

**Addendum to Membership Agreement and
Business Membership Agreement:
Notice of Binding Arbitration and Class Action Waiver**



**New England
Federal Credit Union**

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New England Federal Credit Union has updated your Membership Agreement and Business Membership Agreement effective September 5, 2023. This addendum adds the enclosed Binding Arbitration and Class Action Waiver provision to the Agreement. This provision applies to all of your accounts and services.

Please review the terms carefully as they contain important rights, including your right to opt-out. We have added this provision to the Membership Agreement and Business Membership Agreement in order to fulfill our mission to provide high quality and cost-effective services to all members. The Binding Arbitration and Class Action Waiver provision provides that you may opt out of it by notifying us within 30 days after our issuance of this notice.

ARBITRATION AND CLASS ACTION WAIVER AGREEMENT

RESOLUTION OF DISPUTES BY ARBITRATION: THIS AGREEMENT CONTAINS IMPORTANT INFORMATION REGARDING YOUR SHARE OR DEPOSIT ACCOUNTS AND RELATED ELECTRONIC FINANCIAL SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT CERTAIN DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

a. Agreement to Arbitrate Disputes

Either you or we may elect, without the other's consent, to require that any dispute between us concerning your Deposit Accounts (which includes share accounts) and the electronic financial services related to your Deposit Accounts be resolved by binding arbitration, except for those disputes specifically excluded below. This Arbitration Agreement and any arbitration conducted under it are governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and are not subject to any state law related to arbitration.

b. Disputes Covered by Arbitration

Claims or disputes between you and us arising out of or relating to your Deposit Account(s), transactions involving your Deposit Account(s) and any related electronic financial service with us are subject to arbitration. Electronic financial services include online and mobile account access, bill pay, telephone access, and any other electronic service provided pursuant to our Electronic Funds Transfer Disclosures. Any claims or disputes arising from or relating to this agreement, any prior account agreement between us, any advertising, the application for, or the approval or establishment of your account are also included. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Claims are subject to arbitration, regardless of what theory they are based on or whether they seek legal or equitable remedies. Arbitration applies to any and all such claims or disputes, whether they arose in the past, may currently exist or may arise in the future. All such disputes are referred to in this section as "Claims".

c. Disputes Not Covered by Arbitration

Both you and we have the right to pursue a Claim in state court instead of arbitration for claims related to our collection of any negative balance or amounts you owe us under our Membership and Account Agreement, including but not limited to: fraud, counterfeit items and any unpaid account obligations. This exception applies if the Claim is in that court's jurisdiction and brought on an individual basis. Also, arbitration will not apply to your Account as long as you are an active duty Service Member. Otherwise, this Agreement to arbitrate will apply without limitation, regardless of whether 1) your account is closed; 2) you pay us in full any outstanding debt you owe; or 3) you file for bankruptcy.

d. No Class Action or Joinder of Parties

YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION

AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless you and we both agree, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

e. Arbitration Procedures

The arbitration must be filed with the following neutral arbitration forum and must follow its rules and procedures for initiating and pursuing an arbitration: JAMS • www.jamsadr.com • 1-800-352-5267 (toll-free)

The arbitration shall take place in the federal district in which you reside, or in which you entered into this Agreement. The arbitration shall be decided by a single, neutral arbitrator selected by both parties in accordance with the rules of the arbitration forum. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures or pursuant to JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the arbitrator's award may be entered in any court having jurisdiction. This Arbitration Agreement does not preclude parties from bringing claims in small claims court or seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. You or we may choose to have a hearing, be represented by counsel and conduct discovery. If the claim is brought by you, you will pay no more than \$250 of the filing costs and expenses and the remaining costs are borne by us. If we bring the claim, we pay for all filing fees and costs. Judgment on the arbitration award may be entered by any court of competent jurisdiction. We will not reimburse any fees if the arbitrator determines that your claim or dispute was frivolous or baseless. Each party shall be responsible for its own attorney fees in any arbitration unless the arbitrator awards attorney fees under applicable law or agreement.

f. Right to Resort to Provisional Remedies Preserved

Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as our federal statutory lien; our right of set-off; the right to restrain funds in an account; to interplead funds in the event of a dispute; to exercise any security interest we may hold in property; to comply with legal process; or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

g. Right to Reject this Arbitration Agreement

You have the right to opt out of this agreement to arbitrate if you tell us within 30 days after you opened your first Account. If you are receiving this Agreement with a notice issued after your first account was opened, you must tell us within 30 days after we issued our notice and this Agreement. To opt out, send us written notice as follows: (i) your written notice must include your name, as listed on your account, your account number, and a statement that you reject this Arbitration Agreement, and (ii) you must send your written notice to Us at the following address: New England Federal Credit Union, Attn: Executive Assistant, 141 Harvest Lane, Williston, VT 05495 or e-mail us at ExecAssistant@nefcu.com.

h. Acceptance of Arbitration and Class Action Waiver

Following receipt of this Binding Arbitration and Class Action Waiver Agreement and expiration of the rejection period, your decision not to reject this Agreement as confirmed by your continued use of your Account, confirms your agreement to be bound by the above terms for all of your Accounts and your Accounts will be bound by this Arbitration and Class Action Waiver Agreement.