that may be required to conduct a transaction, for example, to conduct a transaction through our Telephone Banking Service. That Security Code must be safeguarded as you safeguard a PIN. You may change the Security Code we provide you at any time using our Telephone Banking Service.

## ***Preauthorized Transfer Transactions***

You may arrange for the deposit of funds directly into your checking, money market or savings account with us. You may also arrange for payments to be made from your account to third parties. Payments made from your account may count toward transaction limits and may be subject to transaction fees or other restrictions. For more information, refer to our *Fee Schedules: Business Product & Services*. To request a copy, contact your relationship manager or a client service representative at your branch. These transactions are generally processed through automated clearing houses, are referred to as "ACH" transactions and are subject to the then current rules and regulations of the National Automated Clearing House Association ("NACHA"). Any transfer of funds you receive through an ACH is provisional and you must repay the funds if we do not receive final settlement.

If you receive a direct deposit from the government, which the government seeks to reclaim, you authorize us to charge any account of yours to pay the claim without prior notice to you.

## ***Stop Payment Procedure for Preauthorized Payments***

You can stop any payment which you have arranged to be made from your account by calling us toll free at **(800) 773-7100** or by writing us at City National Bank, 555 South Flower St., 20<sup>th</sup> Floor, Los Angeles, CA 90071, Attn.: Client Services Call Center in time for us to receive the request at least three (3) Business Days before the payment you want to stop is scheduled to be made. You must tell us your name, account number, the exact payment amount, the payment date and the person or company who is to receive the payment. If you call, we may also require you to confirm your request in writing and make sure we receive it within fourteen (14) days after you call. If you follow these instructions and we do not stop payment as you requested, we may be liable to you. You will

be charged our regular stop payment fee for your request. Your stop payment request is effective for two (2) years and only for the preauthorized payment scheduled to be made on the payment date that you give us and only for the exact amount and payee. For specific recurring payments you want stopped the stop payment order will remain in place until withdrawn.

If a payment is processed for a different amount or on a different date, it will not be stopped. If you want preauthorized payments to a specific recipient permanently stopped, you must tell us and you must also notify the recipient in writing that you are revoking the authorization and ordering the payments stopped. We generally do not notify the recipient. If you are not the person who originally authorized the preauthorized payments from your account, you must contact the originator to arrange to stop the preauthorized payments.

## OTHER ELECTRONIC FUND TRANSFERS

Electronic fund transfers which are not consumer electronic fund transfers governed by the *Electronic Fund Transfer Act* and Regulation E are governed by the Uniform Commercial Code ("UCC") applicable to your account, the rules and regulations of the fund transfers system through which the funds are sent and by the terms and conditions stated in this disclosure. These fund transfers include transfers to or from accounts through the Federal Reserve Bank system by means of Fedwire or, internationally, through SWIFT (the Society for Worldwide Interbank Financial Telecommunication), transfers through the automated clearing house that are subject to the ACH applicable rules or other fund transfer systems and transfers between accounts at our different branches ("on us" transfers). The terms and conditions that follow apply if you request that we act as the "Originating Bank" for a "payment order" from you or as the "Beneficiary Bank" for a payment order to you as these terms are defined in the UCC. These terms do not generally apply to transfers originated by check, draft or other written item.

Any Authorized Signer on an account may initiate an electronic fund transfer from the account by means of a payment order unless you and we have otherwise agreed. Electronic transfers may be initiated by payment order in the form of a written communication received directly or by facsimile transmission, orally, by telephone or electronically. If an Authorized Signer uses a facsimile signature, we may rely and act upon the signature as stated under *General Account Information and Terms* in the *Account Agreement and Disclosures* brochure. Each payment order shall be authenticated by means of a security procedure established by agreement between you and us for the purpose of verifying that a payment order or communication amending or canceling a payment order is from you or for the purpose of detecting error in the transmission or the content of the payment order or communication.

### ***Fund Transfer Payment Order Security Procedures***

We make available a variety of means to authenticate payment orders initiated through our Treasury Management Services. See your relationship manager or client representative at your branch for details. If you do not choose to use our Treasury Management Services to initiate and authenticate a payment order, you and we agree that a callback procedure shall be the security procedure that will be used to authenticate your payment order. You shall make

available a person authorized to verify payment orders for electronic fund transfers by means of a callback. If no person is available to respond to our callback, we may delay or refuse processing the payment order and the electronic fund transfer without liability to you.

If you refuse to agree to authenticate a payment order by means of a security procedure which we make available to you and you do not authenticate the payment order by means of an agreed security procedure, the electronic fund transfer shall be deemed authorized by you and we shall not be liable to you if it is later determined that the payment order was unauthorized or erroneous.

### ***Exceptions to Use of Security Procedures***

Any Authorized Signer on your account may initiate a payment order for a fund transfer between accounts established in the same name with us by you when the Authorized Signers on the account are the same and no callback or other security procedure will be required.

You may authorize a periodic transfer to a designated person or to an account at another bank and, after the initial transfer is authenticated by means of a security procedure, we may continue to initiate the periodic transfers as you initially instructed without use of a security procedure until you tell us to stop.

### ***Fund Transfer Cut-Off Times***

We establish daily "cut-off" times that may vary by branch and may also vary by transaction type. Payment orders for transactions received after the cut-off time are considered received on our next Business Day.

### ***Right to Reject a Fund Transfer***

We reserve the right to reject a payment order to transfer funds from your account or a payment order to transfer funds to your account, including an "on us" transfer. We will notify you if we reject a payment order from your account no later than our next Business Day. We are not obligated to notify you if we reject a payment order to your account, although we may attempt to do so.

### ***Right to Limit the Amount of a Fund Transfer***

You may establish a limit on the amount of any payment order to transfer funds from your account. See your relationship manager or client representative at your branch for details. We reserve the right to limit the amount of any payment order to or from your account at any time without prior notice to you. We may, but we are not obligated to, advise you in advance of any limitation we shall establish but we may, thereafter, change the limit at any time without notice to you. We shall incur no liability to you for delaying the initiation of, or refusing to initiate, any fund transfer which may exceed any limitation established hereunder.

### ***Accurate Account Number and Beneficiary or Bank Information - Effect of Inconsistent Information***

If you send a payment order, you must accurately identify the account number that will receive the funds from the order, each beneficiary of the payment order and each beneficiary's bank. If you select the intermediary bank, it must also be accurately identified.

PLEASE NOTE: We, any intermediary bank and the beneficiary's bank may process a payment order solely on the basis of the account number even if that number does not correspond to the

beneficiary's bank or the named beneficiary of the payment order at the beneficiary's bank. You are obligated to pay any such order originated by you.

### ***ACH Provisional Payment Rule***

In the event final settlement is not received by a beneficiary's bank for a payment order transmitted through an Automated Clearing House, the beneficiary's bank is entitled to recover from the beneficiary any provisional credit given. Therefore, any transfer of funds you receive through an ACH is provisional and you must repay the funds if final settlement is not received.

### ***Notice of Incoming Fund Transfers***

If you are the beneficiary of a fund transfer, we are NOT required to give you notice of the receipt of the fund transfer on which you are the beneficiary before the end of our next Business Day. We will provide notice to you on your account statement.

### ***Incoming Third-Party Transfers***

We have no obligation to accept fund transfers for persons or entities that do not maintain account relationships with us. Any such transfers may be rejected without notice.

### ***Cancellation or Amendment of Fund Transfers***

A payment order may not be cancelled or amended after we have accepted it. If we attempt to cancel or amend a payment order at your request, we shall incur no liability if we are unable to do so.

### ***Unauthorized Fund Transfers***

You are obligated to pay us for an unauthorized payment order for a fund transfer, including any amendment or cancellation request, if the payment order is received by us, purports to come from you, and is acted upon by us in compliance with a security procedure agreed upon by you and by us. Such a payment order is effective as if made by you even though the order was not transmitted or authorized by you.

### ***Erroneous Fund Transfers You Order***

You are obligated to pay us for an erroneous payment order, including any amendment, which you actually give us even if we did not comply with our agreed security procedure and the error would have been detected had we complied.

### ***Notice of Erroneous or Unauthorized Fund Transfers***

Examine your monthly account statement for your account(s) showing transaction and other activity on your account promptly. You must notify us at once if there is an error or discrepancy in any notice or statement you receive from us about a fund transfer, including a fund transfer you believe is unauthorized. If you fail to notify us of any such error, discrepancy or unauthorized transfer within fourteen (14) days following the day we send you the first notice or statement that contains evidence of the error, discrepancy or unauthorized transfer, you assume liability for all loss, including loss of interest, which results from such failure. In the case of any unauthorized fund transfer, you specifically agree that we shall not be liable for any loss of interest you incur by reason of your failure to give us notice.

### ***International Fund Transfers***

You may select the intermediary bank(s) through which an international fund transfer payment order will be processed to reach the beneficiary's bank. If you do not designate the

intermediary bank(s), we will select the intermediary bank(s), including one or more banks with which we have made prior arrangements to handle international fund transfers (wire transfers). Unless otherwise directed by you, we will instruct the intermediary banks to deduct, and authorize subsequent intermediary banks to deduct, their charges for their service and expenses from the proceeds of the fund transfer payment order. We may receive a fee from any intermediary bank as additional compensation for our service in processing the fund transfer payment order.

NOTE: If the beneficiary of an international fund transfer payment order must receive a specific amount, you must contact us in advance to determine the additional amount, if any, to be included to pay any intermediary bank's charges for service and expenses. If you do not wish to have intermediary bank charges for service and expenses deducted from the amount the beneficiary's bank will receive, you must contact us to make alternative payment arrangements.

### ***International Fund Transfers Currency Conversion and Exchange Rate Risk***

Foreign currency fund transfer transactions may require conversion of foreign currencies from or to U.S. Dollars. We may use our current buying or selling rates as applicable when processing a foreign currency wire transfer requiring conversion by us from or to U.S. Dollars, including receiving a foreign currency fund transfer returned to us for any reason.

When you initiate an international fund transfer in U.S. Dollars through us to a beneficiary's account at a foreign bank, unless you specify otherwise, at our option we may convert or arrange with any intermediary bank to convert your U.S. Dollar fund transfer to the foreign currency of the beneficiary's account at a buying rate determined by us or the intermediary bank processing your fund transfer order. We may retain or share in any foreign currency exchange proceeds we or the converting intermediary bank receives as additional compensation for our service in processing the fund transfer order. In the event the fund transfer is converted and the beneficiary or the beneficiary's bank requires the payment be received in U.S. Dollars, the fund transfer will be re-converted and settled in U.S. Dollars and any loss or gain in the foreign exchange re-conversion to U.S. Dollars will be for our account or the account of the intermediary bank and at no re-conversion cost to you.

NOTE: Transactions other than in U.S. Dollars are subject to exchange rate risk. You carry the exchange rate risk.

### ***Interest Compensation***

If we are obligated to pay you for loss of interest as a result of an error of ours or a delay in processing your payment order, we may pay interest at our savings account rate.

### ***Limitation of Liability for Circumstances Beyond Our Control***

We shall not be liable to you if we fail to credit a fund transfer to your account or if we are delayed in crediting a fund transfer to your account or if we fail to transmit or delay transmission of your payment order because of circumstances beyond our reasonable control, including but not limited to legal process, labor unrest, equipment or software failure, interruption of communication

facilities, civil unrest or disturbance, natural catastrophe, or acts of government authority. We shall not be responsible to transmit a payment order, that, in our opinion, may violate any guideline, law, rule or regulation of any government authority, and we shall not be liable to you or anyone else for our refusal to do so. Our entire liability, and your sole remedy, for any failure or delay shall not exceed the lesser of your actual damages or the fees actually paid to us by you for our fund transfer service and associated account maintenance fees during the six (6) months preceding the date of the alleged failure or delay. IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES.

### ***Periodic Statement***

We will send a monthly account statement for your account(s) to you, showing your CNB Visa Business Check Card and CNB Business ATM Card transactions and other activity from and to your account. You are responsible to promptly review your statement for accuracy. Failure to report errors, discrepancies or unauthorized transactions within fourteen (14) days may affect your rights.

## IF YOU HAVE QUESTIONS ABOUT A BUSINESS OR OTHER FUND TRANSFER

Contact us AT ONCE if you think a transaction on your account is unauthorized or otherwise erroneous or you have a question about your statement. You may contact your relationship manager directly or you may call us at **(800) 773-7100** or you may write us at City National Bank, 555 South Flower St., 20<sup>th</sup> Floor, Los Angeles, CA 90071, Attn.: Client Services Call Center. Failure to contact us promptly may prevent us from blocking an unauthorized transaction or recovering money for you and may also further limit our liability to you.

### ***Limitation on Actions for Business and Other Fund Transfer Transactions***

Except as may otherwise be required by law, any action on any business or other fund transfer transaction must be commenced within the same statute of limitation period applicable if the transaction had been conducted by check. If the action is not commenced within the applicable period, it shall be barred.

## NOTICE TO ACCOUNT HOLDERS AND CARD USERS

Fraud is an ever-growing problem. It is in your best interest to take precautions to protect yourself while conducting transactions at home and at your place of business. As part of our ongoing efforts to serve all of your financial needs, here are several suggestions to help increase your personal safety and reduce the risk of fraud and identity theft.

### ***General Information:***

1. **Conduct a regular review.** You can catch unauthorized transactions early by checking your account details regularly - at least once a week. Consider using online services to receive statements and pay bills.



2. **Get your credit report.** It's your credit, so make sure no one else is using it. Check to ensure there aren't activities listed that you didn't initiate.

### ***Card and Personal Identification Number "PIN" Safety:***

1. Report lost or stolen cards immediately.
2. Sign your card on the signature panel as soon as you receive it.
3. Protect your cards as if they were cash.
4. Make a comprehensive list of all your cards and their numbers and store it in a safe place.
5. Don't leave your cards in the glove compartment of your car. An alarmingly high proportion of all card thefts occur from glove compartments.
6. When selecting a PIN avoid using information that can be tied to in-wallet information (e.g., birth date, social security number, telephone number).
7. Never write down your PIN-memorize it. Also, never use your PIN as a password.
8. We or any agent of ours will never request you to divulge your PIN in an oral or written manner.
9. Whenever possible, keep an eye on your card when doing a transaction. Ensure that you get your card back after every purchase. If any activity during the transaction concerns you, call us promptly.
10. Always check sales vouchers for the correct purchase amount before you sign them, and keep copies of your vouchers and ATM receipts. Always check your billing statement and verify the amounts of your purchases.
11. Don't volunteer any personal information when you use your credit card, other than by displaying personal ID as requested by a merchant.
12. Don't lend your card to anyone. You are responsible for its use. Some card misuse can be traced directly to family and friends.

### ***Automated Teller Machine ("ATM") Safety:***

1. Plan ahead to minimize your time at an ATM. Prepare as much of your transaction in advance as you can at your home or office by filling out your deposit slip and endorsing the checks "for deposit only" to your account.
2. When you approach an ATM location, look around and be alert to your surroundings, especially in areas unfamiliar to you. If you observe any suspicious person or unusual activity near the location at any time, do not use it and go somewhere else. At night, if the ATM location is not well lighted, do not use it and go somewhere else.
3. Consider going to an ATM location with someone you know and trust. Do not accept assistance from anyone you do not know and trust when using an ATM.
4. Prevent others from seeing you enter your PIN when using an ATM. Consider using your body to shield the view of the keypad.
5. If you notice anything suspicious or any other problem arises after you begin your transaction, cancel the transaction; recover the card you are using from the ATM and leave.
6. When your transaction is complete, recover your card, your receipt and any cash you have requested from the ATM and

promptly leave the area. Do not display money taken from the ATM. Put the money away and wait until you are in a safe place to verify it. Mark each transaction in your account record but do so away from the machine in a safe place. Save your receipt and do not leave a receipt at the ATM location because it contains important account information. Compare your records with the account statement you receive.

7. When using any drive-up facility, lock your car doors and roll up all the windows except the window you are using. If you keep your engine running, be sure your car is in "park" or "neutral" and the brake is set.
8. Do not let anyone else use your card. Do not disclose your PIN to anyone else, even if the person is offering assistance. Do not write your PIN on your card. If you lose your card or it is stolen or your PIN is lost or stolen, report the loss to us at once.

### **Online Safety:**

1. Never send account information, such as your account number or PIN, in the body of an email. You never know who could be intercepting it.
2. Beware of phishing emails. These are emails that appear to be from your bank or an online merchant asking you to provide or validate your account information. CNB and reputable merchants will never ask for any account or personal information in an email.
3. Never click on Internet links within emails. Instead, type the known URL.
4. Before making purchases online, be sure that the site has built-in security features to protect your account information. All reputable merchant sites use encryption technologies that will protect your private data from being read by others as you conduct an online transaction.
5. If possible, avoid using a public computer to shop online or access your account(s), always remember to log off and quit the browser when you are finished. All it takes for someone to view your personal information is simply hitting the Back button.
6. To protect your information use only a computer that has a firewall in place. Install anti-spyware and anti-virus software and implement updates as soon as they **are** available.

## INTERNET FRAUD PROTECTION PRACTICES

In addition to other Security Practices and Procedures that we may advise you about or provide you from time to time, here are some of the steps you should take to protect yourself from Internet (online) fraud:

1. Install an anti-virus program that will help fight viruses and malicious software on your computers, tablets, mobile phones and other devices. Use firewalls to secure and protect your home and/or office network.
2. Be conscientious about installing critical updates for your computer's operating system. Better yet, set it up for automatic updates. The bad guys don't stand still and you shouldn't either.

3. Keep your mobile devices with you or lock them away when they're not needed. Password-protect them to protect against unauthorized use. And, when it comes to apps, be careful before you click. Only download from legitimate online stores.
4. Is your computer set up to "auto-load" removable media (e.g., USB drives, SD cards)? If so, disable this feature. Play it safe by scanning these items before you open them.
5. When it comes to your passwords, be extra diligent. Passwords should be complex, frequently changed, and unshared. And be sure to password-protect your router and other wireless connections.
6. Never open email attachments or click on links from unknown or suspicious sources, including social media sites.
7. Don't be manipulated. Disregard in-person, phone, text message, email or web requests that ask you to share your personal or account information unless you are sure the request and requestor are legitimate.
8. Be careful on social media. Avoid posting too much personal information. At the very least, utilize privacy controls to limit who can see what.
9. Be disciplined in the management of your financial accounts. Check them daily even if you have not initiated transactions and report suspicious activity to the bank right away.
10. ACH transaction and wire transfer security is especially critical - use security tokens only when releasing an ACH or wire transaction, never at login. CNB will never initiate a communication to request entry of security tokens. If you enter a token to complete a transaction and you get an error message, you are logged off the system or you do not get a confirmation contact us IMMEDIATELY. There is increased likelihood your computer has been hacked.
11. Internet security is a family affair. Make sure all Internet users in your home and business are educated about online safety and know what needs to be done.
12. Read and understand your obligations as stated in our "Internet Fraud Notice to Account Holders and Agreements Respecting Internet Fraud and Security."

***Mail and Phone Safety:***

1. Never give your account information to anyone claiming to be from your bank unless you initiated the call and are calling a number you know to be your bank's number.
2. Record the name, address, and phone number of the soliciting organization, and obtain names of other customers who can supply references.
3. Be wary of high-pressure sales tactics, especially if the sale must be completed immediately.
4. Ask questions. The fewer questions a telemarketer can answer, the less likely that he or she is calling from a legitimate business.
5. Notify us and the U.S. Postal Service immediately if you change your address.
6. Make sure your mailbox is secure, and promptly remove delivered mail.
7. Call the Post Office immediately if you are not receiving your mail.

8. If you are told of a forwarding order placed on your mail without your knowledge, go to the Post Office to check the signature and cancel the order.



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