

The Napoleon State Bank
Electronic Banking Agreement & Disclosure

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This is your Electronic Banking Agreement with The Napoleon State Bank. The Napoleon State Bank’s Electronic Banking Services can be used to check balances, transfer money between your accounts, make loan payments, view account statements, have access to financial calculators, pay bills, and deposit checks with the mobile app in accordance with this agreement. The terms and conditions of this agreement are in addition to the Account agreements, disclosures, and other documents governing your Account. Please read it carefully and keep a copy for your records.

“You”, “your”, or “User” means each person who is authorized to use the service. “Financial Institution”, “bank”, “us”, “our”, or “we” refers to The Napoleon State Bank from here on out. “Service(s)” refers to any of the Electronic Banking products described in this agreement. “Payee” means anyone, including the Financial Institution, you designate, and the Financial Institution accepts as a payee. “Transaction” means any transfer, bill payment, or check deposit made via The Napoleon State Bank’s Electronic Banking Services.

I. Acceptance of these Terms

Your use of the Services constitutes your acceptance of this Agreement. This Agreement is subject to change at any time as described in the section "Amendment and Termination" below. Your continued use of the Services will indicate your consent to be bound by the revised Agreement. Further, The Napoleon State Bank reserves the right, in its sole discretion, to change, modify, add, or remove portions from the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.

II. Internet Banking

A. Accessing the service. When you complete your Electronic Banking enrollment form, you will create a User ID and a password. These credentials must meet certain complex requirements in order to ensure the security of your financial information. Each time you access the Service, you will be required to enter these credentials. Only correct responses will give you access to the Service. Once enrolled, users will be able to access the Service via web browser through www.napoleonstatebank.com, www.napoleonstatebank.mobi, *NSBmobile* iOS app, and/or *NSBmobile* Android app.

B. Internet Security Information. The Napoleon State Bank's Electronic Banking service is part of Precision Computer Systems (PCS) that utilizes a comprehensive security strategy to protect your accounts and transactions conducted over the internet. The browser will indicate the "secure session" by changing the appearance of a small icon of a padlock at the bottom of the screen from open to locked. What this means to you is that your communications are scrambled from your browser to our servers at all times so no unauthorized party can read the information as it is carried over the Internet.

Security is very important to the Electronic Banking system. At the time you request the service; you will select a unique "Login ID" and then choose a "password" that will be used to gain access to the system. Prior to activation, the Electronic Banking Department will verify your identity and authorization to information associated with the accounts that you requested tied to the service. To help prevent unauthorized access and ensure the security of your accounts, we will terminate your online session if we have detected no activity for 10 minutes. This is to protect you in case you accidentally leave your computer unattended after you logged on. When you return to your

computer, you will be prompted to re-enter your login ID and password. Any unsaved information will be lost at this time.

Your login credentials (username, password, etc.) are used to access your accounts and services with The Napoleon State Bank. You must treat this information as you would other sensitive data. Memorize your login credentials and never share them with anyone. Your password and other security features can be changed through the "services" menu in Internet Banking.

C. Determining the Availability of Funds. For determining the availability of funds, every day is a business day, except Saturday, Sundays, and federal holidays. If you make a transaction before 4:00 p.m. EST on a business day that we are open, we will consider that day to be the day of your transaction. However, if you make a transaction after 4:00 p.m. EST (with exception to NSB *mobile* Deposit, see Section V.E.) or on a day we are not open, we will consider that the transaction was made on the next business day we are open.

D. Minimum Balance to Avoid a Fee. There is a minimum balance on your account if you have Super Now account or a Money Market Demand Account. A Super Now account is subject to a \$10.00 service fee for each month that your balance falls below the average daily balance of \$1,000.00. A Money Market Account is subject to a \$10.00 service fee for each month that your balance falls below the average daily balance of \$2,500.00. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

E. Balance Inquiries, Bill Payments, and Transfer Limitations. You may use Electronic Banking to check the balance of your accounts and to transfer funds among your accounts. According to Federal regulations, the following limitations also apply to your Money Market accounts: During any calendar month or statement cycle of at least four weeks, you may not make more than six withdrawals or transfers to another account of yours or to a third party by means of a check, draft, debit card, preauthorized or automatic transfer, telephone order, or similar order to a third party. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure or accessed a fee by the Financial Institution.

There are no limits to the number of transfers or bill payments from your checking accounts. The Napoleon State bank currently limits NSB Bill Pay service to only Checking, Super Now, and Money Market Accounts.

Balances shown in your accounts may include deposits subject to verification by us. The balance may also differ from your records due to deposits in progress, outstanding checks or other withdrawals, payments, or charges. A transfer request may not result in immediate availability because of the time required to process the request. If you have further questions, contact your Electronic Banking Department.

The balances are updated periodically and the system will display the most current "as of" date on the "accounts" summary page. There may be situations that cause a delay in an update of your balances. The system will use the most current balance available at the time of a transaction to base our approval.

F. Special Information about Stop Payment, Check Re-orders, Order Documents, Secure E-mail, and Secure File Delivery Services. The system includes several options under the "service" menu that provide a means to securely forward your request to us for processing. Generally, requests received from the system will be processed within one business day using procedures that would handle similar requests received by mail or fax. If urgent action is required, we recommend that you contact The Napoleon State Bank directly by telephone or in person. Additional terms of acceptance or disclosures may apply on the Stop Payment service and these terms will be disclosed at the time you complete the request. The Stop Payment feature is designed to submit a request to stop payment on checks you have written.

III. Bill Pay

A. Payees. You may add a new fixed payment to a Payee, only if the Payee is on your authorized list of payees, and by accessing the Service and entering the appropriate information. Most other additions, deletions, or changes can be made in writing or by using the Service. The Financial Institution reserves the right to refuse the designation of a Payee for any reason. Each Payee accepted by the Financial Institution will be assigned a payee code. You may pay any payee you wish in the US. The Financial Institution is not responsible if a Bill Payment cannot be made due to incomplete, incorrect, or outdated information provided by you regarding a Payee or if you attempt to pay a Payee that is not on your Authorized Payee list.

B. Single Payments. A single payment will be processed on the business day (generally Monday through Friday, except certain holidays) that you designate as the payment's process date, provided the payment is submitted prior to the daily cut-off time on that date. The daily cut-off time, which is controlled by the financial institution, is currently 9:00 PM EST. A single payment submitted after the

cut-off time on the designated process date will be processed on the following business day. If you designate a non-business date (generally weekends and certain holidays) as the payment's process date, the payment will be processed on the first business day following the designated process date.

C. Recurring Payments. When a recurring payment is processed, it is automatically rescheduled by the system. Based upon your selected frequency settings for the payment, a process date is calculated for the next occurrence of the payment. If the calculated process date is a non-business date (generally weekends and certain holidays), it is adjusted based upon the following rules:

1. If the recurring payment's "Pay Backward" option is selected, the process date for the new occurrence of the payment is adjusted to the first business date prior to the calculated process date.
2. If the recurring payment's "Pay Backward" option is not selected (or if the "Pay Backward" option is not available), the process date for the new occurrence of the payment is adjusted to the first business date after the calculated process date.

Note: If your frequency settings for the recurring payment specify the 29th, 30th, or 31st as a particular day of the month for processing and that day does not exist in the month of the calculated process date, then the last calendar day of that month is used as the calculated process date.

For Single and Recurring Payments, YOU MUST ALLOW AT LEAST FIVE (5) BUSINESS DAYS, PRIOR TO THE DUE DATE, for each bill payment to reach the Payee. (For mid-west subscribers, allow 7 days and for west coast subscribers, allow 8 days.) Any bill payment can be changed or canceled, provided you access the Bill Pay Service prior to the cut-off time on the business day prior to the business day the bill payment is going to be initiated. You agree to have available and collected funds on deposit in the account you designate in amounts sufficient to pay for all bill payments requested, as well as, any other payment obligations you have to the Financial Institution. The Financial Institution reserves the right, without liability, to reject or reverse a bill payment if you fail to comply with this requirement or any other terms of this agreement. If you do not have sufficient funds in the Account and the Financial Institution has not exercised its right to reverse or reject a bill payment, you agree to pay for such payment obligations on demand. You further agree the Financial Institution, at its option, may charge any of your accounts with the Financial Institution to cover such payment obligations. An overdraft fee of \$30 or a \$30 return check fee could be imposed per occurrence. The financial institution reserves the right to change the cut-off time. You will receive notice if it changes.

IV. eStatements

A. Services. The Napoleon State Bank offers the option of receiving required disclosures associated with your Bank accounts in electronic form. These disclosures include: your monthly/periodic account statement, email alerts, demand deposit loan account summary of rights, account error resolution disclosure and any disclosures required now or in the future by applicable regulation. In order to receive information and disclosures in an electronic format from the BANK, you must be an Internet Banking user and have an active account. In consideration of the eStatement services, to be provided by The Napoleon State Bank, you agree as follows:

B. Authorization. USER hereby authorizes the BANK to send notice of the availability of disclosures described above, in lieu of a paper copy, in electronic format for all accounts designated in this agreement to be viewed through the BANK Online Banking Service.

C. Termination. USER understands their right to terminate eStatements Services and thereby withdraw consent to communicate with the BANK electronically. In order to withdraw consent and terminate this Service, USER must notify BANK, in writing, 30 days in advance of this decision at the following address: The Napoleon State Bank, PO Box 9, Napoleon, IN 47034. There are no fees associated with rescinding eStatements.

D. Paper Copies. USER understands that BANK will not normally mail paper copies of the disclosure or account statements received electronically. To obtain a paper copy of any disclosure or eStatement, contact The Napoleon State Bank at (812) 852-4002 Monday through Friday 8:00 am to 4:00 pm EST, write to the address above, use the 'Send a Message' section within the Online Banking Service, or use the 'Contact Us' link from The Napoleon State Bank's web site at www.napoleonstatebank.com.

E. System and Hardware/Software Requirements. To access your eStatements online, you must have a personal computer with an internet browser that supports 128-bit encryption, establish, and maintain a valid email address, and establish and maintain an online banking access ID and password. Viewing your eStatement requires Adobe Reader 7.0 (or higher); to download a free version of Adobe Reader, please visit www.adobe.com.

Notification. USER agrees to notify the BANK immediately if USER is unable to access any of the information that has been delivered by the BANK in an electronic form or manner.

Email Address. USER is responsible for maintaining an accurate email address in which to receive email notifications. USER agrees to make necessary change in their online banking "Change Info" when their e-mail address changes.

V. NSB *mobile* Deposit

A. **Services.** The Napoleon State Bank's Mobile Deposit services ("Services") are designed to allow you to make deposits to your checking, savings, or money market savings accounts from home or other remote locations by capturing the image of a check and delivering the images and associated deposit information through the NSB *mobile* App to The Financial Institution or our designated processor via smartphone or other mobile device.

B. **Eligible items.** You agree to scan and deposit only "checks" as that term is defined in Federal Reserve Regulation CC ("Reg. CC"). When the image of the check is transmitted to The Financial Institution is converted to an image for subsequent presentment and collection, it shall thereafter be deemed an "item" within the meaning of Articles 3 and 4 of the Uniform Commercial Code.

You agree that you will not scan and deposit any of the following types of checks or other items which shall be considered ineligible items:

- Checks payable to any person or entity other than the person or entity that owns the account that the check is being deposited into.
- Checks containing an alteration on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn.
- Checks payable jointly, unless deposited into an account in the name of all payees.
- Checks previously converted to a substitute check, as defined in Reg. CC.
- Checks drawn on a financial institution located outside the United States.
- Checks that are remotely created checks, as defined in Reg. CC.
- Checks not payable in United States currency.
- Checks dated more than 6 months prior to the date of deposit.
- Checks or items prohibited by the bank's current procedures relating to the services or which are otherwise not acceptable under the terms of your account.
- Checks with any endorsement on the back other than that specified in this agreement.
- Checks that have previously been submitted through the Service or through a remote deposit capture service offered at any other financial institution.
- Checks that have previously been deposited or negotiated in any way via any method at The Napoleon State Bank or any other financial institution.

C. Endorsements and Procedures. You agree to restrictively endorse any item transmitted through the Services as "Mobile Deposit Only" or as otherwise instructed by The Financial Institution. You agree to follow any and all other procedures and instructions for use of the Services as The Financial Institution may establish from time to time.

D. Receipt of Items. We reserve the right to reject any item transmitted through the Services, at our discretion. We are not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when you receive a confirmation from The Financial Institution that we have received the image. Receipt of such confirmation does not mean that the transmission was error free, complete or will be considered a deposit and credited to your account. We further reserve the right to charge back to your account at any time, any item that we subsequently determine was not an eligible item. You agree that the Bank is not liable for any loss, costs, or fees you may incur as a result of our chargeback of an ineligible item.

E. Availability of Funds. Deposits made prior to 9:00 p.m. (EST) on a business day will generally be available the same day and subject to the Funds Availability disclosure provided during account opening. Deposits made after 9:00p.m. (EST) will be available the next business day. Saturday, Sunday and Federal Holidays are not considered "business days".

F. Disposal of Transmitted Items. Upon your receipt of a confirmation from The Financial Institution that we have received an image that you have transmitted, you agree to prominently mark the item as "Electronically Presented", "VOID", or otherwise render it incapable of further transmission, deposit, or presentment. You agree never to re-present the item. You agree to retain the check for at least 30 calendar days from the date of the image transmission. After 30 days, you agree to destroy the check that you transmitted.

G. Deposit Limits. We reserve the right to and may establish limits on the dollar amount and/or number of items or deposits from time to time. If you attempt to initiate a deposit in excess of these limits, we may reject your deposit. If we permit you to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Agreement, and we will not be obligated to allow such a deposit at other times.

H. Presentment. The manner in which the items are cleared, presented for payment, and collected shall be in The Financial Institution's sole discretion subject to the agreements governing your account.

I. Errors. You agree to notify The Financial Institution of any suspected errors regarding items deposited through the Services immediately, and in no event later than 30 days after the applicable The Financial Institution account statement is sent. Unless you notify The Financial Institution within 30 days, such statement regarding all deposits made through the Services shall be deemed correct, and you are prohibited from bringing a claim against The Financial Institution for such alleged error.

J. Errors in Transmission. By using the Services you accept the risk that an item may be intercepted or misdirected during transmission. The Financial Institution bears no liability to you or others for any such intercepted or misdirected items or information disclosed through such errors.

K. Image Quality. The image of an item transmitted to The Financial Institution using the Services must be legible, as determined in the sole discretion of The Financial Institution. Without limiting the foregoing, the image quality of the items must comply with the requirements established from time to time by The Financial Institution, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearinghouse or association.

L. User Warranties and Indemnification. You warrant to The Financial Institution that:

- You will only transmit eligible items.
- You will not transmit duplicate items.
- You will not re-deposit or re-present the original item.
- All information you provide to The Financial Institution is accurate and true.
- You will comply with this Agreement and all applicable rules, laws, and regulations.
- You are not aware of any factor which may impair the collectability of the item.
- You agree to indemnify and hold harmless The Financial Institution from any loss for breach of this warranty provision.

M. Cooperation with Investigations. You agree to cooperate with us in the investigation of unusual transactions, poor quality transmissions, and resolution of customer claims, including by providing, upon request and without further cost, any originals or copies of items deposited through the Service in your possession and your records relating to such items and transmissions.

VI. Hardware and Software

In order to use the Services, you must obtain and maintain, at your expense, compatible hardware and software as specified by The Financial Institution.

The Financial Institution is not responsible for any third-party software you may need to use the Services. Any such software is accepted by you as is and is subject to the terms and conditions of the software agreement you enter into directly with the third party software provider at time of download and installation.

VII. Liability

You are solely responsible for controlling the safekeeping of and access to, your login credentials. You will be responsible for any transaction request you make that contains an error or is a duplicate of another transaction. The Financial Institution is not responsible for a transaction that is not made if you did not properly follow the instructions for making the transaction. The Financial Institution is not liable for any failed transaction if you do not promptly notify the Financial Institution after you learn that you have not received credit. The Financial Institution is not responsible for your acts or omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be the Financial Institution's agent. In any event, the Financial Institution will not be liable for any special, consequential, incidental, punitive losses, damages, or expenses in connection with this Agreement or the Service, even if the Financial Institution has knowledge of the possibility of them. The Financial Institution is not liable for any act, failure to act, or delay in acting if it is caused, in whole or in part, by any cause out of the Financial Institution's reasonable control.

Liability for failure to make transfers: If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If you have an overdraft line and the transfer would go over the credit limit.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

VIII. Malware Protection

The Financial Institution is not responsible for any electronic viruses, spyware, or other malware that you may encounter. We encourage our customers to routinely scan their PC using a reliable anti-malware/anti-virus product and resolve any discovered issues.

Undetected or non-repaired viruses may corrupt and destroy your programs, files and even your hardware. Additionally, you may unintentionally transmit the virus to other computers. Spyware refers to technologies that collect information about a user without his or her knowledge and reports that information to a third party. Certain forms of spyware can intercept sensitive and confidential information about an organization or user, including passwords, credit card numbers and other identifying data.

It is important that customers do not access their online account information from a public computer – such as those in hotels and libraries because of the uncertainty of what malware may already exist on public equipment.

IX. Confidentiality and Privacy

We will disclose information to third parties about your account and/or your electronic banking activities:

- where it is necessary for completing transfers; or
- in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- in order to comply with government agency or court orders; or
- as described in our privacy policy disclosure, provided separately.

X. Amendment and Termination

The Financial Institution has the right to change this Agreement at any time by notice mailed to you at the last address shown for the account on the Financial Institution's records, by posting notice in branches of the Financial Institution, by posting changes on the Internet Banking site, or as otherwise permitted by law.

The Financial Institution has the right to terminate this Agreement at any time. The Financial Institution is not responsible for any fixed payment made before the Financial Institution has a reasonable opportunity to act on your termination notice. You remain obligated for any transactions made by the Financial Institution on your behalf.

Your Electronic Banking Services may be cancelled at any time by the Financial Institution in whole or part without prior notice due to insufficient funds in one of your accounts or other circumstances that may create an unanticipated liability to us. Your Internet Banking may also be cancelled for inactivity in a consecutive 180-day period. You will remain responsible for all transactions approved by the system prior to the cancellation, and for any other fees associated with the service. After cancellation, service may be reinstated once sufficient funds are available in your accounts to cover any fees or other pending transfers or debits. In order to reinstate services, you must fill out a new enrollment form or contact the Internet Banking Department.

You may terminate this Agreement by contacting the Financial Institution in writing, by mail, email, or personal delivery to the Financial Institution. If your account is closed or restricted for any reason, Internet Banking accessibility will automatically terminate.

XI. Fees

Please visit <https://www.napoleonstatebank.com/personal-banking/additional-services/cost-of-services/> for a list of fees.

The Financial Institution reserves the right to charge you for research time involving transactions or account history. You will be informed of any such charges before they are incurred. The Financial Institution may change the fees for use of the Services at any time pursuant to the section titled "Amendment and Termination" above.

Bill payments are processed by Electronic Fund Transfers (EFT). Please see the Electronic Fund Transfers Disclosure Statement included, or, received when you opened your account, which discloses important information concerning your rights and obligations.

Messaging and data rates charged by your telecommunications carrier may apply for some services in this agreement.

XII. Alerts

Alerts. Your enrollment in the Napoleon State Bank Online Banking (the "Service") includes enrollment to receive transaction alerts and notifications ("Alerts"). Alerts are electronic notices from us that contain transactional information about your The Napoleon State Bank account(s). Account Alerts and Additional Alerts must be managed and/or added online through the Service. We may add new alerts from time to time, or cancel old alerts. We usually notify you when we cancel alerts, but are not obligated to do so. The Napoleon State Bank reserves the right to terminate its alerts service

at any time without prior notice to you.

Methods of Delivery. We may provide alerts through one or more channels ("endpoints"): (a) a mobile device, by text message, (b) a mobile device, by push notification; (c) an email account, by an e-mail message; or (d) your Napoleon State Bank Online Banking message inbox. You agree to receive alerts through these endpoints, and it is your responsibility to determine that each of the service providers for the endpoints described in (a) through (c) above supports the email, push notification, and text message alerts provided through the alerts service. Please be advised that text or data charges or rates may be imposed by your endpoint service provider. Alert frequency varies by account and preferences. You agree to provide us a valid mobile phone number or email address so that we may send you alerts. If your email address or your mobile device's number changes, you are responsible for informing us of that change. Your alerts will be updated to reflect the changes that you communicate to us with regard to your primary and secondary email addresses or mobile device number.

Alerts via Text Message. To stop alerts via text message, text "STOP" to 317-27 at anytime. Alerts sent to your primary email address will be unaffected by this action. To restore alerts on your mobile phone, just visit the alerts tab in The Napoleon State Bank Online Banking. For help with SMS text alerts, text "HELP" to 317-27. In case of questions please contact customer service at (812)852-1600. Our participating carriers include (but are not limited to) AT&T, SprintPCS, T-Mobile®, U.S. Cellular®, Verizon Wireless, MetroPCS.

Limitations. The Napoleon State Bank provides alerts as a convenience to you for information purposes only. An alert does not constitute a bank record for the deposit or credit account to which it pertains. We strive to provide alerts in a timely manner with accurate information. However, you acknowledge and agree that your receipt of any alerts may be delayed or prevented by factor(s) affecting your mobile phone service provider, internet service provider(s) and other factors outside The Napoleon State Banks's control. We neither guarantee the delivery nor the accuracy of the contents of each Alert. You agree to not hold The Napoleon State Bank, its directors, officers, employees, agents, and service providers liable for losses or damages, including attorneys' fees, that may arise, directly or indirectly, in whole or in part, from (a) a non-delivery, delayed delivery, or the misdirected delivery of an Alert; (b) inaccurate or incomplete content in an Alert; or (c) your reliance on or use of the information provided in an Alert for any purpose.

Alert Information. As alerts delivered via SMS, email and push notifications are not encrypted, we

will never include your passcode or full account number. You acknowledge and agree that alerts may not be encrypted and may include your name and some information about your accounts, and anyone with access to your alerts will be able to view the contents of these messages

