



Internet Banking Agreement & Disclosure

This Internet Banking Agreement and Disclosure (The Agreement) explains the terms and conditions governing basic Internet Banking Services offered by Farmers & Merchants Bank & Trust. By using our Internet Banking Services, you agree to abide by the terms and conditions of The Agreement. For clarity, the terms “we”, “us”, “our”, F & M Bank, and “Farmers & Merchants Bank & Trust” refer to Farmers & Merchants Bank & Trust, Burlington, Iowa. “You” refers to each person who enrolls for Internet Banking services and has a password.

Your Internet Banking services and each of your accounts are also governed by the applicable Disclosures, Rates and Fee Schedules provided by Farmers & Merchants Bank & Trust in your new account packet which may be modified from time to time. Collectively these are called “The Farmers & Merchants Bank & Trust Documents”.

You are responsible for paying any fees assessed by your Internet Service Provider and for any telephone charges or fees incurred by accessing Internet Banking services.

Your initial use of Internet Banking services constitutes your acceptance of and agreement to be bound by all of the terms and conditions of The Agreement and by the “Farmers & Merchants Bank & Trust Documents”, and acknowledges your receipt and understanding of this agreement.

You are liable for all transactions made or authorized using your password. Do not, under any circumstances, disclose your password by telephone or to anyone claiming to represent Farmers & Merchants Bank & Trust; Farmers & Merchants Bank & Trust’s employees do not need and should not ask for your password. Do not disclose your password to anyone. If, despite Farmers & Merchants Bank & Trust’s advice, you give your password to anyone, you do so at your own risk. Anyone with access to your Internet Banking password or other means of account access will have full access to your accounts even if you attempt to limit that person’s authority. Should you believe your password has been compromised, change it immediately. If your password has been lost, stolen or otherwise compromised, you must notify Farmers & Merchants Bank & Trust immediately.

Farmers & Merchants Bank & Trust is entitled to act on instructions received through Internet Banking under your password and without inquiring into the identity of the person using the password. Farmers & Merchants Bank & Trust has no responsibility for establishing the identity of any person using your password.

Internet Banking Services Enrollment:

Each family has a portfolio, which includes all accounts owned by the members of that immediate family. These accounts may be made up of any number of ownership combinations. For example: Mom and Dad may have one or more joint accounts. The children may have accounts with Mom and/or Dad on them as signers. Dad and/or Mom may have single owner accounts. The number of combinations in your portfolio and the accounts you wish to view determines the number of Internet Banking Accounts you need. For example: If Mom and Dad have joint account/s and they are both signers on the children’s accounts, they can have one enrollment, which will allow them to see all the accounts in the portfolio. If the children wish to see their accounts, each child would need



to enroll separately. The only accounts they could see would be the accounts they own. They would not be able to see their parent's accounts even though they are all in the same portfolio. If Mom and Dad were single owners on certain accounts, then they would need to enroll separately to be able to see both their joint accounts and their personal accounts.

Description of Services:

a) Account Information

You can specifically obtain the following information:

- Obtain certain account history for the current and previous statement cycle
- Obtain interest information on your interest bearing deposit accounts and loan accounts.
- Obtain account-related information such as current balances, loan payment amounts, payment due dates, and certificate of deposit maturity dates.

b) Funds Transfers

You may:

- Transfer funds from checking to checking.
- Transfer funds from checking to savings.
- Transfer funds from savings to savings.
- Transfer funds from savings to checking.
- Make payments from checking to loan accounts or lines of credit.
- Make payments from savings to loan accounts or lines of credit.
- Make bill payments to third parties

All transfers between deposit accounts will occur at the earliest possible time.

You may make arrangements for payments to loan accounts described above to occur at the earliest possible time, at a date in the future, or on a recurring basis.

Transfers made between internal accounts after 5:00 p.m. Central Time will normally not be credited until the next business day.

You agree that you will instruct us to make a transfer only when a sufficient balance is or will be available in the designated account at the time of the transfer.

c) Bill Pay Services

During the Term of this Agreement, we may allow you to pay bills by electronic transfer or check to any Person whom we approve and you designate as a payee in any bill payment request sent through Online Banking Services. You may access our Bill Pay Services after logging into Online Banking Services by clicking on the Bill Payment link on the top of the screen. You will establish your list of payees by following the on-screen instructions and help features and instructions on the web site. You may add a new fixed or recurring payment for any payee but only if the payee is on your authorized list of payees. If the payee is not able to receive electronic payments, a paper check may be generated for payment. The check will carry your account number and will clear directly through your checking account you designate. A unique check number will appear on your statement for easy recognition and later viewing. We reserve the right to refuse the designation of a payee for any reason. We are not responsible if a bill payment request 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.

To view the TERMS AND CONDITIONS OF THE BILL PAYMENT SERVICE, please log into your Online Banking account and click on Bill Pay. When bill pay opens, there is a link on the bottom of the page called View the Terms & Conditions. Please refer to the fee schedule for fees associated with the bill pay service.



Liability:

You are liable for all transactions that you or any other owner/signer makes or authorizes even if the other person exceeds the authority you intended or agreed upon. You hereby agree to release Farmers & Merchants Bank & Trust from any liability and agree not to make any claim or bring any action against us for striving to carry out the requests made through the Internet Banking services under your password. You also agree to indemnify Farmers & Merchants Bank & Trust and hold it harmless from and against any and all liability (including but not limited to reasonable attorney fees) arising from any such claims or actions.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. 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.
3. 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 (5 business days for Visa® Check Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Visa® Check Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) 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. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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.

FARMERS & MERCHANTS BANK & TRUST

P.O. BOX 928

BURLINGTON, IOWA 52601-0928

Business Days: Monday through Friday

Excluding Federal Holidays

Phone: 319-754-BANK or 888-331-BANK

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

FEES:

You agree to pay applicable fees in accordance with fee schedules and disclosures established by us. We reserve the right to modify fees, service charges, and terms at any time, effective upon 30 days written notice to you.

**Termination:**

Farmers & Merchants Bank & Trust has the right to deny, modify or terminate this agreement at any time. We will comply with any notice requirements under applicable law for such changes or termination. If we terminate The Agreement, no further Internet Banking transfers will be made. If we modify The Agreement, your continued use of Internet Banking Services will constitute your acceptance of such changes in each instance.

Please read before pressing the “Accept” button. The next screen will be the enrollment screen. **You will have to enter one of your valid account numbers. This account number will be your User Code. The password will be the last four digits of your social security number or your VIC PIN if different.** After entering, there will be a screen which requires you to change your password. Your new password must be a minimum of eight (8) digits in length, and must contain at least two (2) alpha and two (2) numeric characters

**ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES
(CONSUMER ACCOUNTS ONLY)**

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties.

You may authorize a third party to initiate electronic fund transfers between your account and the third party’s account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Please also see Limitations on frequency of transfers section regarding limitations that apply to savings accounts.



V.I.C. Telephone Transfers - types of transfers - You may access your account by telephone 24 hours a day at 1-866-235-3124 using your personal identification number, a touch tone phone, your account numbers, and the last four digits of your social security number (for initial access only), to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us
- get information about:
 - the account balance of checking accounts
 - the account balance of savings accounts
 - the account balance of CD and loan accounts

ATM Transfers - types of transfers, dollar limitations, and charges - You may access your account(s) by ATM using your ATM card and personal identification number or Visa Check Card and personal identification number, to:

- make deposits to checking account(s) with an ATM/Visa Check Card
- make deposits to savings account(s) with an ATM/Visa Check Card
- get cash withdrawals from checking account(s) with an ATM/Visa Check Card
- you may withdraw no more than \$300.00 per 24-hour period in combination with point-of-sale transactions
- see specific account disclosures for charges that may apply to ATM/Visa Check Card withdrawals or transfers
- get cash withdrawals from savings account(s) with an ATM/Visa Check Card
- you may withdraw no more than \$300.00 per 24-hour period in combination with point-of-sale transactions
- see specific account disclosures for charges that may apply to ATM/Visa Check Card withdrawals or transfers
- transfer funds from savings to checking account(s) with an ATM/Visa Check Card
- see specific account disclosures for charges that may apply to ATM/Visa Check Card withdrawals or transfers
- transfer funds from checking to savings account(s) with an ATM/Visa Check Card
- see specific account disclosures for charges that may apply to ATM/Visa Check Card withdrawals or transfers
- get information about:
 - the account balance of your checking account(s)
 - with an ATM/Visa Check Card
 - the account balance of your savings account(s)
 - with an ATM/Visa Check Card

Some of these services may not be available at all terminals.

Point-of-Sale Transactions - dollar limitations and charges - Using your card:

- you may not exceed \$300.00 in transactions per 24-hour period in combination with ATM withdrawals
- see specific account disclosures for charges that may apply to ATM card transactions

Types of Visa Check Card Point-of-Sale Transactions - You may access your checking account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), **get cash from a merchant**, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.



Point-of-Sale Transactions - dollar limitations and charges - Using your card:

- you may not exceed \$2,400.00 in transactions per day
- see separate fee schedule for information about charges

Currency Conversion and International Transactions. When you use your Visa® Check Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. In either case, we pass this international transaction fee on to you. An international transaction is a transaction where the country of the merchant is outside the USA.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Non-Visa Debit Transaction Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit Network* (a non-Visa network) without using a PIN. The non-Visa debit network(s) for which such transactions are enabled are: ACCEL/Exchange Network. Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a **PIN-Debit Network**.

*Visa Rules generally define PIN-Debit Network as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

F&M Internet Banking Computer Transfers - types of transfers - You may access your account(s) by computer by logging onto our website at www.fmbanktrust.bank and using your user identification number and your password, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from line of credit to checking
- transfer funds from line of credit to savings



- make payments from checking to loan account(s) with us
- make payments from savings to loan account(s) with us
- get information about:
 - the account balance of checking account(s)
 - the account balance of savings account(s)
 - the account balance of loan account(s)
 - make payments to third parties
 - make person to person payments from checking account

Mobile Banking Transfers-types of transfers

You may access your account(s) by your mobile phone (text based or web-enabled) by accessing a special link or access code provided to you at enrollment and by using your user identification and password to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from line of credit to checking
- transfer funds from line of credit to savings
- make payments from checking to loan account(s) with us
- make payments from savings to loan account(s) with us
- get information about:
 - the account balance of checking account(s)
 - the account balance of savings account(s)
 - the account balance of loan account(s)
- make payments to third parties
- make person to person payments

FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.
- There is a \$1.00 charge (3 FREE each statement cycle) for each ATM withdrawal at any non-proprietary ATM (not owned by F&M Bank & Trust) each statement cycle. This will appear as a service charge on your statement.

See separate fee schedule for information about charges.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Documentation

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (319) 754-BANK to find out whether or not the deposit has been made.



- **Periodic statements.** You will get a monthly account statement from us for your checking and Prime Plus accounts.

You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

- Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how: Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our separate fee schedule for the amount we will charge you for each stop payment order you give.

- Notice of varying amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

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:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

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 agency or court orders; or
4. As explained in the Privacy Disclosure contained elsewhere in this document.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

- Generally. Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.



If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code 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 card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed 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.

- **Additional Limit on Liability for Visa® Check Card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa® Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not sent over the VISA® or Plus Networks.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

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1. Tell us your name and account number (if any).
2. 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.
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