

Bank of Franklin County Mobile Deposit Terms and Conditions

What Does This Agreement Cover

This Agreement between you and Bank of Franklin County governs the use of the Mobile Remote Deposit (MRD) service. This service allows Bank of Franklin County customers to deposit checks electronically through the use of a mobile device or mobile smart telephone, eliminating the need to make a physical bank deposit. Unless indicated otherwise by the context, "linked Bank of Franklin County accounts" or "linked accounts" refers to all of your accounts with Bank of Franklin County that you have linked to the Mobile Banking app.

Conditions

As conditions to the Bank's provision of service, you must maintain the Account in good standing and comply with requirements and restrictions set forth in these Terms and Conditions, as well as those of the Your Deposit Account Terms and Conditions. Your use of the Mobile Remote Deposit service may also be affected by the agreements between us for your linked Bank of Franklin County accounts. When you use an account for the Mobile Remote Deposit service, you do not change the agreements you already have with us for that account. 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 the Mobile Remote Deposit service.

You will use the service only for paper items that are payable to, and endorsed by you.

You will properly secure all hardware you use in connection with the Service (including, but not limited to, securing the hardware with Security Credentials to prevent unauthorized use). You will maintain control over and be responsible for secure retention, storage, and destruction of original paper items for which you have created an Electronic Item. After transmitting the Electronic Item to us, you will retain the original paper items as discussed in the Check Safekeeping, Record Retention and Destruction section of this document.

Fees

A processing charge of \$1.00 will be assessed for each deposited item.

Deposit Limit

Each check is considered a separate deposit. You can make multiple deposits in a single mobile session. There is no limit to the number of checks you can deposit in a day. However, there is a \$2,000 per item deposit limit.

Eligible Checks

MRD allows you to deposit most U.S. consumer and business checks; however certain checks are not supported through the remote deposit channel. These items include but are not limited to: third party checks, foreign checks, substitute checks, government bonds, checks payable in a medium other than U.S. dollars, U.S., state, or other savings bonds.

Marking Electronically Deposited Checks as Deposited

To help ensure that an electronically deposited check is not processed multiple times either as an electronic item and/or a physical check, Bank of Franklin County requires that you write the words "For Mobile Deposit Only" along with your signature on the endorsement line of the check to indicate that it will only be deposited electronically. **Bank of Franklin County may refuse to accept items which are not endorsed in this manner.** Marking a check in this way will also allow you to identify that the item has been photographed and deposited if it becomes intermingled with other undeposited checks.

Inspecting Physical Checks and Check Images

- You are responsible for inspecting both the physical check items and check images as they appear on the screen of your mobile device. Because some physical security features on the actual checks, such as watermarks, may not

survive the imaging process, you must manually examine checks prior to transmission to the bank to verify their authenticity.

- Additionally, when depositing a check via MRD, you are required to examine check images to ensure the payee name, amount, signature and other important pieces of information are legible and in accordance with the physical check. If they are not then you should cancel the image and re-image the item.
- Any original paper check items that remain illegible after repeated scanning/photographing attempts must be physically deposited at a Bank of Franklin County branch.
- You should regularly inspect your mobile device's camera to ensure that it is operating optimally. Please refer to the user manual of your mobile device for instructions on equipment cleaning and care.

MICR Lines on the Check

The bottom of your check contains numeric information that identifies the bank the check is drawn on, the account number and the check number. This information is known as the MICR line (Magnetic Ink Character Recognition). A MICR defect, such as a tear in the MICR line, or markings over the MICR line may inhibit the mobile device's ability to read this information. If you receive error messages indicating that the application is unable to read the MICR line, the check with defects in the MICR line must be physically deposited at a Bank of Franklin County branch.

Check Safekeeping, Retention and Destruction

- Check storage and the destruction of items processed through MRD is your responsibility because the paper checks are never physically deposited with the bank.
- Bank of Franklin County requires that MRD customers use commercially reasonable methods to securely store all source documents and all related banking information until destruction. We require that deposited check items be securely stored. To help ensure that checks are not electronically processed more than once or physically deposited at the bank after being electronically deposited, procedures should be established to ensure that only you or another account owner has access to these checks during the retention period.
- Bank of Franklin County recommends retention of the checks for at least seven business days after the deposit is made in case a check is returned and you need to collect on the check by re-depositing the original item. All items must thereafter be destroyed as soon as reasonably possible. Bank of Franklin County requires destruction of all checks within 14 days from deposit. Cross-cut shredding is strongly recommended for check destruction.

If you believe you may have deposited a check item more than once, please contact Bank of Franklin County Customer Service immediately at 636-239-6600 or 877-584-6600. Do not re-image the item. Bank of Franklin County will provide assistance in determining the best approach for managing the situation.

Availability of Funds for Your Electronically Processed Items

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and Federal Holidays. If you transmit your Electronic Item(s) to Bank of Franklin County before 4:00 p.m. CST (the "Cut-Off Time") on any business day, we shall review and process your Electronic Item(s) on that business day. If you transmit your Electronic Item(s) to us after the Cut-Off time on any business day, we may review and process your Electronic Item(s) on the next business day. Your Electronic Item(s) is deemed to have been received by the Bank when the service generates a confirmation message.

Exception Items

Each business day, on which we review and process your Electronic Item, we will use commercially reasonable efforts to review each Electronic Item and to reject any Electronic Item that we in our sole discretion determine to be ineligible for the service (each, an "Exception Item"). "Exception Item" includes, without limitation, an Electronic Item that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Item, or (c) is drawn on banks located outside the United States and is not payable at or through a bank located within the United States. We will notify you of each Exception Item by telephone or through Bank of Franklin County's online banking secure messaging or other communication channels at our discretion. If you wish to attempt to deposit any Exception Item to your account, you shall do so only by depositing the original paper item on which the Exception

Item is based on or otherwise agreed between us. Even if we do not initially identify an Electronic Item as an Exception Item when we review and process the Electronic Item to which the Exception Item relates, the Electronic Item, substitute check, or the purported substitute check created by us from it may nevertheless be returned to us because, among other reasons, the Paying Bank determines that such item or check is illegible or missing an image. Our failure to identify an Exception Item shall not preclude or limit your obligation to Bank of Franklin County.

Chargebacks

All checks posted to your account through MRD are posted subject to our receipt of final payment by the payor bank. Upon receipt of final payment, the item becomes a collected item. If final payment is not received or if any item you have deposited is charged back to us for any reason, you authorize us to charge any of your accounts without prior notice and at any time, for the amount of the returned item, our return fee, any interest paid on that item, and any other fee we pay or incur. We reserve the right to refuse any item for deposit into your account as well as the right to withhold the availability of funds as per the Deposit Account Agreement.

Deposits to the Account

Subject to our right to identify and reject Exception Items, we shall be deemed to have accepted each Electronic Item that is not an Exception Item for deposit to the account on the business day that we process the Electronic Item, provided its transmission to us is prior to the Cut-Off Time. In addition, an Electronic Item will be deemed to have been deposited at the office where the account is maintained.

Termination of Service

Bank of Franklin County reserves the right to terminate this service at any time and without notice, if in the Bank's sole discretion, the Bank determines that customer has abused the service or the Bank will suffer a loss if the service is not terminated immediately.

WARRANTIES:

FAILURE TO PROTECT YOUR HARDWARE AND SECURITY CREDENTIALS MAY ALLOW AN UNAUTHORIZED PARTY TO ACCESS THE SERVICE AND TRANSMIT AN ELECTRONIC ITEM FOR DEPOSIT. ALL USES OF THE SERVICE THROUGH YOUR SECURITY CREDENTIALS WILL BE DEEMED TO BE AUTHORIZED BY YOU AND BE BINDING UPON YOU. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT OR UNAUTHORIZED USE OF YOUR SECURITY CREDENTIALS. YOU AGREE TO (I) EXERCISE RESPONSIBLE BEHAVIOR WHEN USING THE SERVICE, (II) FOLLOW THE INSTRUCTIONS AND RECOMMENDATIONS THAT BANK OF FRANKLIN COUNTY PROVIDES YOU WITH RESPECT TO THE SERVICE AND (III) USE MAXIMUM CAUTION IN PROTECTING YOUR HARDWARE AND SECURITY CREDENTIALS FROM UNAUTHORIZED ACCESS. YOU AGREE TO NOTIFY BANK OF FRANKLIN COUNTY IMMEDIATELY IF YOU BECOME AWARE OF ANY LOSS OR THEFT OF, OR ANY UNAUTHORIZED USE OF THE SERVICE OR YOUR SECURITY CREDENTIALS.

Truncation, Substitute Checks, and Other Check Images

If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.