

# Exchange State Bank Online Banking Agreement

Revised March 2019

## Introduction

### The Agreement

This user agreement (“Agreement”) is provided by Exchange State Bank to govern the use of Exchange State Bank Online Banking services. Services provided by Exchange State Bank Online Banking are additionally governed by any other separate agreement(s) you may have with Exchange State Bank or any of its affiliates or subsidiaries, including but not limited to, the Rules and Regulations of the Bank, any loan agreements, and any amendments or changes made to this Agreement.

### Agreeing to the Terms and Conditions of this Agreement

By using Exchange State Bank Online Banking, you agree to be bound by the terms and conditions contained in this Agreement, which supplement the terms and conditions in your deposit account agreements. When you use the Online Banking service, or authorize others to use them by providing your USER ID and Password, you agree to the terms and conditions of this Agreement. You agree that e-mail or other communications viewed or transmitted between us through the Online Banking service shall be treated as “writing” and shall bind each of us in the same way as written communications. You agree that use of your USER ID and/or Password to access the Online Banking service through our website in connection with a communication that you send to us shall be treated as your signature.

You agree that any transaction or communication (including, without limitation, payment, withdrawal and stop payment instructions) received by the Bank that was made using your USER ID and Password shall be deemed authorized by you and binding upon you.

You also agree that by entering into this Agreement that the use of an Online Banking service may also require a separate agreement and you agree to enter into this separate agreement in order to use the specific Online Banking service as required by the Bank.

### Relationship to other Agreements and Disclosures

This Agreement is in addition to the terms and conditions described in the IMPORTANT ACCOUNT INFORMATION FOR OUR CUSTOMERS disclosures and any specific account disclosures which include fee schedules that were given to you. To the extent that this Agreement is inconsistent with any of the terms and conditions contained in the above mentioned disclosures, the terms and conditions of this Agreement shall control the Online Banking Service. If you should need another copy of a disclosure, please contact us through our web site, [www.lanarkbank.com](http://www.lanarkbank.com) or call Customer Service at 815.493.2631, or write to us at Exchange State Bank, Attention: Customer Service, P.O. Box 5, Lanark, IL 61046.

### Business Days / Hours of Operation

We will refer to the term "business days" throughout this Agreement. The Bank's business days are Monday through Friday, 8:30 a.m. to 4:30 p.m., Central Time; Saturdays, Sundays, and Federal holidays are excluded. The business days do not necessarily correspond with the hours of our traditional bank. Please refer to our Lobby and Drive-up Hours at our web site [www.lanarkbank.com](http://www.lanarkbank.com). **Any Online Banking transactions occurring after 6:00 PM will not be applied until the next business day.**

You can access your Exchange State Bank account(s) through this Service seven days a week, 24 hours a day. However, at certain times, some or all of Exchange State Bank Online Banking may not be available due to system maintenance or other problems. Notification of planned unavailability will be sent by email and will be posted on our website [www.lanarkbank.com](http://www.lanarkbank.com).

## Accessing Your Bank Accounts Through Online Banking

### Requirements

**Account Requirements** - To access your accounts through Online Banking, you must be an owner on an active account and must have enrolled for and establish a USER ID and Password.

**Computer Hardware and Software Requirement** - The Customer is solely responsible for their equipment to access the service including, but not limited to, the personal computer, internet access and appropriate browser software. The Bank is not responsible for the cost of upgrading equipment to stay current with the Service nor is the Bank responsible, under any circumstances, for any damage to the Customer's equipment or the data resident thereon. It is the customer's responsibility to have up-to-date virus-detection and firewall software installed on their computer prior to using the Online Banking service. Using the Online Banking service without such safeguards increases the risk that a hacker will break into your system, and compromise your Online Banking USER ID and Password. Exchange State Bank is not responsible for any electronic virus that you may contract while using Online Banking. Exchange State Bank suggests that you routinely scan your computer using a virus protection product to detect and remove viruses found.

**Internet Browser Requirement** – **For your privacy and protection, Exchange State Bank requires you to support 128-bit encryption.** If you do not know how your browser is set, please contact your browser supplier and ask them for instructions on setting your browser for 128-bit encryption.

You are responsible for the installation, maintenance, and operation of your computer and browser software. The risk of error, failure, or non-performance is your personal risk and includes, but is not limited to, the risk that you do not operate your computer, Exchange State Bank Online Banking, or your software properly. Exchange State Bank makes no warranty to you regarding your computer or your software.

### Online Banking Services

Online Banking allows you, and anyone whom you have authorized to use your Online Banking service by providing your USER ID and Password, to access your Exchange State Bank account(s) via the Internet 24 hours a day, 7 days a week. You must complete and submit the electronic Online Banking Enrollment Form (accessed through [www.lanarkbank.com](http://www.lanarkbank.com)) to apply for Online banking service for your specific accounts. You agree to comply with all of the laws of the United States.

Online Banking is available for both personal and business use in English and is designed to automate the banking requirements of customers who need the flexibility and convenience of 24-hour access to the following banking services:

- Review your account balance, transaction history, and account detail
- Transfer monies between your designated accounts located at the Bank
- Download account transactions to Intuit Quicken, Microsoft Money, or other formats
- View Statements and Check Images
- Communicate with the Bank through secure e-mail
- Produce historical transaction reports
- Access online bill pay functionality if applicable
- Utilize loan, retirement, savings and bond calculators
- Trigger stop payment requests
- Set up and receive alert notifications from the Bank regarding:
  - Account Balance Fluctuations
  - Clearing of debit transactions of a certain amount (i.e., Checks)
  - Personal Reminders

Business customers may also utilize Cash Management and/or Remote Merchant Capture functionality after a review and approval process. Additional agreements are necessary for these functions.

## Bill Payment Services

**Description of Service.** The Bill Payment Service permits you to use your Internet-enabled device to direct payments from your designated online Bill Payment Account to third parties you wish to pay. Your Bill Payment Account must be a primary checking account. Through the Bill Payment Service, you can pay bills from your Bill Payment Account to businesses or individuals. By utilizing the PopMoney personal payment service, you can send, receive and request money to be transferred. This service is available within Bill Pay functionality. You will be charged a flat fee of \$.50 for each PopMoney transaction.

All payments you make will be deducted from the checking account that you designate as your Bill Payment Account for the Bill Payment Service. Any payments you wish to make through this Service must be payable in U.S. dollars to a payee located in the continental United States. We reserve the right to restrict types of payees to whom payments may be made using the Service from time to time. You should not use the Bill Payment Service to make payments to settle securities purchases, payments to interest bearing accounts, tax payments, or court ordered payments. Payments for these payees will be your sole responsibility if delayed or improperly processed or credited.

**Scheduling Payments.** Funds must be available in your Bill Payment Account on the scheduled payment date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday, or holiday), funds must be available in your Bill Payment Account the following business day (e.g. Monday). We may make the payment either by transferring funds electronically to the payee or by mailing the payee a check.

You may choose to schedule payments to recur in the same amount at regular weekly, monthly, or semi-monthly intervals. When you create a new payee in the Bill Payment Service, it takes two (2) business days to set up the payee to receive payments. You should schedule a payment to a new payee at least ten (10) business days before any payment due date, to allow us time to set up the payee and verify information about your account with the payee.

For all subsequent payments, you agree to allow at **least three (3) to five (5)** business days between the date you schedule a payment to be initiated and the payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If the payment is an Automatic Clearing House (ACH) electronic payment, it will take up to **three (3) business days** to reach the payee. However, if the company or person that you are paying cannot accept an electronic payment, the Bill Payment Service will send a check that may take up to **five (5) business days**. If you do not follow these time frames, you will be fully responsible for all late fees, finance charges or other actions taken by the payee. If you schedule your payment and follow all instructions provided, but the payment is not received by the payee in a timely manner, the Bank will work with the payee on your behalf to reverse any late fees or charges.

**No Duty to Monitor Payments.** The Bank is only responsible for exercising ordinary care in processing and sending payments upon your authorization in accordance with this Agreement. The Bank will not be liable in any way for damages you incur for any of the following reasons:

- Insufficient funds in your Bill Payment Account to make the payment on the processing date;
- Delays in mail delivery;
- Changes to the payee's address or account number unless we've been advised of the change in advance
- The failure of any payee to correctly account for or credit the payment in a timely manner, or
- Any other circumstances beyond the control of the Bank.

If the session during which you schedule a payment ends by **5:00 p.m.**, the Bank will be considered to have received it on that day. Otherwise, it will be considered received on the following business day. For all entries made using the Services, the time recorded by the Online Banking Service will be considered the official time of the transaction.

If your Bill Payment Account does not have sufficient funds to make a payment as of the date the payment is debited to your account, the Bill Payment Service will automatically block future Bill Payment Service until the account has sufficient funds to make the payment. The Bill Payment Service will attempt to debit your Bill Payment Account up to three (3) times for a payment. In all cases, you are responsible for either contacting the Service at **1-855-837-7919** to either make alternate

arrangements for the payment or reschedule the payment through the Service. In the case of fixed payments, only the payment currently scheduled will be impacted. Fixed payments scheduled for future dates will not be affected.

**Note:** Your Bill Payment Account will be assessed an insufficient funds fee of \$35.00 for each unsuccessful attempt for a payment by the Bill Payment Service. In addition, your account may be subject to an insufficient funds fee by the Bank.

Cancel or Change Payment Instructions. Payments must be changed or canceled using the Service prior to 5:00 p.m. on the business day the transaction is scheduled to be initiated. If you ask us to cancel a payment after it is issued and we agree to do so, we may charge you a stop payment fee. Stop payment orders, whether oral, written, or electronic, will be in effect for a period of six (6) months. If requested by the Bank, you will confirm any stop payment order in writing. After six (6) months, any stop payment will terminate and must be renewed in order to continue in effect. The Bank may pay any item that is presented following the lapse of any stop payment order.

No Signature Required. When any payment or other online Service generates items to be charged to your account, you agree that we may debit your Bill Payment account without requiring your signature on the item and without prior notice to you.

Multiple Person Bill Payment Accounts. If more than one person has access to a Bill Payment account, each person may individually enroll in the Bill Pay service. Each enrolled person needs a unique password but may choose to use the same payee list. Each individual may terminate her/his enrollment in the Bill Payment service without affecting the Service for any other person enrolled in that Bill Payment account. However, any enrolled person may terminate the Bill Payment service that will terminate the service for all enrolled persons on that Bill Payment account.

### **Electronic Mail (e-mail)**

We may not immediately receive an e-mail sent by the Customer. We must have a reasonable opportunity to take action or respond to e-mail requests. Customers CANNOT use e-mail to transfer funds or report unauthorized transactions or unauthorized use of your USER ID or PASSWORD. Customers MUST notify us at the phone number or address listed in this Agreement.

Please be aware that general or public e-mail transmissions are not secure. Exchange State Bank encourages you not to send any confidential information including social security numbers, User IDs, and Passwords via e-mail. You need to send your name and if desired, a phone number where a customer service representative may reach you. Customer Service will answer all e-mails by e-mail unless they have questions or need further information from you. E-mail cannot be used to initiate transactions on your account(s). For banking transactions, you must use the secure Bank Mail within Exchange State Bank Online Banking service or call the bank at 815.493.2631.

**Secure e-mail is only available within the Exchange State Bank Online Banking service. Therefore, to ensure the security of your account information, you are required to use the secure Exchange State Bank Online Banking e-mail when asking specific questions about your account(s). This secure e-mail is found by logging on to Exchange State Bank Online Banking and selecting the link for "Mail".**

Unless you have instructed otherwise, you agree that Exchange State Bank may send you electronic messages about other products and services we offer.

### **User ID and Password**

When you enroll in Online Banking, you must enter specific identifying information. You will be required to create a USER ID and PASSWORD to access your Exchange State Bank account(s). Your User ID must be 8-17 characters long and contain at least 7 alpha and 1 numeric characters upon initial entry. Your new password is determined by you and will not be accessible by Exchange State Bank. **The PASSWORD must be a minimum of eight (8) characters, up to a maximum of sixteen (16) characters, which must consist of at least (7) letters and one (1) number.** Letters used in your PASSWORD are case-sensitive; "M" is not the same as "m". You are responsible for keeping your password, account number(s) and other account information confidential. You also agree to change your password and not authorize any other person to use your password. If you do authorize any other person to use your password, such authorization will be deemed without limitation. Exchange State Bank shall be entitled to rely on any payment orders or other entries or instructions

made by or on behalf of such person using your password until you have met all of the following requirements: (1) you have revoked such authorization; (2) you have changed your password; (3) you have provided us with written notice of such revocation; and (4) Exchange State Bank has had a reasonable opportunity to act on such notice. It is required that the Customer change this PASSWORD at least every 180 days for increased security.

**Upon three unsuccessful attempts to use your password, your access to Exchange State Bank Online Banking will be locked for 30 minutes. After 30 minutes, the account will be unlocked and you may attempt to log in again. If you have been locked out 3 times, you must call the bank to be unlocked. When you log on the first time you will be asked two identifying questions. These questions will be used to assist you if you have forgotten your password. You may click on the “Forgot your Password?” link on the Online Banking sign on page. If you answer the two identifying questions correctly, you will be allowed to reset your password.** To re-establish your authorization to use Exchange State Bank Online Banking if you are locked out of the system, to report that your Exchange State Bank password may have been lost or stolen, or to report that someone has transferred or may transfer money from your account without permission, immediately notify Exchange State Bank at 815.493.2631.

### **Exiting the System**

**When you are finished using the Online Banking Service, the Exit button must be used to log out of the Service. If you do not select the Exit button or the system does not detect any activity for a period of ten minutes regardless of key strokes, the Customer will be automatically logged off the Service.**

### **New Services and Changes to this Agreement**

The Bank may, from time to time, introduce new Online banking services and/or change the terms and conditions of this Agreement. The Bank reserves the right to change the terms and conditions of this Agreement (including the fee schedule as disclosed in our Important Information For Our Customers brochure) at any time, which includes the addition and deletion of Online Banking services. We shall update this Agreement on our website and mail (to the address listed on our records) or e-mail you a notice of the change to notify you of the existence of these new services or deletion of services or revisions to this Agreement. The notice will be posted or sent at least thirty (30) days in advance of the effective date of any additional fees for online transactions, or of any stricter limits on the type, amount or frequency of transactions or any increase in your responsibility for unauthorized transactions, unless an immediate change is necessary to maintain the security of the system. If such a change is made and it can be disclosed without jeopardizing the security of the system, we will provide you with electronic or written notice within thirty (30) days after the change. By using Online Banking when the changes become effective, you agree to be bound by the revised terms and conditions contained in this Agreement or you can decline the changes by discontinuing the use of Online Banking and notifying us of your election by e-mail or regular mail. Further, the Bank reserves the right to waive, reduce or reverse charges or fees in individual situations.

### **Additional Terms and Conditions**

#### **Personal Identification and Security**

Exchange State Bank requests personal information on the Online Banking Enrollment forms. This information is required for future identification and response to questions you may have with the Online Banking Service. We may require that you answer a few questions to authenticate you as a customer.

#### **Liability of Bank and Service Providers**

You agree that the Bank and/or the Service Providers for the Bank shall not be responsible for any claim, loss, damage (including property) or bodily injury, whether caused by the Bank or its Service Providers, internet browser providers, by internet access providers, by internet service providers, by an agent or subcontractor except as specifically provided in this Agreement or where the law requires a different standard. Further, the Bank and its Service Providers shall not be responsible for any direct, indirect, special or consequential, economic or other damages arising out of the use, installation, or maintenance of Online Banking, the maintenance of the equipment, the software, or browser or access software, or any technical, hardware or software failure of any kind, any interruption in availability of the Bank website, delay in operation or transmission, incomplete or garbled transmission, computer virus, loss of data, or otherwise, even if the Bank has been advised of the possibility of such damages or loss.

Except for transactions governed by Regulation E, which is applicable only to personal consumer accounts, you agree to indemnify and hold the Bank harmless from any liability, cost, expense, or damages which the Bank may incur as a result of acting upon instructions or implementing transactions which bear your USER ID and PASSWORD. Further, you agree that the Bank is not liable for any payment, transfer, or transaction from or to any account where the payment, transfer, or transaction bears the appropriate USER ID and PASSWORD.

### **Cancellation of Online Banking Services**

**YOUR RIGHT TO TERMINATE** – Online Banking may be terminated by you or by your joint account owner at any time by notifying us in writing via Online Banking secure bank mail that you are no longer using the service. Within three (3) business days of receiving instructions, your access to Exchange State Bank Online Banking will be removed. Previously paid fees are non-refundable. Any authorizations from you to make payments or transfers will continue in effect until we have received your written notice or e-mail of termination and have had a reasonable opportunity to process it. Once we have acted upon your verification of termination, no further payments will be made; including payments scheduled in advance or preauthorized recurring payments.

**OUR RIGHT TO TERMINATE** - Exchange State Bank also reserves the right to terminate your Online Banking service at any time and without advance notification to you if you incur excessive non-sufficient funds or overdraft transactions, or otherwise misuse the service. Termination of Online Banking service in no way affects your responsibility for Online Banking transactions chargeable to any of your Exchange State Bank accounts. Any such termination by you or Exchange State Bank applies only to Online Banking service and does not necessarily close any of your accounts or other services. After termination, Online banking services may be reinstated at Exchange State Bank's discretion. To reinstate your service, call Customer Service at 815.493.2631. If you do not access your Exchange State Bank account(s) through Exchange State Bank Online Banking for a six month period, Exchange State Bank reserves the right to disconnect service without notice. The Bank reserves the right to temporarily suspend the Service in situations deemed appropriate by us, in our sole and absolute discretion, including when we believe a breach of system security has occurred or is being attempted. The Bank may consider repeated incorrect attempts to enter the PASSWORD as an indication of an attempted security breach. Termination of the Service does not affect the Customer's obligation under this Agreement with respect to occurrences before termination.

### **Stop Payments on Online Banking Transactions**

The Bank will only honor a stop payment order that is presented in writing and delivered to the Bank or transmitted electronically and the Bank has had an opportunity to act upon it. The writing must contain the exact amount, item number, account number, and name of payee. In some cases the Bank may require other information in order to effectively stop payment on an item. The Bank is not subject to any stop payment order until it is delivered or transmitted in accordance with this document and until the Bank has had a reasonable time to act upon it. Any revocation or renewal of any stop payment order is subject to the same terms and conditions. At its option, the Bank may accept an oral stop payment order, but any such oral acceptance shall not act as a waiver of this paragraph of this agreement. The Bank can require a written stop payment order even after previously accepting an oral one. Renewals and revocations of oral orders must be placed in writing. All stop payment orders will be subject to the Bank's current policy on stop payment orders. If the Bank pays an item over a proper stop payment order given in a timely manner, the Bank's liability will not exceed actual damages. The customer will be required to prove all actual damages before payment will be made.

A stop payment is binding for only 14 days unless confirmed in writing within that period. A written stop payment order becomes ineffective 6 months from the date accepted.

As the submitter, you agree to hold the Bank harmless for the said amount, as well as for all expenses and costs incurred by the Bank through refusing payment of the designated check, and further agree to hold the Bank free of all liability should payment be made contrary to this request, if such payment occurs through inadvertence or accident only.

### **Disclosure of Account Information to Third Parties**

You agree that the Bank may disclose information to a third party, including affiliates of the Bank for the following reasons:

- When performing account verifications on new or existing accounts;
- If we incur a loss on your account or have cause to close your account;
- In order to process a customer transaction;
- When you request that we release information to a third party;
- The disclosure is required or allowed by law, regulation, or court order (which includes, but is not limited to, exchange of information with credit bureaus and similar organizations, subpoena(s), or the investigation of possible or actual criminal activities);
- To verify the existence and condition of your account for a third party (such as a merchant, another financial institution or a credit bureau);
- Outside companies/vendors that support our business operations (i.e., independent auditors, consultants, attorneys, etc.).

### **Other Agreements and Disclosure Statements**

In addition to this Agreement, you agree to be bound by and will comply with the terms and conditions of the applicable IMPORTANT ACCOUNT INFORMATION FOR OUR CUSTOMERS disclosures and fee schedule. This disclosure is available in the Bank lobby or you may request a copy be sent to you by mail.

For information about the Bank's electronic funds transfer services, please refer to the ELECTRONIC FUND TRANSFERS – RIGHTS AND RESPONSIBILITIES agreement and disclosure that was presented to you when you opened your account. If you need another copy of this disclosure, please request one from a Bank employee.

### **Assignment**

Bank Assignment - The Bank may assign this Online Banking Agreement to its Holding Company or to any new, existing or future direct or indirect subsidiary of its Holding Company or of the Bank. The Bank may also assign or delegate certain of its rights and responsibilities under this Online Banking Agreement to independent contractors or third parties.

Customer Assignment – You may not transfer or assign your rights or duties under this Agreement.

### **Errors or Questions about your Online Banking Transactions**

If you think your statement or transaction record is wrong, or if you need more information about a transaction listed on a statement or receipt, please telephone us at 815.493.2631 between 8:30 a.m. and 4:30 p.m., Central Time, on a business day or write us as soon as you can, at: Exchange State Bank, Attention: Customer Service, P.O. Box 5, Lanark, IL 61046, or e-mail us by clicking on Mail at our Online Banking site. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared.

We will need to know the following:

- Your name and account number.
- The error or the transaction you are unsure about. Explain as clearly as you can why you believe there is an error or why you need more information.
- The dollar amount of the transaction you believe is in error.

In most cases, we can answer questions or resolve your problem over the phone. If you tell us orally, we may require that you send us your question or complaint in writing within ten (10) business days.

We will tell you the results of our investigation within ten (10) business days (20 business days if the claim involves an electronic fund transfer to or from a new customer's account during the first 30 days the account is open) after we hear from you, and will correct any error promptly. However, in some cases, it may take up to 45 days (90 days for international and new account transactions) to investigate your question or complaint. If this is the case, we will provisionally credit your account within ten (10) business days (20 business days if the claim involves an electronic fund transfer to or from a new customer's account during the first 30 days the account is open) for the amount you believe is in error. This is so that you

will have use of the funds during the time it takes for 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 provisionally credit your account.

We will send you a written explanation within three (3) business days after our investigation is finished. You may ask for copies of the documents that we used in our investigation. If you authorize parties other than the Bank to debit your account for payments, you should be aware that you may have to contact these parties directly if you have questions, complaints, or problems involving your transactions with them. When you authorize other parties to debit your account, they have responsibilities for these transactions under federal law. We may not be able to help you, as we will only have the information received from the party who originated the debit.

## **Online Banking Services**

Posting and Timing of Online Banking Transactions/Transfers

**Personal and Business Online Banking transfers submitted by you on a business day through this Service before 6:00 PM Central Time will be memo posted to your account and will be available to you immediately. All transfers completed after 6:00 PM Central Time or on a Saturday, Sunday or Federal Banking Holiday will be posted the next business day and be available the following business day.**

## **Transaction Limitations**

Transfers - Transfers may be subject to limitations based on individual account types. If a hold has been placed on a deposit(s) made to an account from which you wish to transfer funds, you cannot transfer the portion of the funds being held until the hold expires.

Overdrafts - If your account has insufficient funds to perform all electronic funds transfers (ATM withdrawals, pre-authorized transaction, Online banking transfers etc.) requested for a given business day, then certain electronic funds transfer involving currency disbursements, like ATM withdrawals, will have priority, and the electronic funds transfer initiated through this service may result in overdrawing your account and/or may, at Exchange State Bank's discretion and without prior notification to you, be canceled. In addition, all overdraft charges that apply will be debited from your account. You also authorize Exchange State Bank to charge any or all of your accounts to cover uncollected funds or overdrafts in your designated account(s). Refer to the TRUTH IN SAVINGS DISCLOSURE that was presented to you at the time you opened your account for further information. You may request a copy of this disclosure from a Bank employee.

## **General Terms**

Electronic Funds Transfer Services Limitations

- Transfers which will overdraw or close your account are not permitted.
- Transfers cannot be made from any account in unavailable status, such as dormant or inactive status, or an account with a savings account loan causing insufficient funds to be available in the collateral account, or from any account subject to legal process or other encumbrance restricting the transfer.
- Regulation D Limitation: For all savings accounts and money market checking accounts, Federal Reserve Board Regulation D limits you to six (6) transfers or withdrawals per statement cycle to another account of yours at Exchange State Bank or to a third party, by means of pre-authorized or automatic transfers, or telephonic (including data transmission) agreement, order or instructions. With respect to savings accounts and money market checking accounts, if you exceed or attempt to exceed the prescribed transfer limits, the Bank reserves the right to refuse to honor or to reverse any excess transfer requests, and to reclassify or close your account. A "pre-authorized transfer" includes any arrangement by the Bank to pay a third party from your account upon written, electronic, or oral instruction (including an order received through an automated clearing house) or any arrangement by a depository institution to pay a third party from your account at a predetermined time or on a fixed schedule.

## **Our Liability for Failure to Make Transfers via Online Banking**

If the Bank does not complete a transaction (transfer) to or from your Account on time or in the correct amount according to this agreement, the Bank might be liable for some losses or damages. However, there are the following exceptions. The Bank will not be liable:

- if the Customer does not have sufficient funds available in an account to complete the transaction;
- if the money in the your Account is subject to legal process or other encumbrances restricting the transaction;
- if any electronic terminal, telecommunication device or any part of the electronic fund transfer system is not working properly;
- if we have closed your account, or it has been frozen;
- if you have not properly followed the Online Banking instructions or have provided us with inaccurate or wrong information;
- if we have not yet activated your Online Banking service or we have terminated your use of the Online Banking service;
- if you are unable to contact us through e-mail or our website due to our website or server being down, or other access problems;
- if circumstances beyond our control (such as fire or flood or systems failure prevent the transaction, despite reasonable precautions that we have taken);
- if you incorrectly type required information such as Account number, amount or other necessary information;
- for special, indirect or consequential damages;
- except as otherwise required by applicable law. Our liability to you is limited to no more than the amount of money that is lost from your deposit account as a result of our error.

There may be other exceptions not specifically mentioned above.

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

Exchange State Bank makes no warranty of any kind, expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the Exchange State Bank Online Banking services provided to you under this Agreement. We do not and cannot warrant that Exchange State Bank Online Banking will operate without errors or that any or all Exchange State Bank Online Banking services will be available and operational at all times. This includes any content contained, distributed, linked or downloaded from the site. Any products or services from this site are to be used at your own risk, with no obligations of liabilities by Exchange State Bank. Except as specifically provided in this Agreement or where the law requires a different standard, you agree that neither we, nor the service providers, shall be responsible for any loss, property damage, or bodily injury whether caused by the equipment, software, Exchange State Bank, internet browser providers, Internet access providers, internet service providers, or by an agent or subcontractor of any of the foregoing; nor shall we or the service providers be responsible for any direct, indirect, special, consequential, economic or other damages arising in any way out of the installation, use or maintenance of the equipment, software, internet financial services, or Internet browser or access software.

#### **Indemnification**

The Customer, in consideration of being allowed access to the Service, agrees to indemnify and hold the Bank harmless for any losses or damages to the Bank resulting from the use of the Service, to the extent allowed by applicable law.

#### **Copyright Information**

All logos, service marks, trade names and trademarks contained within this site are the sole property of Exchange State Bank. It is prohibited for anyone to use such trademarks without the written consent of Exchange State Bank. This site may also contain such logos and trademarks of some third party, in which case it is also prohibited to use these marks without consent.

The content contained in this site is protected by copyright law. It is prohibited for users to display, distribute, publish, transmit, license, and create derivative works or to use any content that is contained within Exchange State Bank's website for any purpose whatsoever. Any unauthorized use of this information may be punishable by law.

### **Applicable Law**

Except to the extent that Federal law is controlling, your rights, our rights, and the terms and conditions of this Agreement will be governed in all aspects by laws of the State of Illinois without reference to principles of conflicts of laws. Any action brought in a court concerning this Agreement or the Online Banking service must be brought in a proper court in the County of Carroll, Illinois.

### **Online Banking by Joint Account Owners**

Each account designated for Online Banking can be accessed via Online Banking by a single account owner or by joint account owners. Both joint account owners must be owners (signers) on the designated joint account and each account owner must have a unique Online Banking USER ID and PASSWORD with at least one unique account designated for Online Banking. Accounts that require two or more signatures are not eligible to be designated for Online Banking. Any account owner may discontinue his/her Online Banking service. The terms of this Online Banking Agreement extend to all joint account owners.

### **Business Online Banking/Access by End-Users**

A business owner or authorized individual who requests and receives access to the Business Online Banking service as the Online Banking Company Administrator may authorize end-users to access the business' Online Business accounts. Each end-user must use a unique USER ID and PASSWORD and will be required to utilize a TOKEN to access the Business Online Banking service. Each business owner or authorized individual is responsible for the actions of the end-users and agrees to indemnify and hold the Bank harmless from any and all claims, damages and cost/loss resulting from the actions of the end-users.

### **Consent To Electronic Delivery of Notices**

By accepting below or by otherwise using the service, you also agree that any and all disclosures and communications regarding the service between you and Exchange State Bank, including this Agreement, may be delivered electronically by posting to the Exchange State Bank web site in accordance with applicable law. Any electronic disclosure or communication we make will be considered made when transmitted by Exchange State Bank and any disclosure or communication we make by posting to our web site will be considered made when posted by Exchange State Bank.

### **Protecting Your Account**

You are vital to the prevention of the wrongful use of your account. You must promptly examine your statement upon receipt. If your records and ours disagree, **immediately call Customer Service at 815.493.2631.**

Not only must you protect your account information but you should take precautions to protect your personal information (i.e. driver's license, social security number, etc.). This information by itself or with the information on your account(s) may allow unauthorized access to your account(s). It is your responsibility to protect your personal information and account information.

The USER ID and PASSWORD that are used to access Online Banking services should be kept confidential. We require that you change your PASSWORD at least every 180 days. You are responsible for keeping your PASSWORD, account numbers and other account data confidential. It is highly recommended that you do not use your social security number, your phone number or anything that can easily be associated with you as your PASSWORD. It should be a unique set of characters that you can easily remember.

### **Unauthorized Transactions**

Contact us AT ONCE if you believe that your Online Banking PASSWORD has been lost or stolen or if you think that someone has transferred or may transfer money from your account without your permission. You can report a problem by calling us at 815.493.2631 for Online Banking errors or problems. Telephoning is the best way of keeping your possible losses to a minimum. If you telephone us to report a problem, we may also require you to put your claim in writing to us within ten (10) business days.

For CONSUMER accounts, the following two paragraphs apply.

The loss, theft, or unauthorized use of your USER ID and PASSWORD could cause you to lose all the money in your account (plus the money in any account linked for the purpose of overdraft protection). However, if you tell us within two (2) business days after you learn of the loss, theft, or unauthorized transaction, you can lose no more than \$50 if someone used your Online Banking USER ID and PASSWORD to make a transaction without your permission. If you do NOT tell us within two (2) business days after you learn of the loss, theft, or unauthorized use of your Online Banking USER ID and PASSWORD, and we can prove we could have stopped someone from using your Online Banking USER ID and PASSWORD without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows a transfer(s) which you did not make, tell us at once. If you do not contact us within sixty (60) days after the original statement with the transaction in question was mailed to you, you may not get back any money lost after the 60th day, 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 notifying us, we will extend the time periods to a reasonable time.

### **Security Procedures**

By accessing the Service, you hereby acknowledge that you will be entering a protected web site owned by the Bank, which may be used only for authorized purposes. The Bank may monitor and audit usage of the System, and all persons are hereby notified that use of the Service constitutes consent to such monitoring and auditing. Unauthorized attempts to upload information and/or change information on these web sites are strictly prohibited and are subject to prosecution. To ensure that the highest level of security is used, you are required to use browser types with 128-bit encryption capability.

### **Miscellaneous Fees and Charges**

Although there are currently no additional fees for accessing your account(s) through Exchange State Bank Online Banking, there may be charges for selected services. You agree to promptly pay all fees and charges for services provided under this Agreement and authorize us to charge your designated account or any of your accounts when fees or charges are due. You agree to be responsible for any telephone charges or other out of pocket expenses incurred or related to this service.

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