

IMPORTANT ACCOUNT INFORMATION FOR OUR CUSTOMERS

from

Farmers & Merchants Savings Bank
201 W Main ST, PO Box 9
WAUKON, IA 52172
(563)568-3417

ELECTRONIC FUND TRANSFERS **YOUR RIGHTS AND RESPONSIBILITIES**

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.

Health Savings Accounts (HSA) - Health Savings Accounts (HSA). We permit you (as described below) to access your HSA with a card. This service is offered for the convenience of managing your HSA. However, electronically accessing your HSA - for example, getting additional cash back on an HSA debit card transaction - can raise a variety of tax concerns. As a result, before electronically accessing your HSA make sure you are using the correct card. Also, it is your responsibility to ensure the contributions, distributions, and other actions related to your HSA, comply with the law, including federal tax law. As always, we recommend consulting a legal or tax professional if you have any questions about managing your HSA. The terms of this disclosure are intended to work in conjunction with the HSA Agreement provided to you earlier. In the event of a conflict, the terms of the HSA Agreement control. You understand that your HSA is intended to be used for payment of qualified medical expenses. It is your responsibility to satisfy any tax liability resulting from use of your HSA for any purpose other than payment or reimbursement of qualified medical expenses. We do not monitor the purpose of any transaction to or from your HSA. Nor are we responsible for ensuring your eligibility for making contributions or ensuring withdrawals are used for payment or reimbursement of qualified medical expenses. Refer to your HSA Agreement for more information relating to the use of your HSA.

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 financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution 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, savings or Money Market.
- **Preauthorized payments** - You may make arrangements to pay certain recurring bills from your checking, savings or Money Market.
- **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.

TouchTone Banker transactions - types of transactions - You may access your account by telephone using your account number(s), personal identification number (PIN) and touch tone phone to:

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

- make payments from Checking or Savings to Loan or Line of Credit (Safety Check)
- get balance information about checking, savings, certificate of deposit or Loan
- get withdrawal history about checking or savings
- get deposit history about checking or savings
- get transaction history about checking, savings, certificate of deposit or Loan

You may access your account for telephone transactions at the following number(s) and during the following hours:

- (888)702-0266 (24/7)

Bank Easy ATM Card transactions - types of transactions - You may access your account(s) by ATM using your Bank Easy ATM Card and your personal identification number (PIN) to:

- deposit funds to checking or savings
- withdraw cash from checking or savings
- transfer funds from checking to savings, or savings to checking
- get balance information about checking or savings

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

Shazam Check Debit Card ATM transactions - types of transactions - You may access your account(s) by ATM using your Shazam Check Debit Card and your personal identification number (PIN) (as applicable) to:

- deposit funds to checking or savings
- withdraw cash from checking or savings
- transfer funds from checking to savings, savings to checking
- get balance information about checking or savings

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

Shazam Check Debit Card point-of-sale transactions - types of transactions - You may access your checking account(s) using your Shazam Check Debit Card to do transactions that participating merchants will accept, including:

- purchase goods in person, by phone, or online
- pay for services in person, by phone, or online
- get cash from a participating merchant or financial institution
- CAUTION: WE DO NOT RECOMMEND USING YOUR CARD FOR PURCHASING GOODS AND SERVICES BY PHONE OR ONLINE (INTERNET/MOBILE DEVICE). A prepaid card or credit card would be the recommended method of online payment in order to protect your account from potential fraudulent transactions as a result of your e-commerce usage. FMSB does not issue prepaid cards or credit cards.

Foreign Currency Conversion and Cross-Border Transactions - If you effect a transaction with your Card in a currency other than US Dollars, MasterCard will convert the charge into a US Dollar amount. The MasterCard currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account. MasterCard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, MasterCard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. The fee we charge you for cross-border transactions/currency conversions is disclosed separately. A cross-border transaction is a transaction processed through the Global Clearing Management System or the MasterCard Debit Switch in which the country of the merchant is different than the country of the cardholder.

Online @ FMSB - types of transfers - You may access your accounts at www.fmsb4me.bank and using your User ID and password to:

- transfer funds from Checking, Savings, and Money Market to Checking, Savings, Money Market, and Loans
- make payments from Checking or Money Market to third parties via BillPay or Person-to-Person transfers
(Some payments made by paper check will not be subject to this Electronic Fund Transfers disclosure, as disclosed separately.)
- get balance information about checking, savings, certificate of deposit or Loan

- get withdrawal history about checking, savings, certificate of deposit or Loan
- get deposit history about checking, savings, certificate of deposit or Loan
- get transaction history about checking, savings, certificate of deposit or Loan

BillPay - types of transfers -

You may access this service by computer at www.fmsb4me.bank and using your User ID and password.

You may also access this service by mobile device and using the following for access: User ID and password within the downloadable app.

You may access this service to:

- make payments from your checking and Money Market account(s) to third parties
(Some payments made by paper check will not be subject to this Electronic Fund Transfers disclosure, as disclosed separately. The bank will not process any payments to federal, state, or local tax agencies, court initiated or foreign transactions.)
- initiate Account-to-Account (A2A) Transfers (This service enables you to transfer funds between your accounts that you maintain with us and your accounts maintained at another financial institution).

Mobile Banking (Mobiliti) - types of transfers - You may access your accounts remotely with your cell phone using a downloadable app (TouchBanking) and entering the App code: "fmsbmobile" and using your User ID, Password and Text messaging commands (available separately). You may use this service to:

- transfer funds from checking to savings, savings to checking, line of credit to checking
- transfer funds from checking to checking, savings to savings
- make payments from checking to third parties via BillPay or Person-to-Person transfers
- make payments from checking or savings to loan/line of Credit
(Some payments made by paper check will not be subject to these Electronic Fund Transfers Rules, as disclosed separately. The bank will not process any payments to federal, state, or local tax agencies, court initiated or foreign transactions.)
- get balance information about checking, savings, line of credit or certificate of deposit
- get transaction history about checking, savings, line of credit or certificate of deposit
- make deposits to checking, savings, or money market accounts
- initiate Account-to-Account (A2A) transfers (This service enables you to transfer funds between your accounts that you maintain with us and your accounts maintained at another financial institution)

Your mobile service provider's standard service fees, such as text message fees or similar charges, will apply to all transactions. Check with your service provider for information about these fees.

Limits and fees - Please refer to our fee disclosure for information about fees and limitations that may apply to 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).

Limitations on frequency of transfers - In addition to those limitations on transfers elsewhere described, if any, the following limitations apply to your savings, money market account(s):

During any calendar month, you may not make more than six withdrawals or transfers to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone order or instruction, or by check, draft, debit card or similar order to a third party. If you exceed the transfer limitations set forth above in any statement period, your account may be subject to reclassification or closure by the financial institution.

Security limitations - For security reasons, there are other limits on the number of transfers you can make using our terminals, telephone bill-payments service, point-of-sale transfer service and computer transaction service.

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, you can call us at (563)568-3417 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 account(s).

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

Customers can also request to receive email or text alerts/messages for certain "events" called eAlerts. These customer-initiated events provide notification of certain electronic events such as ATM/Debit transaction activity, deposit notices, withdrawal notices, etc. Customers can sign up for eAlerts messages within the internet banking system accessed via internet (www.fmsb4me.bank) or mobile device.

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 disclosure in time for us to receive your request three 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.

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 three 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) if you give us written permission.

Unauthorized Transfers

(a) Consumer liability. (1) 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 two 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 two 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 period.

(2) Additional Limits on Liability for MasterCard(R) debit card. You will not be liable for any unauthorized transactions using your Mastercard debit card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. (MasterCard is a registered trademark of MasterCard International Incorporated.)

(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 disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

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 disclosure, 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 (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 (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 the 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.

If you have inquiries regarding your account, please contact us at:

Farmers & Merchants Savings Bank
Bookkeeping Department
201 W Main St
PO Box 9
Waukon, IA 52172
BUSINESS DAYS: Monday, Tuesday, Wednesday, Thursday and Friday
Holidays are not included.
PHONE: (563)568-3417 or (888)568-2265(Toll Free number)

Notice Of ATM/Night Deposit Facility User Precautions

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

Mastercard® Account Billing Updater Notice of Right to Opt Out

Your Shazam Debit Card will be automatically enrolled in the free Mastercard® Automatic Billing Updater (ABU) service. With ABU, your account files will be updated when information changes because of a product upgrade, card expiration, loss or theft, account closure or other changes. A participating merchant can access that updated card information before requesting a payment. Since not all merchants participate, you should also contact the merchants directly if your card information changes. You are entitled to opt out of this service. You may opt out at any time.

If you want to opt out, phone us at (563)568-3417, email us at solutions@fmsb4me.bank, notify us through our website at www.fmsb4me.bank, mail us notice of your intention to opt out at P.O. Box 9, Waukon, IA 52172-0009.

You must include your name, address, last 6 digits of your card number, signature, daytime phone number.

If you opt out, you may opt back in if you decide you want the Mastercard® Automatic Billing Updater service in the future. You may opt in the same way(s) that you can opt out.

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

IMPORTANT ACCOUNT INFORMATION FOR OUR CUSTOMERS

from

Farmers & Merchants Savings Bank
201 W Main ST, PO Box 9
WAUKON, IA 52172
(563)568-3417

COMMON FEATURES

Limits and fees - The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

ATM or Debit Card*	\$1.00 per month
ATM or Debit card cancellation (Hot Card)*	\$15.00
Replace ATM Card or PIN*	\$5.00
Replace Debit Card or PIN*	\$7.50
ATM or Debit Card - In-State Cash Withdrawal*	\$.50 per transaction
ATM or Debit Card - Out-of-State Cash Withdrawal	\$1.50 per transaction
ATM Cash Withdrawal - Dollar Limit	\$200 per day
Debit Card Transaction Dollar Limits:	Per Day Limits
Cash & POS transactions - \$200.00 per day	
Credit Transactions - \$1,000.00 per day	
Account Activity Printout*	\$1.00
Account Balancing Assistance (Minimum \$5.00)*	\$20.00 per hour
Account Research (Minimum \$5.00)*	\$20.00 per hour
ACH Automatic Transfer Set-Up/Maintenance Fee (applies to recurring or one-time transactions)	\$5.00/request
Automatic Transfer* (between accounts held with us) (Requires previous authorization for transfers to/from qualified FMSB accounts)	\$2.00/transfer
Check Printing* (Fee depends on the style of check ordered)	Varies
Coin Counting/Currency Conversion Fee (non-customers only) Fee to non-customers: \$2.00 minimum or 5% of coin counted/converted	\$2.00 or 5%
Copy of Check*	\$3.00 per check
Chargeback/Redeposited Item Fee charged when a check deposited to your account is returned to the bank unpaid. The item may be redeposited or returned to you. If the item is returned, your account will be offset by the amount of the item and assessed the fee.	\$5.00/item
Closed Account Fee (within 6 months of opening)	\$20.00
Dormant Account Fee (24 months of inactivity)	\$1.00 per month
Failure to Keep Address Current	\$2.50
Mobile Deposit - Per Item Dollar Limit	\$1,000/item
Mobile Deposit - Daily Dollar Limit	\$5,000/day
Multiple Statement Mailing (paper statement) (per additional address/month)	\$3.00
Multiple Statement Mailing (e-statement) (one-time set up fee)	\$3.00
Notary Services	\$1.00

LIMITS AND FEES DISCLOSURE

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Paid Overdraft Item (per item - no daily limit)	\$20.00
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.	
Personal Money Order/Cashier's Check	\$2.00/check
Returned Insufficient (NSF) Item (per item returned - no daily limit)	\$20.00
The categories of transactions for which an insufficient funds fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.	
Returned or Undeliverable Statement or Notice	\$2.50
Special statement cutoff *	\$3.00
Statement Copy *	\$3.00 per statement
Statement Mailing Fee *	\$2.50 per statement
Stop Payment - all items *	\$15.00 per item
Two Signatures Required	\$2.00 per month
Two Signatures Required - Set Up Fee	\$20.00

BillPay Service **FREE**

The basic BillPay Service is FREE to all customers enrolled for internet banking access. There may be a charge for additional transactions and other optional services (e.g., Next Day Delivery) as disclosed in the Terms and Conditions of the BillPay Service. Payments and transfers using the BillPay Service will be counted as debits when calculating the customer's regular service charges as outlined on the applicable account disclosures.

*May be subject to Iowa Sales Tax