

## **Online Banking Agreement**

### **Agreement**

This Agreement is a contract which establishes the rules which cover your electronic access to your accounts at Bath State Bank through Online Banking. By using Online Banking, you accept all the terms and conditions of this Agreement. Please read it carefully. The terms and conditions of the deposit agreements and disclosures for each of your Bath State Bank accounts as well as your other agreements with Bath State Bank such as loans, continue to apply notwithstanding anything to the contrary in this Agreement. This Agreement is also subject to applicable federal laws and the laws of the State of Indiana (except to the extent this Agreement can and does vary such rules or laws). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and Bath State Bank's successors and assigns. Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement. This Agreement, together with the Online Banking application posted on our web site, constitutes the entire agreement between you and Bath State Bank with respect to the subject matter hereof and there are no understandings or agreements relative hereto which are not fully expressed herein.

### **Definitions**

As used in this Agreement, the words "we," "our," "us" mean Bath State Bank; "You" and "your" refer to the accountholder authorized by Bath State Bank to use Online Banking under this Agreement and anyone else authorized by that accountholder to exercise control over the accountholder's funds through Online Banking. "Account" or "accounts" means your accounts at Bath State Bank. "Electronic funds transfers" means ATM withdrawals, preauthorized transactions, point of sale transactions, transfers to and from your Bath State Bank accounts using Online Banking, including bill payments. "Online Banking Services" means the services provided pursuant to this Agreement, including the Bill Payment Service. "Business days" refers to Monday through Friday. Holidays are not included.

### **Access**

To use Online Banking, you must have at least one account at Bath State Bank, access to Internet service and an e-mail address. Each account holder is assigned their own log in ID and password. Prior to granting access to the account holder, Bath State Bank requires new users to complete and sign an Online Banking Application. By signing the application, users agree to all terms identified in the Online Banking Agreement and Electronic Funds Transfer Disclosure. Once we have received your Online Banking application and verified your account information, we will send you by mail, confirmation of our acceptance of your enrollment. Each person on a joint account will be liable for all transactions that are made on that account by all other joint account holders of the account. If your account requires two (2) signatures for withdrawal, you will be set up as a "view only" account, and will be unable to use bill pay or transfer funds online. In the case of savings accounts set up as "Benefit of" or INUTMA accounts, the parent or guardian will be the only one permitted to use bill pay or transfer funds. The minor may have access as "view only." Online Banking can be used to access the Bath State Bank accounts which you have designated for access (for those accounts in which you are a primary or joint owner or authorized signer) by Online Banking in your application. We undertake no obligation to monitor transactions through Online Banking to determine that they are made by you.

### **Online Banking Services**

You can use Online Banking to check the balance of your Bath State Bank accounts, view Bath State Bank account histories, transfer funds between your Bath State Bank accounts, send us e-mail, view, print, save previous statement and pay bills from your Bath State Bank accounts in the amounts and on the dates you request.

### **Hours of Access**

You can use Online Banking seven days a week, 24 hours a day, although some or all Online Banking services may not be available, during the hours of processing from 4 p.m.- 5 p.m. (EDST) Monday thru Friday, and occasionally due to emergency or system maintenance. We agree to post notice of any extended periods of non-availability on the Online Banking website.

### **Your Password**

For security purposes, you are required to change your password upon your initial login to Online Banking. You determine what password you will use and the identity of your password is not communicated to us. You agree that we are authorized to act on instructions received under your password. You accept responsibility for the confidentiality and security of your password and agree to change your password regularly (you will be prompted to change your password every 90 days.) The password you create must utilize both alpha and numeric

characters, and be 6-8 characters long, to ensure the maximum security. Your password should not be associated with any commonly known personal identification, such as social security numbers, address, date of birth, names of children and should be memorized rather than written down. You are restricted from using the last four previously used passwords.

### **Security**

You understand the importance of your role in preventing misuse of your accounts through Online Banking and you agree to promptly examine your paper statement for each of your Bath State Bank accounts as soon as you receive it. You agree to protect the confidentiality of your account and account number, and your personal identification information, such as your driver's license number and social security number. You understand that personal identification information by itself, or together with information related to your account, may allow unauthorized access to your account. Your password and log in ID are intended to provide security against unauthorized entry and access to your accounts. Data transferred via Online Banking is encrypted in an effort to provide transmission security. Each time you log in, you are opening up a session. If you have an open session without activity for 10 minutes, your session will be timed-out and you will be required to log in again. Online Banking utilizes identification technology to verify that the sender and receiver of Online Banking transmissions can be appropriately identified by each other. When logging in for the first time or after a brief monitoring period, you will be prompted to select your Personal Verification Questions. During a future log in, we will ask you to answer these questions if we do not recognize your computer or location from where you are logging in. A watermark or (Personal Identification Image) is also used for security. The Personal Identification Image is chosen when you log in the first time. This image appears on each page after logging into your Online Banking. You should verify this image is the one you selected as your personal image each time you log in. If the image is not what you selected, sign off and call Bath State Bank immediately at 765-732-3022

### **Posting of Transfers**

Transfers initiated through Online Banking before 2 p.m. (EDST) on a business day, Monday through Friday, are posted to your account the same day. Transfers completed after 2 p.m. (EDST) on a business day, and those completed on a Saturday, Sunday or banking holiday, will be posted on the next business day. Online Banking identifies transfers based upon the login ID of the user who made the electronic transfer. Once you confirm your transfer, you will receive a confirmation number to keep for your records. Your transaction is not complete if you did not receive a confirmation number. You agree that you are responsible for any negative or overdraft balances that may occur from withdrawals or transfers made, involving your account.

### **Overdrafts (Order of Payments, Transfers, and other Withdrawals)**

If your account has insufficient funds to perform all electronic funds transfers you have requested for a given business day, including Bill Payment, then:

1. Your account will be subject to Bounce Protection fees, Overdraft fees or Return Item fees.
2. Electronic funds transfers involving currency disbursements, like ATM withdrawals, will have priority;
3. Electronic funds transfers initiated through Online Banking which would result in an overdraft of your account may be returned;
4. Bill payment requests to be made electronically will not be made until sufficient funds are available to complete the requests;
5. In the event the electronic funds transfers initiated through Online Banking which would result in an overdraft of your account are not cancelled, Bounce Protection fees, Overdraft fees and/or Return Item fees may be assessed pursuant to the terms of the deposit agreement for that account.

### **CDs, IRAs and/or Wires**

CDs, IRAs or Wires do not qualify for funds transfer service.

### **Limits on Amounts and Frequency of Online Banking Transactions**

The number of transfers from your accounts and the amounts which may be transferred are limited pursuant to the terms of the applicable deposit agreement and disclosure for those accounts. Electronic payments are validated against the account balance prior to processing. Check payments and electronic payments settle against your account just like a check; therefore, there is no dollar limitation on payments made through Bill Pay. You are limited only by the amount of funds in your account. If a hold has been placed on deposits made to an account from which you wish to transfer funds, you cannot transfer the portion of the funds held until the hold expires.

### **Online Banking Bill Payment Service**

You must designate the complete name of the payee, the account number, and the payee's remittance address, all exactly as shown on the billing statement or invoice; the amount of the payment; and the date you want the payment processed. If the date you want the payment processed is not a business day, your payment will be processed the last business day, prior to the weekend or holiday. By using the Online Banking Bill Payment Service option, you agree that, based upon instructions received under your password, we can charge your designated account by electronic transfer, "as authorized by account holder," or by debiting and remitting funds on your behalf. We reserve the right to refuse to pay any payee designated by you. If we do so, we will notify you

promptly. When making Bill Pay payments of \$1000 or more, you will be asked to answer your Personal Verification Questions for security purposes.

#### **Scheduling Online Banking Payments**

Bill Pay payments must be requested prior to 1 p.m. (EDST) to be processed on the same business day. Requests received after 1 p.m. (EDST) will be processed on the next business day. If the payee is to be paid by paper check you understand and agree that paper checks are mailed to the payee and that you must allow for normal postal delivery time. If the payee is to be paid electronically (as indicated on the Bill Payer list), you understand and agree that the payee may not receive the payment up to 4 business days after the date the payment is debited from your account. You understand and agree that we are not responsible for the timely delivery of mail or the improper transmission or handling of payments by a third party such as the failure of the bill payment payee to properly post a payment to your account.

#### **Cancelling or Editing a Scheduled Bill Payment**

You must cancel or edit the scheduled payment before 3 a.m. (EDST), for the first processing and 1 p.m. (EDST) for the 2<sup>nd</sup> processing on the date the payment is scheduled to be processed.

#### **Disclosure of Account Information and Transfers**

We may disclose information to third parties about your account or the transfer you make ONLY: when it is necessary to complete transfers; or in order to verify the existence and condition of your account for the third party, such as a credit bureau or merchant, or in order to comply with government agency or court orders, or if you give us your written permission.

#### **Periodic Statements**

You will not receive a separate Online Banking statement. Transfers to and from your accounts and Bill Pay payments using Online Banking will appear on the respective periodic paper statements for your Bath State Bank accounts.

#### **Change in Terms**

We may change any term of this Agreement at any time. If the change would result in increased fees for any Online Banking service, increased liability for you, fewer types of available electronic funds transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice at least 30 days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or our electronic funds transfer system. We will post any required notice of the change in terms on the Bath State Bank's Online Banking or website or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic funds transfer system, we will notify you of the change in terms within 30 days after the change becomes effective. Your continued use of any or all of the subject Online Banking Services indicates your acceptance of the change in terms. You acknowledge and agree that changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

#### **Disclaimer of Warranty and Limitation of Liability**

We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the Online Banking Services provided to you under this Agreement. We do not and cannot warrant that Online Banking will operate without errors, or that any or all Online Banking Services will be available and operational at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this Agreement or by reason of your use of or access to Online Banking, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract or tort or based on a warranty.

#### **Your Right to Terminate**

You may cancel your Online Banking service at any time by providing us with written notice by postal mail or fax. Your access to Online Banking will be suspended within 3 business days of our receipt of your instructions to cancel the service. You will remain responsible for all outstanding items prior to the date of cancellation. If your account closes before an Online payment has posted, the check will be returned.

#### **Our Right to Terminate**

You agree that we can terminate or limit your access to Online Banking Services without prior notice, if you have insufficient funds in any one of your Bath State Bank accounts to cover outstanding debits or bill payment requests. Online Banking service may be reinstated, in our sole discretion, once sufficient funds are available to cover any fees, pending transfers, and debits. If you fail to access the Online Banking Services for 180 days, your online account will become dormant. You will be notified by mail and have 10 days to respond. If you do not respond, your Online Banking account will be closed. Closure of your account will include cancellation of bill pay set up and scheduled bill pay payments. If your account closes before a bill pay payment has posted, the check will be returned. Re-activation of online banking as well as bill pay will require the completion of a new Online

Banking application. We may also terminate your Online Banking services upon reasonable notice, for any other reason at our sole discretion.

**Fees and Charges**

There are currently no fees or charges to use the basic Bank by Mouse services, or bill pay.

**Consent to Electronic Delivery of Notices**

You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic funds transfer disclosures, may be made electronically by posting the notice on the Bath State Bank website or by email. You agree to notify us immediately of any change in your email address.

**Communications between Bath State Bank and You**

Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways: Email - You can contact us by sending us a message by logging into Bank by Mouse. (Please note that banking transactions through Online Banking are not made via email.) Telephone - You can contact us by telephone at 765-732-3022. Postal Mail - You can write to us at: Bath State Bank, Online Banking, P.O. Box 10, Bath, Indiana 47010.