

Farmers State Bank - Dwight, KS 66849
Online Banking Agreement and Disclosures

Introduction

This Online Banking Agreement and Disclosure, along with all implementation forms, applications, user guides, fee schedules, and other documents provided to you when you begin this service or request additional services (collectively, "Agreement") states the terms and conditions that govern your use of **Farmers State Bank's** Online Banking Service. The Online Banking service provides Farmers State Bank customers access to perform a number of banking functions through the use of a personal computer or mobile access device, such as a smart phone or tablet, on Accounts linked to the service. It also describes the rights and obligations of **Farmer State Bank** (the "Bank").

Please read this Agreement carefully. By requesting and using Online Banking, you agree with the terms and conditions of this Agreement and acknowledge that you have read it carefully.

Relation to Other Agreements

This Agreement is intended to supplement and not to replace other agreements between you and us relating to your Accounts, including, without limitation, our Deposit Account Terms and Conditions. Your other agreements with the Bank, including without limitation the Deposit Account Terms and Conditions and any agreements for loans and other services, continue to apply notwithstanding anything in this Agreement. In the event of a conflict between this Agreement and any other agreements between you and us, this Agreement shall control with respect to Online Banking and related services. You should review those agreements for any applicable fees, for limitations on the number of transactions you can make, and for other restrictions that might impact your use of an Account with Online Banking.

Definitions

The following definitions and rules of construction apply in this Agreement:

- "Account" means any **Farmers State Bank** account which you access using Online Banking.
- "Authorized Representative" refers to a person with authority with respect to the Account;
- "Bill Pay Service" is the online service that enables the scheduling of bill payments using a personal computer, or mobile device;
- "Consumer account" means a checking, savings, loan, or certificate of deposit account established by an individual primarily for personal, family, or household purposes.
- "ISP" refers to your Internet Service Provider;
- "Online Banking" is the internet-based service providing access to your Bank account(s);
- "Password" is the password you created during the registration process that establishes your connection to Online Banking;
- "PC" means your personal computer which enables you, with the Internet browser and ISP, to access your Account online;
- Time of day references are to Central time;
- "User ID" is the User ID you created during the registration process and is assigned to you for your connection to the Online Banking service;
- "We", "us", or "Bank" refer to Farmers State Bank which offers Online Banking and holds the Accounts accessed by the Online Banking service; and
- "You" or "your" refers to the owner of the Account or the Authorized Representative.

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Schedule of Fees

There are currently no monthly or periodic fees for Online Banking. Fees are disclosed separately to you for separate services provided via Online Banking in which you enroll or in connection with your Accounts, such as charges for dropping below minimum balances and insufficient funds fees will apply. Please consult our current fee schedule for a complete list of fees. We reserve the right to change applicable fees at any time and will provide you with any notice required by law.

Service Access; Consumer and Non-consumer

Hardware and Software Required

When you request the use of the Online Banking service, the Bank will provide instructions on how to access and use the service. You will need to have an Internet-enabled device, ISP, User ID, and Password to access Online Banking. We may update these requirements at any time in our sole discretion. You are solely responsible for having the required hardware and software and for securing an ISP. You also are responsible for any and all fees relating to communications carriers (e.g., telephone, cable, DSL or satellite), software providers (other than software that we may provide you) and/or internet service fees that may be assessed by your communications carrier and/or internet service provider.

Availability and Business Days

Online Banking is generally available 24 hours a day, seven (7) days a week; however, availability of Online Banking or certain services may be suspended for brief periods of time for purposes of maintenance, updating and revising the software or any outages or interruptions beyond our control. The Bank's business days are Monday through Friday, excluding Federal holidays. All Online Banking transaction requests received after 8 p.m. on business days and all transactions which are requested on Saturdays, Sundays, or holidays, on which the Bank chooses to remain closed will be processed on the Bank's next business day. The Bank's business day begins at 8:00 a.m.

Consumer Accounts

Certain provisions of this Agreement apply only to Consumer Accounts. The consumer protection provisions of the federal Electronic Funds Transfer Act and Regulation E apply only to electronic fund transfers involving Consumer Accounts. Please refer to the Electronic Fund Transfer Disclosure and your Deposit Account Terms and Conditions for more information.

Non-consumer Accounts

If your Accounts are owned by an entity other than a natural person or were established primarily for business, commercial or agricultural purposes, then any Online Banking electronic fund transfer will be considered an "authorized use," and your liability for any Online Banking transaction relating to that Account will be unlimited, notwithstanding the provisions of the Electronic Fund Transfer Act, Regulation E, or any standardized literature or disclosures we may send you.

Online Banking Services

Accounts You May Access

You may access as many Bank personal Accounts online as you wish. One of these Accounts must be listed as a primary Account. There are no restrictions on the types of accounts you may access: checking, savings, loans, or certificate of deposit accounts.

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Transfer of Funds

Subject to any other applicable agreements, you can make the following transfers using Online Banking:

- **Transfers Between Deposit Accounts:** You can transfer funds between your deposit Accounts with us (i.e., your checking or savings Accounts).
- **Transfers Between Your Deposit Accounts and Loan Accounts:** You can transfer funds from a deposit Account to a loan Account to make loan payments.
- **Bill Pay Service:** If you enroll in the Bill Pay Service, you may pay bills directly from your deposit Accounts in the amounts and on the days you request. See below for more information regarding the Bill Pay Service.
- **Transfers Outside Farmers State Bank to Account You Own at Other Financial Institutions:** If you enroll in TransferNow, you may transfer funds from your deposit Accounts to accounts you own at other financial institutions.

You may make one-time transfers or schedule future or recurring transfers such as transfers to make loan payments. You may transfer funds between your linked Farmers State Bank Accounts on either a one-time or recurring basis, including as a payment to a linked installment loan or mortgage.

Limitations on Transactions

In addition to all other limitations set forth herein, for savings and money market Accounts, for security reasons, we may impose additional limits on the frequency, number, and dollar amounts of transactions you can perform using Online Banking.

In addition, as noted herein, we reserve the right to refuse to pay any person or entity to which you may direct a payment through Online Banking. We will notify you promptly if we decide to refuse to pay a person or entity designated by you; however, this notification is not required if you direct us to make any payment which is otherwise prohibited under your agreements with us.

Use of User ID and Password

In order for you to access Online Banking, you must obtain a unique User ID and Password. When you sign onto Online Banking using your User ID and Password, you authorize us to follow the instructions we receive relating to your Accounts and to charge and credit your Accounts according to those instructions. Because your User ID and Password are the principal security measures to protect access to your Accounts, you agree to keep all User ID and Password information confidential and to take all reasonable precautions to protect the secrecy of this information.

You acknowledge that no person from the Bank will ever ask for your Password and that our employees do not need and should not ask for your Password. You therefore agree never to provide your Password to anyone claiming to represent us. If you give your User ID or Password or make it available to another person, you authorize that person to access your accounts through Online Banking and to give the Bank instructions relating to your Accounts as an authorized user. You also authorize us to comply with those instructions even if that person exceeds your authorization. The Bank has no responsibility for establishing the identity of any person who uses your Password. You agree that you are liable for any transaction received by the Bank that is authorized using your Password.

Except to the extent prohibited by applicable law or regulation, you will be deemed to have expressly authorized any Online Banking transaction facilitated through Online Banking:

- initiated by you, at your direction, with your User ID and Password, or with your consent

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(whether expressed or implied),

- initiated by an agent with respect to any Account which you may access through Online Banking,
- initiated by a member of your household, whether or not related to you,
- initiated by any person (or that person's agent) who is the owner or co-owner of any Account which you may access through Online Banking,
- which results in the transfer of funds between Accounts you may access through Online Banking, even if subsequent transfers out of the Accounts benefit someone else,
- which is to or for your benefit (for example, the payment of a debt for which you are partially or fully liable), or
- which you contend is unauthorized, unless you cooperate fully with us in our investigation of the transaction, assign to us your right of recovery against the wrongdoer if we reconstitute your Account, and cooperate fully with us in the recovery of any loss we sustain and the prosecution of any wrongdoer.

Any person initiating the foregoing transactions will be deemed an authorized user except to the extent prohibited by applicable law or regulation.

Security

You understand the importance of your role in preventing misuse of your Accounts through Online Banking and you agree to promptly examine your periodic paper and/or electronic statement for each of your Accounts as soon as you receive it. You agree to protect the confidentiality of your Account and Account number, your User ID and Password, and your personal identification information, such as your driver's license number and social security number. You understand that personal identification information by itself or together with information related to your Account may allow unauthorized access to your Account. Your User ID and Password are intended to provide security against unauthorized entry and access to your Accounts. Data transferred via Online Banking utilizes identification technology to verify that the sender and receiver of the transmissions can be appropriately identified by each other. Notwithstanding our efforts to ensure that Online Banking is secure, you acknowledge that the internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the internet and potentially can be monitored and read by others.

We will rely and act on instructions we receive through Online Banking. You are responsible and liable for those transactions to the extent allowed by law and as provided in this Agreement and all of our other agreements with you. All such instructions will be considered as having been given to us directly by you and shall have the same authority as your written signature in authorizing us to comply with the instructions. You agree that you have been provided with a disclosure of the security procedures that will be used to authenticate transactions through Online Banking. You agree that those security procedures, including without limitation the use of the User ID, Password, and identification technology as described herein, are commercially reasonable security procedures for the Online Banking services you utilize and that we may rely upon any instructions we receive upon authentication using these agreed upon security procedures. We may update the security procedures at any time in our sole discretion. Your implementation and use of the revised security procedures constitutes your agreement to the changes and your agreement that the procedures are commercially reasonable.

See below Section "Recommended Best Practices for Consumer Online Banking" for additional information regarding suggested internal security procedures.

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Virus-Malware-Spyware Protection

The Bank is not responsible for any electronic viruses, malware, or spyware that you may encounter. You are responsible for taking and maintaining security precautions to protect your computer, data, and system. You agree that we are not responsible for any electronic virus, spyware, or malware that you may encounter using Online Banking. We encourage you to routinely scan your PC, Mobile Device, and diskettes using any up-to-date, reliable virus, spyware, and malware protection product to detect and remove any virus, spyware, and malware found. Undetected or unrepaired, a virus, spyware, or malware may corrupt and destroy your programs, files and even your hardware. You are responsible for maintaining and applying anti-virus software, security patches, firewalls, and other security measures with respect to your operating systems, and for protecting, securing and backing up any data and information stored in or on your operating systems. We are not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on your operating systems or accessed through an internet connection.

Account Statement, Notification, and Disclosures

eStatements

You will receive your regular account statement either monthly or quarterly, depending on the type of Account. These statements are available to you electronically within Online Banking.

Email

If you send the Bank an email message, the Bank will be deemed to have received it on the following business day. You should not rely on email 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.

NOTE: Please do not send or request sensitive information such as Account numbers, Passwords, or other Account information via any public email system. You acknowledge that you understand the risk of using e-mail and that we are unable to guarantee the authenticity, privacy or accuracy of information received or sent via e-mail or to monitor the authorization of persons using your e-mail address.

Account Alerts

Account alerts allow you to choose optional alert messages for your Accounts. Account Alerts are an important Security feature, allowing for real time updates to things related to your accounts. Each account alert has different options available, and you will be asked to select from among these options upon activation of an account alert. We may add new alerts from time to time, cancel old alerts, and change or terminate the account alert process at any time without notice. Alerts will be sent to the email address you have provided as your primary email address for Online Banking. If you change your email address, you are responsible for informing us of that change. You can sign up for mobile alerts on the online platform, after you've registered for the first time.

We do not guarantee the delivery or accuracy of account alerts, and they may be delayed or prevented by factors that are beyond our control (such as system failure or misdirected delivery). You agree that we are not liable for any delays, failure to deliver, or misdirected delivery of any alert; for any errors in the content of an alert; or for any actions taken or not taken by you or a third party as the result of an alert.

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Because alerts are not encrypted, we will never include your full Account number. However, alerts may include your name and some information about your Accounts. Depending upon the type of alert, information such as your Account balance, transaction information, or the due date for a loan payment may be included. Anyone with access to your alerts will be able to view the contents of these messages.

Information Disclosure to Third Parties

We will disclose information to third parties about your Account or the transfers you make, as permitted by law and by our Privacy Policy, including, without limitation:

- Where it is necessary for completing or tracing transfers or resolving errors or claims;
- In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant or other financial institution;
- In order to comply with government agency, bank regulators, court orders or other legal process;
- To our employees, auditors, service providers or attorneys in the course of their duties;
- To other companies affiliated with us;
- To others with your consent; and
- Whenever required by law.

Liability and Error Resolution Provisions Applicable to Consumer Accounts

Applicability

The provisions in this Section are only applicable to electronic fund transfers that credit or debit a consumer Account and are subject to the federal Electronic Funds Transfer Act and Regulation E. When applicable, the Bank may rely on any exceptions to these provisions that are contained in Regulation E. All terms that are not defined in this Agreement but which are defined in Regulation E shall have the same meaning when used in this Section. If your Accounts are not consumer accounts, see the below Section regarding liability and error resolution provisions applicable to accounts other than consumer accounts.

Unauthorized Transactions

Tell us at once if you believe your Password and/or User ID have been lost or stolen or if you believe an electronic fund transfer has been made without your permission using information from your check. Telephoning the bank is the best way of keeping your possible losses down. If you notify the Bank within two (2) business days after your Password was lost or stolen, you can lose no more than \$50 if someone used your Password and/or User ID 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/or User ID, and we can prove we could have stopped someone from using your Password and/or User ID without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Password and User ID or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed/e-delivered to you, you may not get back any money you lost after the 60 days 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 telling us, we will extend the time periods.

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Contact in Event of Unauthorized Transfer

If you believe your Password or User ID has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission, call 785-482-3229 or write to us at:

Farmers State Bank
PO Box 8
Dwight, KS 66849

We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared. When you contact us:

- Tell us your name and Account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your Account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your Account. For errors involving new Accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new Accounts, we may take up to 20 business days to credit your Account for the amount you think is in error. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

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, 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 the money in your Account is subject to legal process or other encumbrances restricting the transfer.
- The person or entity to which you direct payment mishandles, delays, or fails or refuses to accept a payment sent by us.
- You have provided us with incorrect, incomplete or inaccurate data or other Account information, including but not limited to date related errors, or you have otherwise failed to comply with the payment or transfer instruction requirements set forth in this Agreement.
- There are technical problems in our receipt of information or instructions from you (for example, problems arise with computers, software, modems, or telephone communications, including but not limited to date related problems).
- If a terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire, flood, or other emergency) prevent the transfer or

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use of Farmers State Bank Online Banking, despite reasonable precautions that we have taken.

- If we have a reasonable basis for believing that unauthorized use of your Account(s) has occurred or is occurring, if you are in default under this or any other Agreement with us, or if you or we have terminated or suspended your use of Farmers State Bank Online Banking.
- If your operating system is not properly installed or not properly functioning.
- For errors or failures from any malfunctions of your browser, internet service provider, computer, computer virus or other problems relating to the computer equipment you use to access Farmers State Bank Online Banking.
- This Agreement or any applicable authorization has been terminated.
- Unusual or extraordinary circumstances exist which indicate improper or unlawful use of your Account.

Limitation on Liability

IN NO EVENT WILL THE BANK OR ANY OF ITS OFFICERS, DIRECTORS, SHAREHOLDERS, PARENTS, SUBSIDIARIES, AFFILIATES, AGENTS, LICENSORS, OR THIRD PARTY SERVICE PROVIDERS BE LIABLE FOR ANY CONSEQUENTIAL (INCLUDING WITHOUT LIMITATION, LOSS OF DATA, FILES, PROFIT OR GOODWILL OR THE COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICE), INDIRECT, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES, WHETHER IN AN ACTION UNDER CONTRACT, NEGLIGENCE OR ANY OTHER THEORY, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, ONLINE BANKING, THE INABILITY TO USE ONLINE BANKING, ANY MERCHANDISE OR SERVICES PURCHASED OR OBTAINED USING ONLINE BANKING, OR ANY MESSAGES RECEIVED VIA ONLINE BANKING OR ANY TRANSACTIONS THEREUNDER, EVEN IF THE BANK HAS BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

No Liability for Certain Failures

Except as specifically provided in this Agreement or where applicable law requires a different result, neither we nor our service providers or other agents will be liable for any loss or liability resulting in whole or in part from any act or failure to act of your equipment or software, or that of an internet browser, by an internet access provider, by an online service provider or by an agent or subcontractor of any of them, nor will we or our service providers or other agents be responsible for any direct, indirect, special or consequential, economic or other damages arising in any way out of your access to or use of, or failure to obtain access to Online Banking.

Liability and Error Resolution Provisions Applicable to Accounts Other than Consumer Accounts

Customers Liability

For Accounts other than consumer accounts, you bear the risk of using Online Banking, including the risk of erroneous and fraudulent transactions and the risk of all transactions using your User ID and Password, and your liability for any Online Banking is unlimited. Unless otherwise required by applicable law, we are responsible only for performing Online Banking services as delineated in this Agreement. We will not be liable to you for failure to make a requested transfer or otherwise in the instances set forth in the Section above as to consumer accounts.

Limitation on Liability

IN NO EVENT WILL THE BANK OR ANY OF ITS OFFICERS, DIRECTORS, SHAREHOLDERS, PARENTS, SUBSIDIARIES, AFFILIATES, AGENTS, LICENSORS, OR THIRD PARTY SERVICE PROVIDERS BE LIABLE FOR ANY CONSEQUENTIAL (INCLUDING WITHOUT LIMITATION, LOSS OF DATA, FILES, PROFIT OR GOODWILL OR THE COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICE), INDIRECT,

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INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES, WHETHER IN AN ACTION UNDER CONTRACT, NEGLIGENCE OR ANY OTHER THEORY, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, ONLINE BANKING, THE INABILITY TO USE ONLINE BANKING, ANY MERCHANDISE OR SERVICES PURCHASED OR OBTAINED USING ONLINE BANKING, OR ANY MESSAGES RECEIVED VIA ONLINE BANKING OR ANY TRANSACTIONS THEREUNDER, EVEN IF THE BANK HAS BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

FURTHER, YOU AGREE THE AGGREGATE LIABILITY OF THE BANK AND OUR THIRD PARTY SERVICE PROVIDERS UNDER THIS AGREEMENT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

No Liability for Certain Failures

Except as specifically provided in this Agreement or where applicable law requires a different result, neither we nor our service providers or other agents will be liable for any loss or liability resulting in whole or in part from any act or failure to act of your equipment or software, or that of an internet browser, by an internet access provider, by an online service provider or by an agent or subcontractor of any of them, nor will we or our service providers or other agents be responsible for any direct, indirect, special or consequential, economic or other damages arising in any way out of your access to or use of, or failure to obtain access to Online Banking.

Contact in Event of Unauthorized Transfer

If you believe your Password or User ID has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission, call 785-482-3229 or write to us at:

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We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared. Failure by you to promptly report any such errors or issues within a reasonable time, which in no event shall exceed 60 days after we sent the FIRST statement upon which the problem or error appeared, shall preclude you from asserting against us any claims arising from the error or any loss caused by the error or issue.

Disclaimer of Warranties

We may on a regular basis perform maintenance on our equipment or system, which may result in interrupted service or errors in Online Banking. We also may need to change the scope of our Online Banking services from time to time. We will attempt to provide prior notice of such interruptions and changes but cannot guarantee that such notice will be provided. We make no representation that Online Banking services will be uninterrupted or error free. Our sole obligation to you arising out of (i) the non-availability of Online Banking, or (ii) an interruption or delay in providing Online Banking shall be to use commercially reasonable efforts to resume such services. The foregoing shall constitute our entire liability and your exclusive remedy. In no event shall the Bank or any of our officers, directors, employees, agents, providers, or subcontractors be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits (even if we are advised of the possibility thereof) arising in any way out of the installation, use, or maintenance of any computer equipment or the Online Banking service. However, nothing in this section is intended to limit any rights you may have under Federal law or otherwise provided in this Agreement.

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WE MAKE NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH ONLINE BANKING AND THE SERVICES PROVIDED TO YOU UNDER THIS AGREEMENT. WE DO NOT AND CANNOT WARRANT THAT THE SYSTEM WILL OPERATE WITHOUT ERRORS OR THAT ANY OR ALL SERVICES WILL BE AVAILABLE AND OPERATIONAL AT ALL TIMES.

Indemnification

Except to the extent that we are liable under the terms of this Agreement or applicable federal law, you agree to indemnify and hold us, our affiliates, officers, directors, employees, consultants, agents, service providers, and licensors harmless from any and all claims, liability, damages and/or costs (including but not limited to reasonable attorney's fees) arising from (a) the performance of Online Banking or any service utilized thereunder, including without limitation the Bill Pay Service; (b) a third party claim, action, or allegation of infringement, misuse, or misappropriation based on information, data, files, or other materials submitted by you to us; (c) any fraud, manipulation, or breach of this Agreement by you; (d) any third party claim, action, or allegation brought against us arising out of or relating to a dispute with you over an Account or Online Banking; (e) your violation of any law or any rights of a third party; or (f) your use of Online Banking or use of your Account by any third party. We reserve the right, at our own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by you, in which event you will cooperate with us in asserting any available defenses. You will not settle any action or claims on our behalf without our prior written consent.

Amendment and Termination

Amendment and Additional Services

The terms of this Agreement, any particular product or service offered via Online Banking, applicable fees, and service charges may be amended from time to time. In such event, the Bank shall send notice to you through Online Banking, to your e-mail address or mailing address as it appears in our current records. For consumer accounts, we will give you prior notice of any changes resulting in increased fees, increased liability for you, fewer types of electronic funds transfers, or stricter limits on the frequency or dollar amounts of transfers as required by applicable law, however, we will not give prior notice if an immediate change is necessary to maintain or restore the security of your Account or Online Banking. Any use of Online Banking after a change in terms will constitute your agreement to such change(s).

New services may be introduced for Online Banking from time to time. The Bank will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules that will be made available to you concerning these services.

Termination

You may terminate Online Banking services by either by the following methods:

- By providing the information in person to any member of our team at our location,
- By calling us at 785-482-3229
- By writing a letter and sending it to:

Farmers State Bank
PO Box 8
Dwight, KS 66849

Please include your name, address, the service(s) you are discontinuing, and requested termination date to discontinue service. Once we have acted upon your termination notice, we

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will make no further transfers from your Accounts, including any transfers you have previously authorized. You will remain responsible for all payments, transfers and other transactions in process, and outstanding fees and charges incurred prior to the date of cancellation.

We can refuse Online Banking services to anyone. We may terminate your Online Banking or any service provided via Online Banking at any time without prior notice and with or without cause. If more than one person can access an Account through Online Banking, we reserve the absolute right to terminate all Online Banking access to the Account upon the request of the Account owner, any Account co-owner, or any other person authorized access to the account.

Bill Pay Service

- A. General Description of Service.** If you are a customer of Farmers State Bank with a deposit Account and enrolled in our Online Banking Service, you are eligible to use our Bill Pay Service to direct payments from your designated bill payment Account to third parties you wish to pay. When you schedule a payment, you authorize Farmers State Bank to debit your payment Account and remit funds on your behalf. After funds are withdrawn from your Account to make a payment, we may make the payment either by transferring funds electronically to the payee (“electronic payment”) or by mailing the payee a check (“check payment”). You certify that your payment Account is an Account authorized to make payments and any payment you make will be debited from this Account.
- B. Eligible Payees.** Any payments you wish to make through the Bill Pay 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 agree not to use Bill Pay Service to make payments to the Internal Revenue Service, or other tax payments, payments arising from any legal proceeding (such as child support payments or traffic tickets), payments to settle securities purchases, or to payees outside of the United States. If you do schedule these types of payments, then you assume all risks should such payments not be timely delivered or processed.
- C. Scheduling Payments.** Bill payments are generally processed on the day you select as the “Scheduled Payment Date.” You may choose to schedule payments to recur in the same amount at regular weekly, monthly, quarterly, semi-monthly, or annual intervals. The Bank will process variable payments on the business day you designate the bill to be processed, provided the payment request is received prior to the cut-off time of 10:00 a.m. Variable bill requests received after the business day cut-off time or at any other time on a non-business day will be processed the next business day. The Bank reserves the right to change the cut-off time by providing you notice of the change. In addition, when scheduling bill payments, you must select a Scheduled Payment Date that is no later than the recommended time frame for delivery on check payments (five (5) business days) or electronic payments (two (2) business days) before your actual due date. If the actual due date falls on a non-business day, you must select a scheduled payment date that adds a minimum of at least one (1) business day (and more days are necessary for multi-day federal holidays) to the recommended time frame for delivery of check and electronic payments. Scheduled payment dates and recommended delivery times should be prior to any late date or grace period.

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When you create a new payee in the Bill Pay Service, it may take 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. This will 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 four (4) to ten (10) 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, taking into account any applicable grace period). If the payment is an Automatic Clearing House (ACH) electronic payment it may take up to four (4) business days to reach the payee. However, if the company or person that you are paying cannot accept an electronic payment, the Bill Pay Service will send a check that may take up to ten (10) business days.

If the session during which you schedule a payment or transfer ends by 8:00 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 Service, the time recorded by the Online Banking Service will be considered the official time of the transaction.

Due to circumstances beyond our control, some payees may take longer to post payments than others. We suggest sending your first payment with additional time to post before your bill's due date. After your first payment has posted, you will then have a better understanding of the amount of time to allow for each payee.

- D. Recurring Payments.** If you designate a processing date of the 28th through the 31st of a month, processing will be initiated on the last calendar day of the month. Otherwise, recurring payment requests will be processed on the dates you have designated, unless such date falls on a non-business day resulting in your payment being processed on the next business day.
- E. Available Funds; Overdrafts.** Funds must be available in your bill payment Account on the scheduled process date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday, or Federal holiday), funds must be available in your Account the following business day (e.g. Monday). 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, one attempt will be made to complete the transaction. If at any time you perform transactions (whether Bill Pay Service or other types of electronic or paper based transactions) on your Account, and that Account contains insufficient funds to allow all of the transactions to be performed, we may, at our sole discretion, choose which transactions we will allow to be performed, and we may refuse your other transactions (including your Bill Pay Service transactions). Alternately, we may, at our sole discretion, allow all such transactions to be performed and create an overdraft on your Account. The Bank shall have no obligation or liability if it does not complete a payment because there are insufficient funds in your Account to process the payment. In all cases, you are responsible for making alternate arrangements for the payment or reschedule the payment through the Bill Pay 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.

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We may charge payments against the Account even though the charge creates an overdraft or we may refuse to make payments if the charge creates an overdraft. If you overdraw your Account, you agree to immediately adjust the overdrawn amount, together with any applicable fees.

- F. Late Charges.** If you do not follow the time frames set forth in this Agreement, you will be fully responsible for all late fees, finance charges or other actions taken by the payee. If you follow all of the procedures described in this Agreement and follow all Bill Pay Services instructions accurately and completely and a bill payment has not arrived at the payee within the allowable number of days described on the screen at the time you scheduled the payment, we will reimburse you for all penalties and associated late fee charges incurred due to such a late payment. Situations in which you are responsible for failing to follow procedures and instructions include, without limitation, your failure to schedule the payment a correct number of days before the due date, incorrectly scheduling the payment, or supplying incorrect account information. Notwithstanding anything stated herein, the Bank will not be liable for any damages you incur for insufficient funds in your Account to make the payment on the processing date, delays in mail delivery, changes in the payee's delivery or Account number unless we have been advised in advance, the failure of any payee to correctly account for a payment, and any other circumstances beyond the control of the Bank.
- G. Canceling a Bill Payment and Requesting a Stop Payment.** Payments must be changed or canceled using the Bill Pay Service prior to 10:00 a.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. Call or visit the bank to initiate a stop payment order. Stop payment orders will be in effect for a period of six(6) months. After six (6) months, the written or electronic 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.
- H. Termination of Bill Pay Service.** You may terminate the Bill Pay Service as set forth above. When the Bill Pay Service is terminated, any prescheduled bill payments made through Online Banking will also be terminated.
- I. Third Party Agreement.** You understand that support and services relating to Bill Pay Services are provided by third parties other than us, and you authorize us to contract with third parties to provide such support and service. We also reserve the right to assign or delegate certain of our rights or responsibilities under this agreement to other independent contractors or other third parties. You may not assign this Agreement, in whole or in part, or delegate any of your responsibilities under this Agreement to any third party or entity.
- J. Limitations.** For security purposes, we may, from time to time, limit the number and dollar amount of any payments made through the Bill Pay Service, notwithstanding the amount in your Accounts, and terminate or suspend the Bill Pay Service without notice unless otherwise required by law.

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Recommended Best Practices for Consumer Online Banking

User ID and Password Guidelines

- Create a "strong" Password with at least 8 characters that includes a combination of letters and numbers.
- Change your Password frequently.
- Never share Account information, User ID or Password information.
- Never leave your Account information within range of others.
- Avoid using an automatic login feature that saves User ID and Passwords.
- Do not send privileged Account information such as User ID and Passwords in any public e-mail system.

General Guidelines

- Do not use public or other unsecured computers for logging into Online Banking.
- Check your last login date and time, and transfer history every time you log in.
- Review Account balances and detail transactions regularly (preferably daily) to confirm payment and other transaction data and immediately report any suspicious transactions to the Bank.
- Whenever possible, use Bill Pay instead of checks to limit Account number dissemination exposure and to obtain better electronic record keeping.
- Take advantage of and regularly view system alerts, such as balance alerts and transfer alerts.
- Don't use Account numbers, your Social Security number, or other Account or personal information when creating Account nicknames or other titles.
- Review historical reporting features of your Online Banking application on a regular basis to confirm payment and other transaction data.
- Never leave a computer unattended while using Online Banking.

Online Payments, Account Transfers, & Account Data

- When you have completed a transaction, ensure you log off to close your computer connection.
- Reconcile by carefully monitoring Account activity and reviewing all transactions on a daily basis.
- Review historical and audit reports regularly to confirm transaction activity.
- Utilize available alerts for funds transfer activity.

Miscellaneous

- **Assignment.** You may not assign this Agreement to any other person or entity. We may assign this Agreement to any company with which we are directly or indirectly affiliated. We may also assign or delegate certain of our rights or responsibilities under this Agreement to independent contractors or other third parties.
- **No Waiver.** We will not be deemed to have waived any of our rights or remedies under this Agreement unless we send the waiver to you by electronic message or we otherwise mail or deliver to you a written waiver signed by us. No delay or omission on our part in exercising any of our rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies we may have. A waiver on one occasion will not be construed as a bar or waiver of any rights or remedies on future occasions.
- **Severability.** If any provision of this Agreement is held to be invalid or otherwise unenforceable, the remainder of the provisions shall continue in full force and effect and shall in no way be invalidated or otherwise affected.

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- **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas, without regard to its conflicts of law provisions, and applicable federal law, except to the extent this Agreement can and does vary such laws.
- **Joint and Several Liability.** If any one or more of your deposit Accounts has co-owners, each co-owner will be jointly and severally liable for any obligation which arises from the use of Online Banking to access the Account. This joint and several liability shall extend as well to any line of credit accessed through any such Account.
- **Captions.** The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions for this Agreement.
- **Survival.** The provisions of this Agreement, which by their nature survive expiration or termination of this Agreement, shall survive, including without limitation, Sections IV, VI, VII, VIII, IX, X, and XIII.
- **WAIVER OF JURY TRIAL. YOU AND BANK EACH HEREBY WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTES, LITIGATION, PROCEEDING OR COUNTERCLAIM ARISING WITH RESPECT TO RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT, ONLINE BANKING, AND SERVICES PROVIDED UNDER THIS AGREEMENT, AND ANY DISCUSSIONS, NEGOTIATIONS OR COMMUNICATIONS INVOLVING OR RELATED TO THIS AGREEMENT OR ONLINE BANKING.**