Cash Management Recommended Security Controls and Business Security Practices
Addendum to Cash Management Agreement

BAC Community Bank ("BAC") is committed to safeguarding the security of your Cash Management transactions by providing commercially reasonable security procedures offering multiple layers of security. In addition to our existing multifactor authentications and other security controls, the bank strongly recommends that you take an active part in preventing and mitigating your risk of online fraud by implementing <u>additional layers of protection</u>.

This document outlines the additional layers of protection - "Recommended Security Controls" - available to you through our Cash Management Services, as well as security practices you should consider applying to your business to protect your accounts. Please take this opportunity to evaluate your current Security Controls and change or add additional recommended controls to decrease your risk of online fraud.

Recommended Security Controls for Cash Management

- **Limits** – establish dollar limits by user and transaction type which prevent the origination of transactions exceeding defined limits

- **Review Thresholds** – require secondary approval by user and transaction type for all transactions or only those that exceed a set dollar amount - (Dual Control)

- **Notifications** – receive email notifications regarding ACH File Transfer processing events

Recommended Business Security Practices

- Complete periodic risk assessments, taking into consideration current cyber security threats and the unique circumstances of your business, and design and implement appropriate security measures to mitigate identified risks

- Keep your operating systems, antivirus and other software up to date. Scan your computers for viruses regularly.

- Use a password protected screensaver to secure your computer when you leave it unattended.

- If possible, dedicate a computer to be used ONLY for online banking and never use this computer for email, social media, or web browsing.

- Be aware of current fraud practices. Fraudsters use official-looking e-mails (Phishing) and websites to lure you into revealing confidential financial information and downloading malicious code.

- Establish separation of duties within your business.

- Verify use of secure session (https:// not http://) in the address bar of your browser when logged into Cash Management.

- Each time you log in confirm last sign on date and time.

- Select a password/PIN that is easy for you to remember but do not select birthdays, sequential numbers or street addresses. Do not share your password/PIN with anyone.

- Check your account balances and transaction activity daily and promptly report any suspicious activity to the bank.

- Clear the browser history after each Online Banking session in order to eliminate copies of web pages that have been stored on the hard drive.

- Include in your employee termination policy steps regarding the immediate removal of Cash Management access.

- Do not use account numbers when providing nicknames for accounts.

- Setup and regularly view alerts and notify the bank if you do not recognize the activity.

- Do not assign employees more access than is needed to perform their duties.

FAQ – Recommended Security Options

Q – What are Recommended Additional Security Controls Options?
A – Additional layers of protection available to you, based on your needs.

Q – What options are available with Additional Security Controls?
A – The following are some of the available options:

- **Dual Control** - **Review Thresholds** - You can require Wire and/or ACH Transactions that exceed a client designated amount to be approved internally before the transaction is submitted to BAC for processing
- **Dual Control – All Wires, Internal Transfers or ACH Transactions** - You can require all Wires, Internal Transfers or ACH Transactions be approved internally before the transactions are submitted to BAC for processing
- **Limits** - You can establish limits which will PREVENT a transaction from processing if designated preset limit is exceeded
- **Email Notifications -** Set up email notifications when ACH Transactions have been submitted to BAC

Q – Do all users have the same limits or thresholds?
A – No, each employee may be assigned unique limits or thresholds, as authorized by the client.

Q – What if I select the "Review Threshold" option and no one within my company is available to approve it?
A – The transaction will not be processed until it is approved internally by your authorized person.

Q – Can I have an email notification sent to someone other than the person submitting the ACH Transactions?
A – Yes, you may designate the recipients for the email notification for ACH submissions, even if they did not initiate the transaction.

Q – What types of transactions are covered by these Recommended Security Options?
A – Wire transfers, ACH Transfers and Internal Transfers

Examples of using Enhanced Security:

Limits – ACH Manager – Daily Limit
If User A has an ACH Transfer limit of $10,000 in one day (applies to aggregate of files submitted in one day):

ACH 1	$8,500	ACH Transfer will process
ACH 2	$1,000	ACH Transfer will process
ACH 3	$1,000	ACH Transfer will NOT be processed

Review Threshold – ACH Manager – Daily Threshold
If User A has an ACH Transfer Review Threshold of $10,000 daily (cumulative) without review by a Designated User:

ACH 1	$8,500	No Review Required
ACH 2	$1,000	No Review Required
ACH 3	$1,000	Designated User must review and approve this and any subsequent files issued in the same day

Review Threshold – ACH Manager – Per Transfer Threshold
User B can send ACH Transfers up to $10,000 per ACH Transfer each without a review by a Designated User.

ACH 1	$8,500	No Review Required
ACH 2	$1,000	No Review Required
ACH 3	$11,000	Designated User must review and approve this ACH transfer

---

Review Threshold – Wire Transfers – Daily Thresholds
User A can send Wire Transfers up to $10,000 in one day (applies to aggregate of wires submitted in one day)

Wire 1	$8,500	No Review Required
Wire 2	$1,000	No Review Required
Wire 3	$1,000	Designated User must review and approve this wire transfer and any subsequent wires issued in the same day

---

Review Required - All Wire Transfers
User B can send Wire Transfers, however all Wire Transfers initiated by User B must be reviewed and approved by a Designated User

Wire 1	$8,500	Designated User must review and approve this wire transfer
Wire 2	$1,000	Designated User must review and approve this wire transfer
Wire 3	$1,000	Designated User must review and approve this wire transfer

---