

## **THE STATE EXCHANGE BANK ONLINE BANKING (INTERNET) AGREEMENT**

This Agreement describes your rights and obligations as a user of the Online Banking service or the Bill Payment service ("Services"). It also describes the rights and obligations of The State Exchange Bank. Please read this Agreement carefully. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

### **Definitions**

The following definitions apply in this Agreement. "Online Banking" or "online services" are the Internet-based services providing access to your accounts; "Online Account" means any deposit or loan account from which you will be conducting transactions using a Service. "Time of day" references are to Central Standard Time or Central Daylight Time, as applicable. "We," or "us" refer to The State Exchange Bank which offers the Services and which holds the accounts accessed by the Services.

### **Access to Services**

The State Exchange Bank will provide online instructions on how to use the Online Banking service or Bill Payment service through the Help functions available at the site. You will gain access to your Online Accounts through the use of your Internet-enabled device, your Internet Service Provider, your login ID and your Password.

### **Use of your Security Password**

You agree not to allow anyone to gain access to the Services or to let anyone know your Password used with the Services. You agree to assume responsibility for all transactions up to the limits allowed by applicable law.

### **If your Password has been lost or stolen**

If your Password has been lost or stolen, call The State Exchange Bank immediately at (785)378-3222 8:00 a.m. through 3:00 p.m. (Central Time), Monday through Thursday or 8:00 a.m. to 4:00 p.m. (Central Time) Friday. Telephoning the bank is the best way of minimizing your losses. If you believe

your Password has been lost or stolen and you tell us within four (4) business days after you learn of the loss or theft, you can lose no more than \$50 if someone uses your Password without your permission. If you do NOT tell us within four (4) business days after you learn of the loss or theft of your Password, and we can prove we could have stopped someone from using your Password without your permission if you had told us, you could lose as much as \$300.

**If your statement shows transfers that you did not make**

If your statement shows transfers that you did not make, notify The State Exchange Bank immediately by calling (785)378-3222 8:00 a.m. through 3:00 p.m. (Central Time), Monday through Thursday or 8:00 a.m. to 4:00 p.m. (Central Time) Friday. or writing The State Exchange Bank at:

PO Box 284

Mankato, KS 66956

If you do not notify The State Exchange Bank within 60 days after the statement was mailed to you, you may not recover any money lost after the 60 days which would not have been lost if The State Exchange Bank had been notified in time. If a good reason (such as a long trip or hospital stay) delayed you from contacting The State Exchange Bank, The State Exchange Bank will extend the time periods.

**Banking Transactions with Online Banking**

In addition to viewing account information, you may use Online Banking to conduct the following transactions:

(1) Transfer funds among your checking accounts, savings accounts and money market accounts.

Make loan or line of credit payments. NOTE: Because regulations require The State Exchange Bank to limit pre-authorized transfers (including Online Banking transfers), the following limitations apply:

(a) Statement savings account. You can make no more than six transfers per statement period by pre-

authorized or automatic transfer or by telephone or online services.

(b) Money Market checking account. You can make no more than six transfers per statement period by pre-authorized or automatic transfer or by telephone or online services.

(2) New services may be introduced for online services from time to time. The State Exchange Bank will make these new services available online. By using these services when they become available, you agree to be bound by the rules made available to you online concerning these services.

### **Electronic Mail**

If you send The State Exchange Bank an electronic mail message, The State Exchange Bank will be deemed to have received it on the following business day. The State Exchange Bank will have a reasonable time to act on your e-mail.

You should not rely on electronic mail if you need to communicate with The State Exchange Bank immediately - for example, if you need to report an unauthorized transaction from one of your accounts or if you need to stop a payment that is scheduled to occur.

You agree that The State Exchange Bank may respond to you by electronic mail with regard to any matter related to the Service, including responding to any claim of unauthorized electronic funds transfer that you make. Any such electronic mail sent to you by The State Exchange Bank shall be considered received within three (3) days of the date sent by The State Exchange Bank, regardless of whether or not you sign on to the Service within that time frame.

### **Other Agreements**

In addition to this Agreement, you and The State Exchange Bank agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the online services or the Bill Payment service is your acknowledgment that you have received these agreements and intend to be bound by them. You should review other disclosures received by you

when you open your accounts at The State Exchange Bank including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee schedules available in each product description on the web site. We will automatically deduct the fees related to this Service from account each month.

### **Hours of Operation**

The Services are available 24 hours a day, seven days a week, except during special maintenance periods. For purposes of transactions, The State Exchange Bank's business days are Monday through Friday, excluding holidays. All online service transaction requests received after 2:00 p.m. on business days and all transactions which are requested on Saturdays, Sundays or holidays on which The State Exchange Bank chooses to remain closed, will be processed on the next The State Exchange Bank business day. The State Exchange Bank's business day begins at 8:00 a.m.

### **Modifications to this Agreement**

The State Exchange Bank may modify the terms and conditions applicable to either Service from time to time by making the new terms and conditions available at our web site. The revised terms and conditions shall be effective at the earliest date allowed by applicable law. We may send any notice to you via electronic mail and you will have been deemed to have received it three days after it is sent. We reserve the right to terminate this Agreement and your use of the Services in whole or in part at any time without prior notice.

### **Errors and Questions**

In case of errors or questions regarding an online service or Bill Payment transaction, call The State Exchange Bank at (785)378-3222 or write us at:

PO Box 284

Mankato, KS 66956

We must hear from you at the specified telephone number or address no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. We will need:

1. Your name and account number (if any)
2. A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information
3. The dollar amount of the suspected error and date on which it occurred.

If the report is made orally, we may require that you send the complaint or question in writing within 10 business days. We will notify you with the results of the investigation within 10 business days and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate a complaint or question. If this occurs, we will credit your account within 10 business days for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or question is not received in writing within 10 business days, we may not credit your account until the investigation is completed.

If an alleged error involves an electronic fund transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are 20 business days (instead of 10) and 90 calendar days (instead of 45).

If we determine that no error occurred, we will send you a written explanation within three business days after the investigation is complete. You may request copies of the documents that were used in the investigation.

You agree that The State Exchange Bank may respond to you by electronic mail with regard to any claim of unauthorized electronic fund transfer related to the Service. Any such electronic mail sent to you by The State Exchange Bank shall be considered received within three (3) days of the date sent by The State Exchange Bank, regardless of whether or not you sign on to the Service within that time frame.

## **Statements**

You will continue to receive an account statement either monthly or annually, depending on the type of account.

### **Our liability for failure to make a transfer**

If we do not properly 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 the amount of any losses or damages incurred by you and resulting directly from such failure. We will not be liable in the following instances:

- (1) If through no fault of The State Exchange Bank, you do not have enough money in your account to make the transfer.
- (2) If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failure or breakdown) prevents the transfer, despite reasonable precautions that we have taken.
- (3) If there is a hold on your account, or if access to your account is blocked, in accordance with banking policy.
- (4) If your funds are subject to legal process or other encumbrance restricting the transfer.
- (5) If your transfer authorization terminates by operation of law.
- (6) If you believe someone has accessed your accounts without your permission and you fail to notify The State Exchange Bank immediately.
- (7) If you have not properly followed the scheduling instructions on how to make a transfer included in this Agreement.
- (8) If we have received incomplete or inaccurate information from you or a third party involving the

account or transfer.

(9) If we have a reasonable basis for believing that unauthorized use of your Password or account has occurred or may be occurring or if you default under this Agreement, the deposit account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.

There may be other exceptions stated in this agreement and in other agreements with you. In no event shall we be liable for damages in excess of your actual loss due to our failure to complete a transfer, and we will not be liable for any incidental or consequential damages.

If any of the circumstances listed in subparagraph 2 or 8 above shall occur, we shall assist you with reasonable efforts in taking appropriate corrective action to reprocess the transactions that may not have been completed or to correct incorrect transactions that have been processed.

#### **Disclosure of information to third parties**

We will disclose information to third parties about your account or the transfers you make:

(1) where it is necessary for completing transfers. Or,

(2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant. Or,

(3) in order to comply with government or court orders, or other reporting requirements. Or,

(4) if you give us your written permission.

Information concerning your account history with The State Exchange Bank will be shared within The State Exchange Bank organization.

#### **Inactivity; Termination**

You are responsible for complying with all the terms of this Agreement and with the terms of the agreement governing the accounts which you access using electronic banking services. We can terminate your electronic banking privileges under this Agreement without notice to you if you do not pay any fee required by this Agreement when due or if you do not comply with the agreement governing your deposit or loan accounts or your accounts are not maintained in good standing. We will promptly notify you if we terminate this Agreement or your use of the services for any other reason.

If you are not paying a monthly service charge for the Service, we may convert your account to inactive status if you do not sign on to the Service or have any transaction scheduled through the Service during any consecutive 60 day period. If your account is considered inactive, you must contact us to have the Service activated before you will be able to schedule any transaction through the Service.

To cancel the Online Bankin, you must notify The State Exchange Bank and provide your name; address; and the effective date to stop the service. You may notify The State Exchange Bank by one of the following methods:

- 1) By sending an e-mail to [custserv@stateexchange.net](mailto:custserv@stateexchange.net);
- 2) By calling The State Exchange Bank at (785)378-3222;
- 3) By writing a letter and either sending it to the following address:

PO Box 284

Mankato, KS 66956

### **Governing Law**

This Agreement is governed by the laws of the Kansas and applicable federal law.

**CONFIRMATION CODE: 571692**

**Enter this code in the appropriate field of your Online Banking enrollment form.**