

ONLINE BANKING AGREEMENT TERMS and CONDITIONS

Welcome to Online Banking Services!

The Internet web site for Online Banking Services is located at <https://www.fm-bank.com>. By using Online Banking Services, you will have access to your account information 24 hours a day, 7 days a week. You can check your deposit and loan account balances and activity, transfers of funds, make loan payments, and arrange bill payments through our Bill Payment Services.

Agreement

This Online Banking Agreement and Terms and Conditions ("the Agreement") governs the Personal Online Banking services offered to You by The Farmers & Merchants State Bank ("the Bank"). "You" means the authorized account owner or any other person authorized by You in writing. All Online Banking services provided by the Bank will be referred to collectively as "Online Banking Services" in this Agreement. The term "Business Day" means all days except Saturday, Sunday and all bank holidays.

All Online Banking Services are governed by this Agreement and all applicable Federal, State, and Local laws and regulations. By using any of the Online Banking Services and conducting transactions, you agree to abide by the terms and conditions of this Agreement, and any subsequent amendments. You authorize the Bank to use any of your accounts to execute and settle transactions and/or fees initiated by using the Online Banking Services. We have the right to change this Agreement and the terms and conditions governing the Online Banking Services. We will provide notice to you of any subsequent amendments by mail or e-mail at the last known address shown on our records. Users of Online Banking Services must be eighteen years or older. Customers shall notify the Bank of any changes in their mailing address or their email address.

Agreement Modification and Termination

The Bank has the right to modify or terminate this Agreement or the Deposit Account Terms and Conditions at any time, for any reason without prior notice. When making any changes, the Bank will comply with all legal notice requirements, and You agree to be bound by the terms contained in the Agreement, and its subsequent amendments. If this Agreement is modified, the continued use of the Online Banking Services by You will represent the acceptance of the changes.

You may terminate your use of Online Banking Services at any time by doing the following;

- Calling The Farmers & Merchants State Bank E-commerce Department at 1-800-451-7843 or 419-446-4817.
- Writing to the E-commerce Department at The Farmers & Merchants State Bank, P.O. Box 216, 307-11 N. Defiance Street, Archbold, OH 43502.
- Sending an e-mail to us via the Internet at ecommerce@fm-bank.com. Termination is effective on the next day of business.

Once this Agreement is terminated, the Bank will not allow any additional internet transactions on the account(s), nor will additional Online Banking Services be permitted. If all of your accounts accessible through Online Banking Services are closed, access to Online Banking Services will be terminated automatically. Termination of this agreement will not affect your liability or obligation for transfers processed by the bank on your behalf.

Information Security

We are strongly committed to protecting the security and confidentiality of our customers account and personal information. We use several techniques to help secure our Online Banking Services, including the following:

- Your account numbers are displayed in partially blocked format.
- You must have a valid Online Banking Access ID and Password to log on.
- If no action is taken for ten (10) minutes, you will be automatically logged off the Online Banking Service.
- You will be required to change your password at least once every 90 days and anytime you or the Bank resets your password.

Electronic Mail (E-mail)

Sending e-mail is a good way to communicate with The Bank regarding your accounts. However, your e-mail is normally sent via your own software and, as a result, is not secure, you should not include confidential information, such as account numbers, balances or social security number or tax ID number in any unsecure e-mail to the Bank.

All Online Banking Services transactions must be initiated using the appropriate functions within the Online Banking Services site. The Bank will not be liable for any errors, omissions, claims, or problems of any kind involving your e-mail.

Fees and Charges

All applicable Fee Schedules published by the Bank from time to time apply to Online Banking Services.

You are responsible for the payment of any fees incurred by you on any account, for any service, at any time. You hereby authorize the Bank to debit a designated payment account each month to pay all such fees assessed by the Bank. In the event your payment account has insufficient funds to cover any fees, the Bank may deduct the fees from any other account you have at the Bank in any order it chooses. You are solely responsible for any telephone or Internet service provider charges incurred by you in accessing our Online Banking Services.

Access ID and Password

Your Online Banking Access ID and Password will give you secure online access to your accounts at the Bank via Online Banking Services. After your initial logon, You are required to change your password. You may change your password at any time. Your access to Online Banking Services may be blocked in the event your password is entered incorrectly. If this occurs, please contact the Farmers & Merchants State Bank E-commerce Department at 419-446-4817, during business hours. You agree to notify the Bank immediately in the event your Access ID and Password is stolen or is otherwise compromised. At any time, you may ask the Bank to disable your Access ID and Password.

The Bank is entitled to act upon instructions received through any Online Banking Service using your Access ID and Password without inquiring into the identity of the person using the Access ID and Password. You should not, under any circumstances, disclose your Access ID and Password by telephone, email or any other means to any person. You are liable for all transactions made or authorized using your Access ID and Password. The Bank has no responsibility for establishing the identity of any person or determining the validity of any transaction. Passwords must include one uppercase letter, one lowercase letter and one number. Passwords must be between 8-17 characters long.

Indemnity to the Bank

You hereby agree to indemnify and hold the Bank harmless from any and all claims or liability arising from your use of Online Banking Services. You further waive any claim or action against the Bank for honoring or allowing any actions or transactions where You have authorized the person performing the action or transaction to use your account or when You have provided your Access ID and Password to that person. You agree to reimburse the Bank for any losses it suffers or any damages, injuries, costs or expenses it incurs (including attorney's fees) as a result of your use of this service.

Accessibility

You can normally access Online Banking Services seven (7) days a week, twenty-four (24) hours a day. However, at certain times, some or all of Online Banking Services may not be available due to system maintenance or reasons beyond the Bank's control. The Bank does not warrant that Online Banking Services will be available at all times. When unavailable, you may use the EZ Access Line, our telephone banking system, an automated teller machine ("ATM"), or contact any Bank branch office to conduct your transactions.

Funds Availability and Transfers

For determining the availability of funds in your Deposit Accounts, every day is a business day, except Saturdays, Sundays, and Bank holidays. A transfer or loan payment initiated through Online Banking Services on or before 7:00 PM, EST on a business day is normally posted on the same business day. An Online Banking Services transfer initiated after 7:00 PM EST on a business day would be posted on the next business day. Transferred funds will be available for withdrawal on the business day the Online Banking Services transfer was posted.

Stop Payment Services

You acknowledge that the Stop Payment feature of the Online Banking Services is an alternate entry system for issuing Stop Payment Orders. When utilizing this feature, You warrant that the information describing the check or

draft, including the check exact amount, the check number and payee, is correct. You acknowledge that the exact amount of the check or draft is required, and if the incorrect amount or any other incorrect information is provided, the Bank will not be responsible for failing to stop payment on the item. You agree that the Stop Order must be received by the Bank within a reasonable time for the Bank to act on the order prior to final payment of the check. A Stop Payment Order received by the Bank using this service will be accepted as if it were in written form, will be effective for 6 months without further notice, unless specifically renewed prior to expiration. If you are attempting to stop an electronic payment, you must contact one of our offices by phone or in person.

Limitations on Transactions

Your ability to initiate transactions between Deposit Accounts may be limited by state or federal law or regulation or by the terms of your deposit agreement with us. Bank transfers from Deposit Accounts that are savings or money market deposit account are limited by federal regulations as follows: Transfers from a Savings Accounts or Money Market Deposit Account to another account or to third parties by preauthorized, automatic, or telephone transfers are limited to six (6) per monthly statement cycle with no more than three by check, draft, or similar order to third parties.

Bill Payment Service

The Bill Payment services enable you to schedule bill payments through Online Banking Services. You will be required complete a separate Enrollment to subscribe to this service. The Bank does not provide the service directly. Instead, the Bank entered into an agreement with bill payment providers to provide the bill payment services directly to you.

There is a monthly fee for using our Bill Payment Service (FM eXpress). For additional information on these Online Banking Services, please refer to the Bill Payment Service Terms and Conditions.

Unauthorized or Erroneous Transactions - Applicable to Consumer Accounts

You have certain rights and liabilities in instances where you believe 1) your Access ID and Password have been stolen; 2) that someone has transferred or may transfer money from your accounts without your permission; 3) your statement reflects transfers that you did not make; or 4) there is an error on your account.

The provisions herein apply only to electronic fund transfers that debit or credit a consumer's checking or saving's account and are subject to the Federal Reserve Board's Regulation E.

In case of Errors or Questions about your Electronic Transfers, telephone us at 419-446-4817 or write us at the address below or email us at fm-bank.com 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.

- Tell us your name and account number.
- 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.

THE FARMERS & MERCHANTS STATE BANK
307-11 N. DEFIANCE STREET
P.O. BOX 216
ARCHBOLD, OH 43502
Business Days: Monday through Friday (Excluding Bank Holidays)
Phone: (419) 446-2501 or (800) 451-7843

Errors or Questions about Electronic Transfers or Unauthorized Transactions - *Applicable to Business & Nonprofit Accounts*

In instances where You believe 1) your Access ID and Password have been stolen; 2) that someone has transferred or may transfer money from your accounts without your permission; 3) your statement reflects transfers that You did not make; or 4) there is an error on your account, please contact the Bank immediately.

For Errors or Questions about your Electronic Transfers, telephone us at 419-446-4817 or write us at the address that follows or email us at fm-bank.com as soon as You can.

- Tell us your name and account number.
- 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. We will investigate your complaint or question to determine whether an error occurred and will correct any error promptly. If we ask You to put your complaint or question in writing and we do not receive it promptly, we may not correct your error.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, it may take longer to investigate your complaint or question. If we decide that there was no error, we will provide notification to You. You may ask for copies of the documents that we used in our investigation.

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Responsibility

Neither the Bank employees, agents or assigns nor its suppliers will be liable for any transaction if (i) You do not have enough money in your account to complete the transaction; (ii) a legal order prohibits withdrawals from your account; (iii) your account is closed or has been frozen; (iv) the transaction would cause your balance to go over the credit limit for any credit arrangement set up to cover overdrafts; (v) You, or anyone using your Access ID or Password, commits fraud or violates any law or regulation in connection with Online Banking; (vi) any electronic terminal, telecommunication device or part of the electronic fund transfer system is not working properly; (vii) You did not provide us with complete and correct payment or transfer information; (viii) You did not properly follow the instructions for use of Online Banking; (ix) You knew that the Online Banking Service was not operating properly at the time You initiated the transaction or payment; (x) there is postal delay; or (xi) circumstances beyond our control (such as fire, flood or improper transmission or handling by a third party) that prevent, hinder or delay the transaction.

Online Documents

The Bank may provide You access to various statements, notices and other documents for eligible deposit and loan accounts. From time to time, we may add to, modify, or delete documents from the Service in our sole discretion. Online Statement Terms and Conditions may be found at the end of this document under Online Statement Terms and Conditions.

Virus Protection

The Bank is not responsible for any electronic or other malicious code that you may encounter using Online Banking Services. We encourage You to routinely scan your computer systems for related media using a reliable virus protection product to detect and remove viruses, malware or other malicious code.

Restrictions

You may not appropriate any information or material that violates any copyright, trademark, or other proprietary or intellectual property rights of any person or entity while using Online Banking Services. You may not gain, or attempt to gain, access to any server, network, or data specifically permitted to you by The Bank or its suppliers, and you must not include any obscene, libelous, scandalous, or defamatory content in any communications with The Bank or its suppliers.

Severability.

If there is a conflict between the terms and conditions of this Agreement and one or more terms contained in another agreement between You and the Bank, this Agreement will control.

Waiver.

The Bank shall not, by the mere lapse of time, without giving notice or taking other action, be deemed to have waived any of its rights under this Agreement. No waiver by The Bank of a breach of this Agreement shall constitute a waiver of any prior or subsequent breach of this Agreement.

Force Majeure.

Neither party shall be liable for any loss nor damage due to causes beyond its control, including fire, explosion, lightning, pest damage, power surges or failures, strikes or labor disputes, water, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, inability to secure raw materials, transportation facilities, fuel or energy shortages, acts or omissions of communications carriers, or other causes beyond that party's control. Either party may terminate this Agreement immediately upon written notice if the other party is prevented from performing its obligations under this Agreement for a period of more than thirty (30) days due to the reasons set forth in this subsection.

Construction.

This Agreement shall be construed with the laws of the State of Ohio without regard to conflict of law procedures.

Online Banking Services Terms and Conditions
Revised: September 2016

Online Statement Terms and Conditions

By accepting the Online Statement Terms and Conditions, You agree that we may provide account statements, notices, disclosures, other important information and communications regarding your eligible accounts electronically through Online Banking or via email. In addition, You agree to the following:

1. **For Consumer Customers** using Online Banking Services, you acknowledge You are an Account Owner, Power of Attorney, Guardian, or Custodian with the authority to elect to receive online statements, change statement delivery methods, or combine statements on behalf of all account owners.
2. **For Business Customers and Nonprofits** using Online Banking Services, You acknowledge You are an authorized Business or Nonprofit Representative with the authority to elect to receive online statements, change statement delivery methods, or combine statements on behalf of the Business or Nonprofit entity.
3. The computer used for access can display Portable Document Format (PDF) files.
4. You will be responsible to adjust or correct any local software or Internet Service Provider (ISP) issues such as SPAM filters, browser settings, firewalls, or other security programs which may block your access to Online Banking Services. Online Statement communication emails will come from fmbankstatements@fm-bank.com, which should be added to any email filter permitted address functions.
5. For a Consumer Customer accessing consumer accounts, a valid email address has been provided and you will be responsible to notify the Bank regarding any changes in the email address to be used.

A valid email address used by the Business or Nonprofit entity has been provided. You or an authorized Business or Nonprofit Representative will be responsible to notify the Bank regard any changes in the email address to use.

Email address changes should be made through the Online Banking service. Otherwise, notification can be made by calling 800.451.7843 or 419.446.4817 between the hours of 8:00 A.M. and 5:00 P.M., Monday through Friday (excluding Bank Holidays), and asking for Customer Service.

6. Applicable paper statements, notices, disclosures, and important information for your eligible accounts sent through the U.S. Postal Service will be discontinued.
7. You take full responsibility to view, print, and save your Online Statements for future reference. Online Statements for deposit accounts are typically available online for 18 months.
8. You specifically agree to the Terms and Conditions of Your Deposit Account with Farmers & Merchants State Bank as provided at account opening or thereafter. In addition, you agree to any other contractual provisions applicable to your eligible accounts or products and services used in conjunction with any eligible accounts
9. If you cancel Online Banking Services or are removed for any reason, your access to Online Statements will be terminated. Once terminated, a paper statement without images delivery method will resume.
10. The Bank reserves the right to change the hardware or software requirements for electronic and online delivery. The Bank will inform you regarding these changes. You may withdraw your consent regarding receipt or retrieval of account statements, notices, disclosures, other important information and communications without any fee for withdrawal of consent.

Revised: September 2016