

## **Online Transfers Terms and Conditions**

**Version April 2020**

**Please read these Terms and Conditions carefully. When you click to accept, you will be confirming you have reviewed, understood, and consented to these terms.**

### ***1. The Service***

These Online Transfers Terms and Conditions govern your use or your authorization for others to use the transfer functionalities provided through Morgan Stanley Online (also referred to as ClientServ, MSSB Online, MS Online, MSSB.com, and morganstanley.com/online) and the Morgan Stanley Mobile App (“MS App”) (the “Service”). You understand and agree that these Terms and Conditions supplement and are in addition to other terms and conditions or agreements to which you have agreed or entered into or will later agree or enter into, including but not limited to, the ClientServ Access Agreement, the Morgan Stanley Online Electronic Services Agreement, and any applicable account agreement governing your Account(s) (as such term is defined below) (“other agreements”). If there are any conflicts between the other agreements and these Terms and Conditions with respect to the transfer of funds, these Terms and Conditions shall govern.

As used herein, the term “you” and “your” shall mean you, individually, and each other party on whose behalf you may use the Services at any time. All references to “we”, “us” or “our” shall refer to Morgan Stanley Smith Barney LLC (“MSSB”), Morgan Stanley & Co. LLC and/or, as applicable, their affiliate(s) (collectively, “Morgan Stanley”).

These Terms and Conditions specifically apply to the following functionalities:

- the online/mobile or telephone transfer of funds to or from your MSSB account(s) (each an “Account”) from or to your accounts outside of MSSB (each an “External Account”) and from your Accounts to accounts held by third parties (each a “Third-Party Account”) (collectively referred to herein as “External Transfers”); and
- the online/mobile or telephone transfer of funds between your Account(s) (referred to herein as “Internal Transfers”).

**By agreeing to these Terms and Conditions, you are authorizing MSSB to initiate debit/credit transactions to any of your Account(s) and/or any External Account, to initiate credits to Third-Party Accounts, and to initiate debits to Third-Party Accounts to correct errors. You further understand and agree that you will not be able to rescind any Transfer that has reached the “Executed” status (as described in Section 2.b(v)(1)), except in certain cases where the credit/debit entry was not authorized by you.**

Should an incorrect amount be withdrawn from or deposited into your Account(s) or any External Account, or an incorrect amount be deposited to any Third-Party Account, you authorize MSSB to correct the error through its initiation of a debit/credit to your applicable Account(s), the applicable External Account(s) or the applicable Third-Party Account(s). Should a correction not be possible (due to, for example, insufficient funds), you agree to promptly deposit into your applicable Account any and all amounts you may owe MSSB.

This authorization will remain in full force and effect until MSSB has received written notification from you of its termination in such time and in such manner as to afford MSSB and your depository institutions a reasonable opportunity to act on it.

## **2. *General Terms***

You may use Morgan Stanley Online or the MS App to set up and initiate both “One-Time Transfers” (i.e., on- demand Transfers), which are Internal Transfers or External Transfers that occur on a one-time basis, or “Recurring Transfers,” which are Internal Transfers or External Transfers that you set up to occur on a regular, recurring basis. When used in these Terms and Conditions, the term “Transfers” means, collectively, One-Time Transfers, Recurring Transfers, Internal Transfers, and External Transfers. As part of the Service, you also may call your Financial Advisor or applicable account servicing team to (1) initiate One-Time Transfers between the applicable Accounts and External Accounts linked through the Service, or from your Account(s) to any Third-Party Account linked through the Service or (2) modify the amount, frequency or timing of a scheduled Transfer. Please note that, in order to include a Third-Party Account in Transfers you make using the Service, you must first call your Financial Advisor or applicable account servicing team to add such Third-Party Account to your list of available accounts for the Service.

a. With respect to the Service:

- (i) You understand and agree that (1) certain eligibility requirements may apply (e.g., non-U.S. persons and/or certain account types may be prohibited or otherwise restricted from utilizing the Service), and MSSB has the right, in its sole discretion, to restrict or otherwise prohibit your use of the Service; and (2) MSSB may in its sole discretion modify the Service, which may include, without limitation, limiting and/or expanding any of the functionalities relating to the Service; and
- (ii) You represent and warrant that (1) you own and have authority, or have been given authority by the owner, over each Account to which funds are deposited or from which they are withdrawn in connection with the Service, including the authority to make Transfers to or from each such Account; (2) you own and have authority, or have been given authority by the owner, over each External Account to which funds are deposited or from which they are withdrawn in connection with the Service, including the authority to make Transfers to or from each such External Account; (3) the owner of each Third- Party Account has authorized you and MSSB to make Transfers to such Third-Party Account and, as necessary to correct errors, from such Third- Party Account; and (4) we may provide access to the Service and your Accounts to any persons you have authorized to have such access, in accordance with and as set forth in any applicable other agreement that you have executed.

b. With respect to Transfers:

- (i) Transfers will be permitted only if you have provided all required information in connection therewith, including, for example, your bank account number and the ABA number, and for Recurring Transfers, the frequency of the Recurring Transfer and the amount of funds to be deposited and/or withdrawn on a recurring basis;
- (ii) You understand that we may use a variety of banking channels and facilities to make Transfers, including, but not limited to, the automated clearing house network (“ACH Network”), wire transfers or check, and you authorize us to use any such channel in our discretion. Depending on the means we select to implement a Transfer, the Transfer may be subject to rules and regulations applicable to such means, including, but not limited to, the National Automated Clearing House Association rules, the rules of the applicable local ACH Network, the rules the Federal Reserve System and the rules of the Clearing House Interbank Payment System;
- (iii) MSSB may reject any Transfer in its sole discretion, including rejections based on, but not limited to, the status of the applicable Accounts, External Accounts or Third-Party Accounts or facts suggesting a possible fraudulent transaction.
- (iv) All Transfers are provisional and, even if the Transfer has been given an “Executed” status, are subject to being rejected, reversed or returned (1) if there are insufficient funds in your Account (relating to withdrawals from your Account) or (2) if the institution that holds your External Account or the applicable Third-Party Account rejects the Transfer for any reason, including, but not limited to, if there are insufficient funds in your External Account (relating to deposits into your Account). If more than one deposit into your Account or withdrawal from your Account is rejected, reversed or revoked (including, for example, due to insufficient funds), your enrollment in the Service may be restricted, discontinued or otherwise prohibited. If we discontinue your enrollment in the Service, you will need to re-enroll in order to make future Transfers. Partial fund Transfers are not permitted;
- (v) Status of Transfers:
  - (1) When you enter a Transfer in the Service which is scheduled to occur on a future date, it will be given a “Scheduled” or “Awaiting Approval” (as applicable) status. On the date that a previously entered Transfer is scheduled to occur, or if you enter a Transfer that is scheduled to occur on the date the Transfer is entered, the Transfer will be given a status of: (x) “Not Approved” if the Transfer will not be processed; (y) “Awaiting Approval” if the approvals for the Transfer have not yet been completed; or (z) “Executed” if the Transfer has been approved for processing. If a Transfer that is in the “Awaiting Approval” status is approved, it

will be given an “Executed” status; if it is not approved, it will be given a status of “Expired”;

- (2) If you request a Transfer to your Account from an External Account, and if the Transfer is given a status of “Executed” prior to the cutoff time specified on the initiation page for the Service (i.e., the webpage on which you can initiate Transfers) on a Business Day, the funds will be available in your Account on the next Business Day after the Transfer reaches the “Executed” status. If the Transfer is given an “Executed” status after such cutoff time or on a day that is not a Business Day, the funds will be available two Business Days after the Transfer reaches the “Executed” status. Notwithstanding the foregoing, however, Transfers to your Account are subject to the deposit hold policies applicable to your Account, and also may be reversed if the institution that holds your External Account rejects the transfer for any reason;
- (3) If you request an Internal Transfer, once the Transfer is given a status of “Executed,” the Transfer will be effective (even if that occurs on a day that is not a Business Day) and the funds will be available in the Account to which the Transfer is made, and will be deducted from the Account from which the Transfer is made (provided that there are sufficient funds in the Account from which the Transfer is made); If you request a One-Time Transfer to an External Account or a Third-Party Account, the availability of the funds will be subject to the funds availability policies of the institution that holds your External Account or the Third-Party Account. In addition, such One-Time Transfers may be reversed if you have insufficient funds in the Account from which you are making the Transfer;
- (vi) One-Time Transfers can be cancelled and/or modified if the cancellation/modification instructions are entered using the Service **prior to the transaction reaching the “Executed” status;**
- (vii) With respect to External Transfers, we may process your Transfer based solely on the bank identifying number, even if your Transfer indicates a different bank name, and any bank to which we send payment may process the Transfer based on the account or other identifying number you provide, even if the account or other identifying number does not match your name;
- (viii) Recurring Transfers will be made upon the date(s) specified by you, subject to MSSB’s approval as noted above. If a Recurring Transfer is an External Transfer and the scheduled date falls on a non-Business Day, the deposit or withdrawal will be made on the Business Day prior to the scheduled date; provided, however, that a Recurring Transfer may be

reversed (1) if there are insufficient funds in your Account (relating to withdrawals from your Account) or (2) if the institution that holds your External Account or the applicable Third-Party Account rejects the Transfer for any reason, including, but not limited to, if there are insufficient funds in your External Account (relating to deposits into your Account). If a Recurring Transfer is an Internal Transfer, the Transfer will be made on the date(s) selected by you, provided there are sufficient funds in the Account from which you are making the Transfer;

- (ix) If you instruct us to limit the total value of a series of recurring payments to a specified amount (a “cap”) and the amount of the cap cannot be evenly divided by the amount of your recurring payment, then the cap effectively will limit the amount of the last payment in the series. In that case, you authorize us to reduce the final recurring payment to the amount that would cause the total of your recurring payments under that authorization to equal the cap (i.e., an amount equal to the remainder produced by dividing your cap by your recurring payment amount). (For example, if you instruct us to make a recurring payment of \$100 per month and you apply a \$250 cap, \$250 cannot be divided evenly by \$100. Therefore, your first transfer will equal \$100; your second transfer will equal \$100; and your third transfer will be reduced to equal the remainder of \$50); and
- (x) If you have arranged to have preauthorized electronic transfers made to an Account at least once every sixty (60) calendar days from the same person or company, you can call the Client Service Center at 1 (888) 454-3965 or if you are calling from outside the U.S. you may call 1 (801) 617-9150, or call your Financial Advisor to find out whether or not the deposit has been made.

### **3. *Enrolling External Accounts***

You may enroll an External Account through the Service. You authorize MSSB and our agents and service providers to verify that you own the external account and verify other information about your External Account. After agreeing to these Terms and Conditions and providing any additional information required by the enrollment methods below, you may enroll External Accounts in the Service.

#### **a. *Enroll Using Instant Account Verification***

You may use the instant account verification method to enroll your External Account. When you use the instant account verification process, you provide information that allows our service provider to access your External Account online on your behalf and to verify information you have provided regarding your External Account with the external financial institution holding such account. To use this enrollment method, the financial institution where you have your account must participate in the service with our service provider. you agree to provide true, accurate, current and complete information about your External Account and you agree to not

misrepresent your identity. When you use this enrollment method, you grant MSSB and our service provider a limited power of attorney, applicable only for the purpose described in this section. The power of attorney appoints MSSB and our service provider as your attorney-in-fact and agent to access third party internet sites, servers or documents, retrieve information, and use your information to verify your External Account. Just for purposes of this enrollment method, the limitations of liability and indemnification provisions of the Morgan Stanley Online Electronic Services Agreement apply to MSSB as the attorney-in-fact and also to our service provider. Information that you provide for the instant account verification method will be used for the purposes described in this section and all such use of this information is consistent, at all times, with our Online Privacy Policy.

**b.      Enroll Using Trial Deposits**

You may also use the trial deposit method to enroll your External Account. When you use the trial deposit method, you authorize us to verify each External Account through the use of one or more trial deposits, in which one or more low value payments will be credited to the External Account. Sometimes, a low value payment will be both credited to and debited from the External Account. The trial credit(s) will always occur before the trial debit(s) and the total amount of the trial debit (s) will always be equal to the total amount of the trial credit(s). In either case, we will ask you to verify the amount of each deposit made into such External Account.

**4.      *Transfer Types and Limitations on Dollar Amounts of Transfers***

You may use your Passwords (as defined in Section 7.b(i)) to make External Transfers from your Accounts, and to make Internal Transfers Among your Accounts.

The total dollar amount of Transfers you may make out of your Accounts using the Service on each day, during any 7-calendar day period, or during any 30-calendar day period shall not exceed the following amounts:

Daily	7-Calendar Day Period	30-Calendar Day Period
\$250,000	\$500,000	\$1,000,000

These limits are for the benefit of MSSB. We may permit exceptions to these limits in our discretion.

For security reasons or to protect your Accounts or MSSB, additional limits may be imposed from time-to-time.

## 5. *Preauthorized Payments*

- a. **Right to Stop Payment and Procedure for Doing So.** If you have told us in advance to make a payment out of your Account (including Recurring Transfers), You can stop any of these payments. Here's how:

Call us at 1 (888) 454-3965 or if you are calling from outside the U.S. you may call 1 (801) 617-9150 or write us at Morgan Stanley Smith Barney, Attn: Client Correspondence Department, P.O. Box 95002, South Jordan, UT 84095, in time for us to receive your request at least three (3) Business Days or more before the scheduled transfer date for the Transfer. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) calendar days after you call.

- b. **Notice of Varying Amounts.** If regular (recurring) payments vary in amount, we will send you an e-mail, ten (10) calendar days before each payment, telling you when it will be made and how much it will be. If you establish a recurring payment instruction that is capped at a specified amount and the amount of the cap cannot be evenly divided by the amount of your recurring payment, the last payment in the series will be reduced to equal the remainder produced by dividing your cap by your recurring payment amount. We will not provide you separate notice of the reduction of the final recurring payment in this circumstance.
- c. **Liability for Failure to Stop Payment of Preauthorized Payment.** If you order us to stop a payment three (3) Business Days or more before the scheduled transfer date for the payment, and we do not do so, we will be liable for your losses or damages to the extent provided under applicable law.

## 6. *Confidentiality*

We will disclose information to third parties about your Account or the Transfers you make:

- a. where it is necessary for completing Transfers, or
- b. in order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant, or
- c. in order to comply with government agency or court orders, or
- d. if you give us your written permission, or
- e. as otherwise disclosed in the MSSB Privacy Policy.

## 7. *Security and Your Liability for Unauthorized Transfers*

- a. **Security**

- (i) You are solely responsible for maintaining the confidentiality of any user identifications, passwords, authentication codes or other security devices or procedures (collectively, “Passwords”) issued to you or that you select. You may not share your Passwords with any third party without our written approval. Upon request, you shall provide us with a list of persons authorized to use your Passwords, and you shall promptly advise us of any changes in such authorized persons. You agree not to alter, delete, disable or otherwise circumvent any Password or permit or assist any other party to do so in a manner not authorized by us. We reserve the right to suspend your access to the Service and change (or require you to change) your Passwords at any time. Unless otherwise required by applicable law, you are responsible for all transmissions, instructions, information, processes, click stream data or other communications (collectively, “Communications”) attributable to your Passwords, whether entered by your authorized personnel or by any other person. You agree that any agreement or consent communicated from such access shall be deemed to be a duly signed writing of yours sufficient to bind you and we may deem any Transactions initiated using your Passwords to have been authorized by you.

Please be aware that if an unauthorized party is able to access your Password or the systems you use to access the Service, they may be able to transfer funds from your Accounts or External Accounts or access information about those accounts.

Remember, our Financial Advisors and customer service representatives will NEVER ask you for your Password.

- (ii) In order to prevent your Password, computers and other systems from being used to access your Accounts or External Accounts without your authorization, it is critical that you take all appropriate steps to protect the security of those items. The following is a non-exclusive list of some of the things you should do to protect the security of your Password, computers and systems:
  - (1) You agree to use a Password that you do not generally use for other purposes and to change your Password periodically.
  - (2) You agree to use industry standard protections for the computers used to access the Service, including by installing all current security and other patches on such computers; by maintaining on such computers up-to-date software to guard against viruses, worms, Trojan horses, spyware and other malware; and by using robust firewalls to protect against unauthorized access to your computers and systems.



- (3) If warranted, you may even want to use a dedicated computer that is not exposed to the risk malware from other sources in order to access the Service.
- (4) You should not access the Service from public computers, and when using wireless devices or networks, you should be sure that appropriate levels of encryption are being used.

**b. Unauthorized Transfers**

- (i) Please notify us **immediately** upon learning or suspecting that any unauthorized party has obtained your Password(s). Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account(s). If you tell us within two (2) Business Days after you learn of the loss or theft of your Password, you can lose no more than \$50 if someone used the Service without your permission.
- (ii) If you do **NOT** tell us within two (2) Business Days after you learn of the loss or theft of your Password(s), and we can prove we could have stopped someone from using your Password(s) without your permission if you had told us, you could lose as much as \$500.
- (iii) Please notify us **immediately** if your statement shows Transfers that you did not make. If you do not tell us within sixty (60) calendar days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) calendar 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 (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

**8. Contact Information**

If you believe there has been unauthorized activity on your Account(s), please call our Client Service Center at 1 (888) 454-3965 or if you are calling from outside the U.S. call 1 (801) 617-9150.

**9. Fees**

We do not currently charge a fee for Transfers; however, you may be subject to other applicable fees by us with respect to your Account, such including an insufficient funds charge. If you have any questions about such fees, please call our Client Service Center at 1 (888) 454-3965 or if you are calling from outside the U.S. call 1 (801) 617-9150. You also may be subject to fees imposed by other institutions in connection with External Transfers or Transfers involving Third Party Accounts. You acknowledge that we are not responsible for any fees or restrictions imposed by other institutions and that provision of the Service is subject to applicable limitations and approval. You further acknowledge that all affected Accounts must be eligible for the Service and must meet eligibility requirements.

## **10. Business Days**

For purposes of these Terms and Conditions, our Business Days are Monday through Friday. Holidays (including bank holidays and holidays when the New York Stock Exchange is closed) are not included.

## **11. Recurring Statements**

You will get a monthly account statement (unless there is no Account activity in a particular month). In any case you will get the statement at least quarterly.

## **12. Our Liability**

If we do not complete a Transfer to or from your applicable Account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages solely to the extent required by applicable law. However, there are some exceptions. We will not be liable, for instance:

- a. if circumstances beyond our control (such as fire or flood) prevent the Transfer, despite reasonable precautions that we have taken;
- b. if the failure to complete a transaction on time or in the correct amount was caused by a third-party (including, but not limited to, (i) an error or failure in a third-party system through which the Transfer is processed or (ii) the institution holding the External Account or Third-Party Account does not properly complete a Transfer);
- c. if the failure to complete a transaction on time or in the correct amount was caused by actions we have taken to address the security of our systems or our customers' information;
- d. if the system was not working properly and you knew about such system issues when you started the Transfer;
- e. if the transaction or related funds are subject to legal or other regulatory encumbrance or other process preventing or restricting the Transfer;
- f. if we revoked or suspended your applicable Account for inactivity or other reason in our discretion;
- g. if you provided inaccurate or incomplete information regarding the Transfer;
- h. if the Transfer appears suspicious, fraudulent or unauthorized, and we cannot confirm that it is a legitimate Transfer, or if the Transfer is (or appears to be) prohibited by law, the NACHA rules or any payment system rules;
- i. if, through no fault of ours, you do not have enough funds in your Account or the applicable External Account to make the Transfer; or

- j. if the Transfer would exceed available margin (if any) in your Account.

### **13. *In Case of Errors or Questions***

In case of errors or questions about your Transfers, call our Client Service Center at 1 (888) 454-3965 or if you are calling from outside the U.S. call 1 (801) 617-9150 as soon as you can. If you think your statement is wrong or if you need more information about a Transfer listed on the statement, we must hear from you no later than sixty (60) calendar days after we sent the FIRST statement on which the problem or error appeared.

When you contact us regarding any errors or questions about your Transfers, please:

- a. Tell us your name and Account number.
- b. Describe the error or the Transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- c. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) Business Days.

We will determine whether an error occurred within ten (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 forty-five (45) calendar days to investigate your complaint or question. If we decide to do this, we will credit your Account within ten (10) Business Days 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 ten (10) Business Days, we may not credit your Account.

For errors involving new Accounts or foreign-initiated transactions, we may take up to ninety (90) calendar days to investigate your complaint or question. For new Accounts, we may take up to twenty (20) Business Days to credit your Account for the amount you think is in error.

We will tell you the results within three (3) Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask us for copies of the documents that we used in our investigation.

### **14. *Governing Law and Disputes***

The governing law and dispute provisions of the Morgan Stanley Online Electronic Services Agreement shall apply these Terms and Conditions.