

# BUSINESS DEBIT MASTERCARD AGREEMENT TERMS AND CONDITIONS

## Important Information About Procedures for Opening a New Account.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**Introduction.** This Business Debit Mastercard Agreement ("Agreement") contains contract terms and other important information relating to your Business Debit Mastercard ("Card"). These terms govern the operation of this account unless varied or supplemented in writing. This Agreement also incorporates any other terms and conditions provided separately with your account agreement as well as the terms of any disclosures you may have received. You should read this Agreement carefully and keep a copy for your records.

**Applicable Law.** This Agreement will be governed by the laws of the state in which your account is located as well as federal laws and regulations. Normal banking customs and practices also apply.

**Definitions.** Unless inconsistent, words and phrases used in this document shall be construed so that the singular includes the plural and the plural includes the singular. The words "we," "our," and "us" refer to the financial institution which issues the Card. The words "you" and "your" refer to the owner of the specific account for which Card transactions are permitted. The word "Cardholder" refers to any person authorized by you to use the Card.

**Business Card Purpose.** You and any Cardholder agree that this Card is for use by business owners and employees. The Card can be used for business purpose point-of-sale and Automated Teller Machine (ATM) transactions only. The Card may not be used for personal purposes. You acknowledge and understand that the Card shall not be treated as a consumer card under the provisions of state and federal law. You agree to provide written instructions to all Cardholders that the Card shall not be used for consumer purposes. We assume all transactions are for business purposes. We do not monitor transactions to determine their purpose.

**Account Requirement, Payment Responsibility, Transferability, Enforceability.** The services described in this Agreement will be available to you only as long as you maintain a business checking or savings account with us. You are liable for the payment of Card transactions authorized by you or your agent or any Cardholder or their agent. This account may not be transferred or assigned without our written consent.

If any terms of this Agreement cannot be legally enforced, it will be considered changed to the extent necessary to comply with applicable laws. If any part of this Agreement becomes unenforceable, it will not make any other part unenforceable.

**How to Use the Business Card, Security Procedures.** The Card allows Cardholders to directly access the business checking or savings account specified in your Card Application. We will issue Cards and codes to you at your request. Each Card will identify your business as well as the Cardholder.

You agree to the following security procedures. Each Cardholder must sign their Card before it may be used. You agree to require both a Card and a code to be used together to obtain cash at designated ATMs. However, you may use your Card to purchase goods or pay for services without a code. Once a Card has been issued it cannot be transferred to another person. You agree to immediately notify us when you terminate a Cardholder's rights and to promptly return the Card to us. You agree to provide written instructions to all Cardholders about the importance of protecting the Card and code. You agree to examine your receipts and periodic statements in a timely manner. You agree that the dollar/frequency limits assigned to each Cardholder will also act as a security procedure.

## Termination and Amendments.

- We may terminate this Agreement and close this account at any time upon reasonable notice to you.
- You may terminate this Agreement by notifying us in person, via phone at the number listed in this notice or by writing to us at the address listed in this notice.

We may make amendments to this Agreement in the same method as provided in the terms and conditions provided in your account agreement. Use of your Card after receipt of notice of an amendment constitutes your acceptance of the change.

**Notices.** Any notices mailed to you under this Agreement will be mailed to the address we have for you in our records. You will keep us notified of your current mailing address.

**Order of Payment.** The Bank posts transactions only on Business Days. Deposits and credits are posted first, followed by specific types of debits, as generally outlined below. Fees and interest, if any, are posted last. The various types of debits are posted in the following order:

- ATM transactions made at foreign ATM machines, followed by Heritage Bank ATM transactions, all in chronological order.
- Over the counter checks and in-person account to account transfers.
- Telephone account to account transfers.
- Recurring debit card transactions, followed by all other debit card transactions, all in chronological order, or by lowest to highest amount if no date and time are present.

- Recurring ACH, Electronic Bill Pay and Electronic Draft Checks, followed by non-recurring items of these types, all in sequential order by date and time, or by lowest to highest amount if no date and time are present.
- Online banking account to account transfers.
- Checks cashed over the counter or deposited in another customer's account by lowest to highest amount, if no check number, otherwise by lowest to highest check number.
- Incoming checks with no check number from lowest to highest amounts, followed by checks with check numbers from lowest to highest check number.

The description above is generally how the Bank handles transaction posting order.

**Discretionary Overdraft Payments.** At our discretion, we may make a payment or honor a withdrawal from your account that exceeds the amount of funds available in your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So, you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. This section does not apply to an overdraft protection plan you may establish with us, such as an overdraft line of credit or linked checking or savings account.

You agree that we may charge fees for overdrafts caused by transactions unless you have opted-out of this service.

Fees are disclosed in our separate fee schedule.

**Overdraft Protection Plan.** If your account has an overdraft protection plan, Card transactions that would otherwise overdraw your account may be covered by the overdraft protection plan. Your overdraft protection plan will be documented on a separate agreement. You should become familiar with that document as some of the terms, such as your liability for unauthorized transfers initiated with your Card, may vary from the terms of this Agreement.

**Stop Payment.** Only stop-payment requests from you or the Cardholder who authorized the transaction will be honored. However, because Card transactions are often processed immediately, stopping or amending payment is difficult and we cannot ensure that any request you make will be effective. In order to be effective, we must receive your request in time to give us a reasonable opportunity to act. Your request must precisely identify the transaction by date, time, location and dollar amount. Only you may release a stop-payment request.

## TYPES OF TRANSACTIONS

Below are the types of transactions your Card will accommodate.

**ATM Transfers.** You may access your account by ATM using your Card and code to:

- make deposits to your checking account.
- make deposits to your savings account.
- get cash withdrawals from your checking account.
  - you may withdraw no more than \$1,000.00 per day per card.
- get cash withdrawals from your savings account.
  - you may withdraw no more than \$1,000.00 per day per card.
- transfer funds from your checking account to your savings account.
- transfer funds from your savings account to your checking account.
- transfer funds from your checking account to your checking account.
- transfer funds from your savings account to your savings account.
- get information about:
  - the account balance of your checking account.
  - the account balance of your savings account.
- you may use the card at the ATM no more than 15 times per day per card.

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

For security reasons, there are other limits on the number of transfers you can make by ATM.

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to ATM transfers.

**Point-of-Sale Transactions.** You may access your checking account with your Card 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.

Using your Card and/or code:

- you may make no more than 20 transactions per day per card.
- you may not exceed \$2,500.00 in transactions per day per card.

For security reasons, there are other limits on the number of transfers you can make by debit card.

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to debit card transactions.

**Currency Conversion.** 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.

**Advisory Against Illegal Use.** You agree not to use your Card 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.

**Limitations on frequency of transfers.** In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- Transfers from a money market or savings account to another account or to third parties by preauthorized, automatic, telephone or computer transfer or by check, draft, debit card, or similar order to third parties are limited to six per calendar month.

#### FEES

- Please refer to the separate fee schedule for additional information on fees.

#### 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.

**Retain Copies for Your Records.** You should retain copies of all records including receipts, credit slips (for returned merchandise), and cancellation numbers (for cancelled reservations). You should also mark each transaction in your account record (but not while at a terminal). You should review your periodic statement for accuracy and compare your account record against your periodic statement to reconcile balances.

**Periodic Statements.** You will get a monthly account statement from us for your checking accounts. If your checking account becomes inactive or dormant, you will receive a statement annually.

You will get a monthly account statement from us for your savings account, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly. If your savings account becomes inactive or dormant, you will receive a statement annually.

#### LIMITATIONS ON OUR LIABILITY

We will not be liable if:

- you do not have enough money in your account to make the transfer.
- you have an overdraft line and the transfer would cause you to exceed your credit limit.
- an ATM does not have sufficient cash.
- a terminal or system is not working properly.
- circumstances beyond our control (such as fire or flood) prevent the transfer.
- a merchant refuses to accept your Card.
- an ATM rejects your Card.

There may be other limitations on our liability.

#### UNAUTHORIZED TRANSFERS

**Additional Risk Associated with Use of Business Purpose Cards.** You will not have the benefit of any consumer law limiting liability with respect to the unauthorized use of your Card. This means your liability for the unauthorized use of your Card could be greater than the liability in a consumer debit card transaction. You accept and agree to undertake the additional risk and greater measure of liability associated with the use of business purpose cards as described in this Agreement.

**Your Liability for Unauthorized Transfers.** You are liable for Card transactions you do not authorize if we can prove that we processed the transaction in good faith and in compliance with a commercially reasonable security procedure to which we both agreed, unless otherwise required by law. Tell us AT ONCE if you believe your Card and/or code has been lost or stolen. 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 your Card and/or code is lost, stolen, or used without your permission, you agree to notify us immediately and to promptly confirm such notice in writing. Your liability for transactions with your Card and/or code will continue until 2 business days after the day we receive such written notice. If you do not notify us within one year from when the periodic statement containing an unauthorized transaction was first mailed or made available to you, we will be entitled to treat the information in the periodic statement as correct, and you will be precluded from asserting otherwise.

**Additional Limits on Liability.** You will not be liable for any unauthorized transactions using your 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, and the circles design is a trademark of Mastercard International Incorporated.

**Contact in Event of Unauthorized Transfer.** If you believe your Card and/or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call or write us at the telephone number or address listed in this disclosure.

**Consequential Damages.** We will not be liable for any consequential or incidental damages resulting from the unauthorized use of your Card.

#### ERROR RESOLUTION

You agree to examine your receipts and periodic statements using ordinary care and to report any errors or problems to us within a reasonable time. You

agree that the time to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of one year from when the statement containing the error or problem was first mailed or made available to you. If you do not report within one year, we will be entitled to treat such information as correct and you will be precluded from asserting otherwise. You further agree that if you fail to report to us within 14 days from when the statement was first mailed or made available to you that we will not be required to pay interest on any refund to which you may be entitled. We will only recredit your account for errors or problems as required by law.

Call or write us immediately with errors or questions about your electronic transfers at the telephone number or address listed in this disclosure. If you tell us orally, we may require your complaint or question in writing within 14 business days.

If you provide us with timely notice of an error or problem in your periodic statement, we will investigate the matter and notify you of the results within a reasonable amount of time. The exact time will depend on the specific circumstances of the error or problem.

You may ask for copies of the documents that we used in our investigation.

HERITAGE BANK  
DEPOSIT OPERATIONS  
13447 DIXIE HIGHWAY  
WALTON, KY 41094

Business Days: Monday through Friday

Excluding Federal Holidays

Phone: 859-493-4301

#### 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 in advance (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.

