

The agreement states the terms and conditions that apply when you use Farmers State Bank's Online Banking service. These terms and conditions are in addition to those that apply to any accounts you have with us or any other services you obtain from us. This includes Farmers State Bank's Deposit Account Agreement and Disclosure, Time Certificate of Deposit Agreement (if applicable) Privacy Policy, Rate and Fee Schedule, Funds Availability Policy Disclosure, and Electronic Funds Transfer Agreement and Disclosure and related account agreements as amended by Farmers State Bank from time to time. You must follow all of our instructions and procedures applicable to the services covered by this agreement. This Online Banking Agreement and Disclosure may be amended, in the future, and you agree to be bound by any changes established by Farmers State Bank. You agree that the Bank may provide any notices required by law or by this Agreement in electronic form. "You" and "your" mean each person who established an Online Banking Customer Account with us or who uses or is authorized to use an Online Banking Identification Number ("ID") and Password or other means of access we establish or approve. The term "Online Banking" means our Online Banking service that you access over the Internet by use of a personal computer and modem and/or other means we authorize or allow.

## ONLINE BANKING ID AND PIN

To access our Online Banking service, you must use the unique Login ID and Password we establish for your Online Banking account. You will be forced to change your temporary login ID and Password to a personalized Login ID and password the first time you log into the system. Login IDs and passwords are confidential and should not be disclosed to third parties. It is your responsibility to safeguard your Login ID and password. Anyone to whom you give your Online Banking ID and password or other means of access will have full access to your accounts even if you attempt to limit that person's authority.

## ONLINE ACCOUNT OWNER INFORMATION

You must be an owner of the account(s) to enroll for Online Banking. You may not make any transfers from any account that required more than one signature for withdrawals. All open accounts in which you have direct ownership will be activated for your Online Banking account. You do have the option of choosing which of these accounts you wish to view.

## TYPES OF ONLINE BANKING TRANSACTIONS

You may access certain account(s) you maintain with us by computer using your assigned user ID and password by accessing the Online Banking Service. You may use the Online Banking Service to perform the following functions: \*Transfer Funds between Eligible Accounts \*Obtain Balance Information on Eligible Accounts \*Review Transactions on Eligible Accounts \*Make Loan Payments

## LIMITS ON FREQUENCY AND AMOUNTS OF ONLINE BANKING TRANSACTIONS

You must have enough money or credit in any account from which you instruct us to make a payment or transfer. If any of your qualifying accounts are savings accounts (including HiFi Savings Accounts), you may make only six (6) transfers from each of these accounts each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction. Transfers and withdrawals made in person, by mail or at an ATM are unlimited. You also agree to the terms and conditions of your Deposit Account Agreement that you received when you opened your deposit account.

## OUR 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, these 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 the money in your account is subject to legal process or other claim restricting transfer. \*If the terminal or system was not working properly and you know about the breakdown when you started the transfer. \*If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken. \*If you supplied us with inaccurate or incomplete information regarding the transaction. \*If your account is closed, or has been frozen. \*If you, or anyone authorized by you, commits any fraud or violates any law, regulation or this agreement. \*If you do not instruct us soon enough for your transaction to be received or credited by the time it is due. \*There may be other exceptions stated in our agreement with you.

## YOUR LIABILITY AND INDEMNITY

You warrant that you will perform your obligations under this Agreement consistent with all applicable bank rules and regulations and that all information that you provide us is accurate, timely, and has been authorized by you and in the event that you breach any of the foregoing warranties, you agree to indemnify Farmers State Bank against any loss, liability, or expense. You agree to hold Farmers State Bank harmless for any and all acts of any employees or persons who you grant access to or who gain access to your Online Banking account. You consent, by execution of this Agreement, to disclosure of your customer information to those that gain access to your accounts.

## LIMIT OF OUR LIABILITY

We make no warranty of any kind, expressed or implied, including any implied warranty or merchantability or fitness for a particular purpose, in connection with the Farmers State Bank Online Banking Services provided to you under this Agreement. We do not and cannot warrant that Farmers State Bank Online Services will operate without errors, or that all Services will be available and operational at all times. We are not responsible for any indirect, special, incidental or consequential damages arising in any way out of your use of the Farmers State Bank Online Banking Services provided under this Agreement. In no event shall Farmers State Bank be liable for any damages, losses or liabilities including without limitation, direct or indirect, special incidental, consequential damages, losses or liabilities, in connection with your use of this web site or your reliance on or use or liability to use the information, materials, products and services on this web site, or in connection with any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure, even if Farmers State Bank is advised of the possibility of such damages, losses or expenses.

## SECURITY PROCEDURES

By accessing the Farmers State Bank Online Banking, you hereby acknowledge that you will be entering a protected web site owned by Farmers State Bank, which may be used only for authorized purposes. Farmers State Bank may monitor and audit usage of the system and all persons are hereby notified that use of the services constitutes consent to such monitoring and auditing. Unauthorized attempts to upload information and/or change information on these web sites are prohibited and are subject to prosecution under the Computer Fraud and Abuse Act of 1986.

## BUSINESS DAYS

Our Online Banking service is generally available 24 hours a day, 7 days a week except every Wednesday from 5:00-7:00 a.m. CT the site may be down for weekly backups and any program updates. We only process transactions and update information on business days. Our business days are Monday through Friday. Federal holidays are not included.

## STATEMENTS

Your Online Banking payments and transfers will be indicated on the monthly or quarterly statements we provide. You agree to notify us promptly if you change your address or if you believe there are any errors or unauthorized transactions on any statement or statement information.

## FEES AND CHARGES FOR ONLINE SERVICE

You agree to be charged for any applicable Online Banking fees as listed in Farmers State Bank's fee schedule. We reserve the right to change our fee schedule from time to time and your account will be charged in accordance with the new fee schedule after giving you proper notification.

## LIABILITY FOR UNAUTHORIZED TRANSFERS

Tell us AT ONCE if you believe your Online Banking password has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account. If you tell us within two (2) business days, you can lose no more than \$50.00 if someone used your password without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your password, and we can prove that we could have stopped someone from using your password without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If you believe that your password has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (641) 748-2229 or write us at Farmers State Bank, PO Box 6, Grafton, IA 50440.

## ELECTRONIC MAIL

Sending e-mail through Farmers State Bank's Online Banking Service is a way to communicate with the bank. Online Banking has provided e-mail capabilities for you to ask questions about your account(s) or to provide us comments on our banking service. This e-mail capability is accessible after you sign on with your password to a secure session with Online Banking. Despite our best efforts, messages sent by e-mail may not be secure, may be intercepted by third parties, and may not be immediately received by the appropriate department of Farmers State Bank. Please do not use e-mail to send us communications which contain confidential information, which we require in writing or which need our immediate attention. An Internet record that an e-mail has been "sent" or "received" is not verification that Farmers State Bank has received the e-mail. You cannot use e-mail to initiate transactions on your account(s). For banking transactions, please use the appropriate functions within Online Banking or call Farmers State Bank in Grafton at (641) 748-2229 or call your local office.

## OTHER GENERAL TERMS

The first time you, or someone authorized by you on your behalf, access Farmers State Bank's Online Banking you are confirming your agreement to be bound by all the terms and conditions of the Online Banking Agreement and Disclosure Statement and all related Account Agreements and Disclosures. You may terminate your Online Banking Agreement at any time upon giving Farmers State Bank written notice of the termination. If you terminate, you authorize us to continue making transfers you have previously authorized until we have had a reasonable opportunity to act upon your termination notice. Once we have acted upon your termination notice, we will make no further transfers or payments from your Online Banking Account. If we terminate your use of your Online Banking Account, we reserve the right to make no further transfers or payments from your account including any transactions you have previously authorized.

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**PLEASE NOTE! FARMERS STATE BANK WILL NEVER UNDER ANY CIRCUMSTANCES EMAIL YOU REQUESTING YOUR LOGIN OR PIN NUMBER FOR VERIFICATION OR ANY OTHER REASON. IF YOU SHOULD EVER GET AN EMAIL REQUESTING THIS INFORMATION, DO NOT ANSWER IT, BUT CALL YOUR LOCAL BANK OFFICE IMMEDIATELY AND TELL THEM ABOUT IT.**

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