

19. Credits: If merchants who honor my Card give me credit for returns or adjustments, they will do so by sending you a credit slip which you will post to my Account. If my credits and payments exceed what I owe, you will hold and apply this credit balance against future purchases and cash advances, or refund it on my written request if it is \$1.00 or more.

20. Foreign Transactions: Purchases and cash advances I make in foreign countries and foreign currencies will be billed to me in U.S. dollars. The conversion to dollars will be made by the then current operating regulations of MasterCard® for international transactions.

21. Plan Merchant Disputes: You are not responsible for the refusal by any plan merchant or financial institution to honor my Card. You are subject to claims and defenses (other than court claims) arising out of goods and services I purchase with the Card only if I have made a good faith attempt, and have been unable to obtain satisfaction from the plan merchant and I followed the provisions set out in the Billing Rights Statement set out below.

22. Unauthorized Use: I may be liable for unauthorized use of the Card. I will complete the necessary documentation to support my claim. I will not be liable for unauthorized use which occurs after I notify you orally or in writing of the loss, theft or possible unauthorized use of my Card or PIN at your address or telephone number as follows:

Northrop Grumman Federal Credit Union
879 W. 190th Street
Box Number 5011
Gardena, CA 90248
800 633 2848

In any case, my liability will not exceed \$50.00.

23. Card Ownership: Any MasterCard issued to me or to another person at my request remains the property of the Credit Union. The Credit Union may terminate my Account any time and I will return any Card(s) to the Credit Union or its agent upon request.

24. Credit Information: I hereby agree and authorize you to contact and inquire of any of my employer(s) past, present, or future and to obtain credit reports on me either before or after any advance under this Agreement and to provide the credit reporting agencies my payment history.

25. Termination: You may, at your option, terminate this Agreement under adverse reevaluation of my creditworthiness or my failure to satisfy any of the terms of this Agreement. Either you or I may terminate this Agreement for other good cause. In no event shall any termination relieve me of my obligation to repay the sums already borrowed by use of the Card purchases, cash advances, collection costs, and late charges, if any, and finance charges.

26. Governing Law: I understand and agree that this Agreement shall be governed by the laws of the State of California except to the extent that California law is not consistent with the controlling Federal law in which case Federal law shall govern.

MY BILLING RIGHTS

KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about my rights and my responsibilities under the Fair Credit Billing Act.

Notification in case of errors or questions about my statements

If I think my bill is wrong, or if I need more information about a transaction on my bill, I will write to you (on a separate sheet) at the address listed on my statement. I will write to you as soon as possible. You must hear from me no later than 60 days after you sent me the first bill on which the error or problem appeared. I can telephone you but doing so will not preserve my rights. In my letter to you, I will give you the following information:

My name and account number

The dollar amount of the suspected error

A description of the error and explanation, if I can, why I believe there is an error. If I need more information, I will describe the item about which I am not sure. If I have authorized you to pay my credit card bill automatically from my share or share draft account, I can stop payment on any amount I think is wrong. To stop payment I must notify you three (3) business days before the automatic payment is scheduled to occur.

MY RIGHTS AND YOUR RESPONSIBILITIES

AFTER YOU RECEIVE MY WRITTEN NOTICE

You must acknowledge my letter within 30 days, unless you have corrected the error during that time. Within 90 days, you must either correct the error or explain why you believe the bill was correct.

After you receive my letter, you cannot try to collect any amount I question, or report me as delinquent. You can continue to bill me for the amount in question, including Finance Charges, and you can apply any unpaid amount against my credit limit. I do not have to pay any questioned amount while you are investigating, but I will still be obligated to pay the parts of the bill that are not in question.

If you find that you made a mistake on my bill, I will not be required to pay any finance charges related to any questioned amount. If you did not make a mistake, I will be required to pay Finance Charges and make up any missed payments on the questioned amount. In either case, you will send me a statement of the amount I owe and the date it is due.

If I fail to pay the amount you think I owe, you may report me as delinquent. However, if your explanation does not satisfy me and I write to you within ten (10) days telling you that I still refuse to pay, you must tell anyone to whom you reported me that I have a question about my bill. And, you must tell me the name of anyone to whom you reported me. When we have reached a resolution, you must tell anyone to whom you reported my delinquency that the matter has been settled between me and you.

If you don't follow these rules, you cannot collect the first \$50.00 of the questioned amount even if my bill is correct.

SPECIAL RULES

FOR CREDIT CARD PURCHASES

If I have a problem with the quality of goods or services that I purchased with a credit card, and I have tried in good faith to correct the problem with the merchant, I may have the right not to pay the remaining amount due on the goods or services. There are two limitations on this right:

- 1) I must have made the purchase in my home state or if not within my home state, within 100 miles of my current mailing address; and
- 2) The purchase must have been for more than \$50.00.

These limitations do not apply if you own or operate the merchant, or if you mailed me the advertisement for the property or services.

NORTHROP GRUMMAN FEDERAL CREDIT UNION MasterCard PROGRAM AGREEMENT & FEDERAL TRUTH-IN LENDING DISCLOSURE EFFECTIVE OCTOBER 1, 2011

This Agreement sets forth the terms of the Northrop Grumman Federal Credit Union MasterCard and contains various disclosures and information required by law. In this Agreement and Disclosure Statement the words, "I," "me," "mine," and "my," mean each and all those who apply for the Card and or sign or use the Card or obtain direct or indirect benefit from the use of the Card, "you," "yours," "Credit Union" mean Northrop Grumman Federal Credit Union. "Card" means the MasterCard issued to me and any duplicates and renewals you may issue. "Account" means my MasterCard Account with you. I understand the following terms, conditions, disclosures, and provisions constitute the MasterCard Agreement. By requesting and receiving, signing or permitting others to use a Card issued to me by you, I agree, as the card holder to the terms below.

1) **MasterCard Issuance:** I have signed the MasterCard Section of the Loan Application or MasterCard Application or other electronic methodology that you have made available that establishes my request that you issue to me a Card or I have otherwise requested that you issue to me a Card. Upon approval of my request, the Credit Union will establish for me a self-replenishing Line of Credit to be drawn upon as I utilize my MasterCard Account.

2) **Credit Limit:** I understand that you will establish a credit limit for me as the maximum amount of credit available to me under this Agreement. I agree not to request or obtain advances above my credit limit at any time. I understand that to do so is a default, subject to your remedies stated below. You will advise me of my credit limit in writing and it will become part of this Agreement by reference. I understand that my credit limit can be increased or decreased by you at anytime and you will notify me in writing of any change pursuant to current regulation. You will have the right to refuse any request for advance if it exceeds my credit limit or you have terminated my right to receive credit under this Agreement.

3) **Using the Card:** To make a purchase or advance, I may present the Card to a participating MasterCard merchant, to you, or to another financial institution, and sign the sales or cash advance draft which I will sign authorizing the purchase. I will receive a copy of the draft which I should retain to verify my monthly statement. I may also use my MasterCard Personal Identification Number (PIN) in conjunction with my Card at an Automated Teller Machine (ATM) or other type of electronic terminal that provides access to the MasterCard system. I understand that I will follow the instructions at the ATM or other access system and that use of my Card constitutes my acceptance of the conditions therewith.

4) **Repayment:** I agree to repay you at your office in Gardena, California, or such other place you designate in writing, according to the terms of this Agreement for all sums advanced for purchases, advances, together with all FINANCE CHARGES, late charges, other charges and collection costs, if any, arising from the use of the Card or Account by me or any other person I permit to use my Card or Account, even if that person exceeds my permission. Any person using the Card or the Account is jointly and severally responsible with me to repay you. I understand that each payment is applied first to unpaid FINANCE CHARGES; then to unpaid fees and charges; then to the cash advances, balance transfers and then to the Purchase Balances.

5) **Joint Account/Co-maker:** I am establishing my request to be a joint cardholder or co-maker on a MasterCard account by my having signed the MasterCard Section of the Loan Application or MasterCard Application or other electronic methodology that you have made available. The request also establishes my desire that you issue to me a Card. If I am a joint cardholder or a co-maker, I agree to be equally responsible to repay

M-104953

you for all advances, finance charges, and costs, if incurred by any other user. You do not have to notify me if payments on the Account are not made by the other party on time. You can change the terms of payment and release any security without notifying me or releasing me from my responsibility on this Agreement. If this is a joint account, you may, at your option and without notice to any other party, refuse any request for an advance, or an increase in the credit limit, or refuse any other request with respect to the Account, or follow the instructions of any cardholder.

6. Daily periodic finance charges, Daily periodic rate, and ANNUAL PERCENTAGE RATE: The ANNUAL PERCENTAGE RATE (APR) will range between 9.00% and 18.00%, depending upon my credit rating and the program in which I choose to participate. The Daily Periodic Rate range used to compute your FINANCE CHARGE will be between 0.02465753% and 0.04931507%. You will provide me notification in writing prior to the card. Should I not accept your offered interest rate, I may cancel the Account at no cost to me before activating the Card. If my balance is not paid in full by the due date and the periodic interest calculation is less than \$2.00, I will be charged a minimum fee of \$2.00 in lieu of interest. CREDIT RATING: Periodically you will validate that my credit rating has not declined from when you approved my credit. If my rating has improved or declined and, depending on the severity of that change, you may decrease or increase my ANNUAL PERCENTAGE RATE by a minimum of one percent (1.00%) to a maximum of five percent (5.00%) from my then current rate. VARIABLE RATE: My loan is a variable rate loan. I agree that you will have the right to increase or decrease the ANNUAL PERCENTAGE RATE and its corresponding daily periodic rate during the term of this loan in direct relationship to an increase or decrease in the index referred to as US Prime Rate (USPR), as published in the Wall Street Journal on the first business day of the current billing cycle month. You will apply the new USPR after my current month billing is generated. Increases or decreases in the ANNUAL PERCENTAGE RATE based upon the USPR are subject to the following conditions: 1) The ANNUAL PERCENTAGE RATE will not increase above the maximum legally permissible rate; 2) The ANNUAL PERCENTAGE RATE will not increase or decrease more than 0.25 percent in any month from the previous month. 3) Each increase or decrease will be effective after the current month billing is generated during the term of this loan; 4) Changes in the ANNUAL PERCENTAGE RATE may result in an increase or decrease in the amount and/or number of payments on this loan, as permitted by law, at the option of the Credit Union; 5) If you choose not to invoke all or part of a rate increase or decrease in any calendar-year month, you may still use the unused increase or decrease in a later month; 6) Should the index described in the Disclosure Statement be discontinued during the term of this loan, a successor or similar index will be used as chosen by you and I will be advised of its description. FOR PURCHASE BALANCES: Purchase balances consist of transactions related to purchases of goods and services. 1) If payment in full for the entire New Balance shown on my statement for the previous billing cycle is received by you by the date the payment is due, you do not assess a periodic FINANCE CHARGE on my purchase balance. My Due Date will be at least 25 days from the statement closing date. (Grace Days); 2) If full payment is not received before the due date, then you figure a portion of the FINANCE CHARGE on my account by applying the Daily Periodic Rate to the "Average Daily Balance" of my Account (including current transactions); 3) To obtain the "Average Daily Balance" you take the beginning balance of my Account each day, add any new purchases or debits, and subtract any payments or credits, any unpaid FINANCE CHARGES, and any late charges. This gives you the daily balance. Then you add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives you the "Average Daily Balance" for purchases. FOR ADVANCE BALANCES: Advance balances consist of transactions related to cash or other non-goods and services advance transactions. The Cash and Other advance portion posted to my Account during a billing cycle is included in the "Average Daily Advance Balance" for the cycle and is subject to the Daily Periodic Rate during the cycle. To obtain the "Average Daily Advance Balance" for Cash and Other Advances, you take the beginning balance of my Account each day, add any new cash or other advances, and subtract any payments or

credits, unpaid FINANCE CHARGES, and fees and charges. This gives you the daily balance for Cash Advances. Then you add up the daily balances for cash and other advances for the billing cycle and divide the total by the number of days in the billing cycle. This gives you the "Average Daily Advance Balance." There is no grace period for Cash or other non-goods and services advances. FOR INTRODUCTORY RATE: If my account is opened with an Introductory Rate(s), the rate(s) for my account will be at the Introductory Rate(s) shown on the Schedule. The Introductory Rate(s) will continue in effect as indicated on the Schedule. After the Introductory Rate(s) expire (or if my account does not have an Introductory Rate), the rate for my account will be the rate shown on my approval notification. My Introductory Rate or Special Balance Transfer Rate may terminate and increase to my Standard Rate if I have missed a payment to you; 1) If I have missed a payment more than once in a 6-month period, or 2) remained unpaid after the due date for 60 days or more at any time.

7. Minimum Monthly Payment: I understand that, by the Payment Due Date specified in my monthly periodic statement, I must pay at least a minimum payment of 2.50% of the New Balance, but not less than \$25.00. If my New Balance is less than \$25.00, it must be paid in full. Also, if any amount is Past Due, the Past Due amount must be paid in addition to my minimum monthly payment. If any amount exceeds my credit limit, the amount in excess of my credit limit must be paid in addition to my minimum monthly payment and any Past Due amount.

8. Annual Fee and Other Charges: I understand that presently there is no annual fee associated with the Northrop Grumman Federal Credit Union Platinum MasterCard program. I understand that you may charge my Account for the following fees:

Replacement Card Fee if my card is lost or stolen	\$10.00
Disbonored Payment Fee if a payment is returned to you unpaid	\$20.00
Change in Program Fee if I request a different program	\$10.00
Photocopy of a MasterCard sales receipt, except for disputed items that are adjustments from my Account	\$ 5.00
Over Limit Fee, if my balance on my statement day is 105% or more of my approved credit limit	\$25.00
Cash Advance Fee as a percentage of the amount advanced but not less than \$5.00 and not more than \$75.00	3.00%
Foreign Transaction Conversion Fee as a percentage of the transaction amount	0.00%
Balance Transfer Fee as a percentage of the transferred amount but not less than \$10 and not more than \$50	0.50%

I understand that you may change these fees or add other fees with proper notice to me in the future.

9. Other Benefits/Card Enhancements: You may offer additional services to me from time-to-time such as travel insurance, reward points, or credit life and disability insurance. I understand that you are not obliged to offer such programs and may withdraw or modify them after the offer. Any of the programs or enhancements you offer may be subject to their own terms and conditions, and my Card may have different rates and/or fees based on the program in which I chose to participate.

10. Balance Transfers: You may permit me to transfer balances from other credit card companies or financial institutions to my account up to the amount of my credit limit that you make available for balance transfers. If I request an amount that you do not approve, you may process a partial transfer for less than I requested or you may decline the entire request. I may not transfer any balance I owe from any Northrop Grumman FCU account. No grace period will apply when calculating finance charges for a balance transfer. I should not transfer any amount that is in dispute to preserve my dispute rights. I should continue to monitor the other accounts from which I request

to transfer balances and I should continue to pay the minimum payments due on those accounts until I receive statements from those creditors showing the balances due them have been paid in full. If I want my other accounts closed following a balance transfer, I am responsible for doing so.

11. Convenience Checks: You may send me Convenience Checks which I may use to obtain cash, or pay for goods, or services up to the amount available on my approved credit limit. I may also request Convenience Checks from you. Convenience Checks will be processed as Cash Advances and accumulate FINANCE CHARGES from the date the check posts to my account. Convenience Checks may only be used by the person whose name is printed on them. I may not use Convenience Checks to pay amounts I owe you under this or any other agreement. You will not return presented Convenience Checks to me. You may decline to honor my Convenience Check if I am over my credit limit, in default, or my account privileges have been cancelled or my Card is expired.

12. Automatic Payment Feature: I understand that I may authorize you (in writing or other acceptable form) to transfer my Account payment each month from my designated account (Share or Share Draft). I understand that this transfer will take place on the due date each month and that my Account will be assessed a \$20.00 fee if the funds are unavailable at the time designated for the transfer. I understand that I may designate to pay either the minimum payment or the full payment amount. If I designate the full payment amount, the amount of the payment will be the last statement balance, less any credits (including merchant credits). A record of the payment will appear on my next monthly statement. I understand that I may cancel this authorization at any time by notifying you in writing.

13. Default: I will be in default if I do not make any payment on time, if I have made a false or misleading statement on my application, if I file bankruptcy, if any other creditor tries by legal process to take any money of mine in your possession, if I die, if I leave my present employment and cannot show you to your satisfaction that my ability to repay any amounts I owe to you has not been impaired, or if I am otherwise in default under this Agreement. If I am in default under this Agreement, then, at your option and without further notice to me, you may declare the entire unpaid balance of principal and finance charge due and payable.

14. Default ANNUAL PERCENTAGE RATE: If my account becomes 30 days delinquent or is over limit twice in any 6-month period, the ANNUAL PERCENTAGE RATE on the account will increase by 2.00% or the maximum allowed by law and remain at that rate until I have had 6 consecutive months in which the account is not more than 30 days delinquent or have a balance over my credit limit. The rate will then be modified to be the current applicable rate based on my credit score and history. This default rate does apply to any Special/Introductory rates that exist on my Account and my Special/Introductory rate will be terminated and my Standard ANNUAL PERCENTAGE RATE plus 2.00% will be my Default ANNUAL PERCENTAGE RATE. After the curing of the default, the ANNUAL PERCENTAGE RATE on my account will be my standard ANNUAL PERCENTAGE RATE.

15. Late or Irregular Payments: You may accept late payments, partial payments or payments marked "paid in full" without losing any of your rights under this Agreement. If I am late in making the payment when due for 15 days, I agree to pay a late charge of \$5 if my balance is less than \$500; \$15 if my balance is between \$500 and \$1500; and \$30 if my balance is greater than \$1500.

16. Collection Costs: If I am in default and you demand payment in full, I understand that I will be charged a periodic finance charge at the Daily Periodic Rate described herein on the unpaid balance, collection costs, and late charges, if any, until I repay my loan. I also agree to pay you reasonable attorneys' fees and court costs, if any, incurred to collect such amounts.

17. Delay In Enforcement: You can delay enforcing any of your rights under this Agreement without losing them.

18. Change In Terms: I understand that you may change the terms of this Agreement at any time. You will inform me at least 45 days in advance of any change becoming effective by mailing notice to me at my address of record, or, if I have requested electronic statements, electronically.