

## Online Banking Agreement and Disclosure

This Online Banking Agreement and Disclosure (“Agreement”) describes your rights and obligations as a user of the Online Banking service and the Bill Payment service (“Services”). It also describes the rights and obligations of Badass Bank (“Bank”). Please read this Agreement carefully. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

These terms and conditions are in addition to those that apply to any accounts you have with Badass Bank, and which are set out in the Account Terms and Conditions. An Account Terms and Conditions disclosure was provided to you at the time you opened your deposit account. You may also obtain a paper copy from any location of Badass Bank.

## Explanation of Certain Terms

- “We”, “us” and “our” mean Badass Bank
- “You” and “your” mean an individual person or business entity that we permit to use the Online Banking services subject to the terms of this agreement.
- “Company representative” means, if you are a business entity, anyone we reasonably believe, in accordance with our security procedures, to be authorized to act on your behalf in connection with our online banking service.
- “Internet-enable” your account(s) means to enable you to obtain our service that allows you to obtain information and perform transaction we make available for your qualifying accounts over the Internet by use of a personal computer, mobile devices, or other screen-based electronic devices, etc.
- “Online banking” means the services provided under this agreement which allow you to access information about your Internet-enabled accounts, transfer funds between qualifying accounts, and perform other transactions and obtain other services that we authorize or allow, to include our bill pay service.
- “Online” means through the Internet by use of a personal computer, mobile devices, or other screen-based electronic devices, etc.
- “Account” means a deposit or other account for which transactions may be performed using our Online Banking service.
- “Consumer account” means an account established primarily for personal, family, or household use.
- “Access codes” include the customer identification number, user ID, password and any other means of access to our Online Banking service we establish or provide for you.
- “Authorized Representative” refers to a person with authority with respect to the account.

- “Bill Payment” means the online service that enables the scheduling of bill payments using a personal computer, mobile devices, or other screen-based electronic devices, etc.
- “Time of day” references are to Central Standard Time.

### **Access to Services**

You will gain access to your Accounts through the use of your Internet-enabled device, your ISP, your Password and your User ID. You may access your Online Account(s) 24 hours a day, seven (7) days a week. However, availability of the Services may be suspended for brief periods of time for purposes of maintenance, updating and revising the software.

We do not have joint agreements for our Online Banking service. If you are an individual or sole proprietor, you are the only customer under this agreement. However, any of the accounts to which you have access through our Online Banking service may be jointly owned with, or joint obligations with, others.

### **Protecting Your Personal Information**

In addition to protecting your access codes, you should also take precautions to protect your personal identification information, such as your driver’s license, Social Security Number, or tax identification number. This information by itself or together with account information may allow unauthorized access to your accounts. You should treat personal information with the same level of care that you would for your account information. You should also protect and secure all information and data stored in any personal computer or other equipment you use to access our Online Banking service. None of our employees or employees of our affiliates will contact you via phone or e-mail requesting your access codes. If you are contacted by anyone requesting this information, please contact us immediately at our phone number shown in the section below entitled Notify Us IMMEDIATELY For Unauthorized Transactions.

You are responsible for keeping your password and Online account information confidential. In order to protect yourself against fraud, you should adhere to the following guidelines:

- Do not give out your account information, User ID, password, or access codes.
- Do not leave your personal computer, mobile devices, or other screen-based electronic devices, etc., unattended while you are logged in to the Bank’s Online Banking site.
- Never leave your account information within range of others.
- Do not send privileged account information (account numbers, Passwords, etc.) in any public or general e-mail system.

- If you believe your account information, User ID, password, or access code have been lost or stolen, or if you suspect any fraudulent activity on your account, call the Bank immediately at (888) 662-2327 between the hours of 9:00 a.m. to 5:00 p.m. CST, Monday through Friday. Telephoning the Bank is the best way of minimizing your losses and liability.
- If you believe your Password has been lost or stolen, please use the *Forgot Password* feature within the Online Banking to change your Password.

## **Banking Transactions in Online Banking**

**Account Access** – Personal accounts you may access online include checking and money market.

**Transfer of Funds** – You may use Online Banking to conduct the transfer of funds between accounts at Badass Bank. You may make one-time transfers or schedule future or recurring transfers. You may transfer funds among your checking accounts and money market accounts. Transfer of funds must be completed on business days by 6:00 p.m. CST for same day credit. Any transfers after this time will be processed on the following business day.

Transfer of funds to and from non-Badass Bank accounts must be completed by 4:00 p.m. CST and will process on the following business day.

**Preauthorized Recurring Funds Transfers** –To the extent we make them available, you authorize us to establish preauthorized recurring funds transfers in accordance with the requests you make for us to do so. We will only allow preauthorized recurring funds transfers that do not vary in amount.

**Limit on Online Funds Transfers** – You must have enough available money or credit in any account from which you instruct us to make a transfer. All transfers must be in U.S. Dollars. For security reasons, we may implement limits on the number and/or amount of transactions you can make using our Online Banking service. We also reserve the right to limit or suspend access to our Online Banking service as we deem necessary for security reasons. We may also limit access from countries other than the United States of America. If any accounts are linked to a money market deposit account, withdrawals from the account, including payments and transfers, will be assessed a fee for exceeding the withdrawal limit during the specified period. The specified period for money market deposit accounts is the monthly statement period.

Transfers funds between your Badass Bank account and an eligible account that you own at another domestic financial institution.

- Transaction limits may be imposed for inbound and outbound External Transfers. Standard limits are as follows:
  - Daily Limit: \$2,500.00 can be processed in a single business day.

**Business Days** – Our Online Banking service is generally available 24 hours a day, 7 days a week. However, we only process transactions and update information on business days. Our business days are Monday through Friday. Federal Holidays are not business days.

**Your Liability for Authorized Transactions** – You are liable for all transactions that you make by any person you allow to access your account or provided an access device to, even if that person exceeds your authority.

**Our Liability for failure to Complete Transfers from Consumer Accounts** – If we do not complete a transfer from a consumer 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 exceptions. We are not liable;

- If, through no fault of ours, you do not have enough available money in the account from which a transfer is to be made, or if the account has been closed or is not in good standing, or if we reverse a transfer because of insufficient funds.
- If any transfer would go over the credit limit of any account.
- If your equipment or ours was not working properly and the breakdown should have been apparent to you when you attempted to conduct the transactions.
- If you have not given us complete, correct or current account numbers or other identifying information so that we can properly credit your account or otherwise complete the transaction.
- If you do not properly follow our instructions or if you provide us with wrong or inaccurate information or fail to correct or tell us about any inaccuracy of which you are aware.
- If you do not instruct us soon enough for your transfer to be received and credited.
- If the money in the account from which a transfer is to be made is subject to legal process or other claim restricting the transaction.
- If circumstances or persons beyond our control prevent, delay, intercept, or alter the transaction, despite reasonable precautions that we have taken.

**Your Liability for Unauthorized Transactions from Consumer Accounts** – This section applies only to online electronic funds transfers which credit or debit a consumer's checking or other asset account and are subject to the Federal Reserve Board's Regulation E (an "EFT"). When applicable, the Bank may rely on any exceptions to these provisions which are contained in Regulation E. All terms that are not defined in this Agreement but which are defined in Regulation E shall have the same meaning when used in this section.

The following determines your liability for any unauthorized EFT or any series of related or unauthorized EFTs:

1. If you tell us within 2 business days after you learn of the loss or theft of your internet banking access code, you can lose no more than \$50.00 or the amount of the unauthorized EFTs that occur before notification, whichever is less.
2. If you do NOT tell us within 2 business days after you learn of the loss or theft of your internet banking access code, and we can prove we could have stopped someone from using your password without your permission if you had told us, you could lose as much as \$500 or the total of:
  - a. \$50.00 or the amount of unauthorized EFTs that occur within the two (2) business days; and
  - b. The total of authorized EFTs which occur during the two (2) days after notification to the Financial Institution, provided the Financial Institution establishes that these EFTs would not have occurred had the Financial Institution been notified within that two-day period.

Also, if your statement shows transfers that you did not make, 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.

1. You must report an unauthorized EFT which appears on your periodic statement, no later than 60 days of transmittal of the statement to avoid liability for subsequent transfers. Your liability will not exceed the amount of the unauthorized EFTs that occurred within the 60-day period. You may also be liable for the amounts as described in sections 1 and 2 above. Failure to notify the Financial Institution may mean that you do not get your money back, provided that we can prove that we could have stopped someone from taking the money had you told us in time.
1. If the report is made orally, we will require that you send the complaint or question in writing within ten (10) business days (twenty (20) business days for new accounts) after we hear from you and will correct any error promptly. We will notify you with the results of the investigation within ten (10) business days and will correct any error promptly. If more time is needed however, we may take up to forty-five (45) days (ninety (90) days for new accounts) to investigate a complaint or question. If this occurs, we will credit your account within ten (10) business days (twenty (20) business days for new accounts) for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or question is not received in writing within ten (10) business days, we may not credit your account until the investigation is completed. The extended time periods for new accounts apply to all electronic fund transfers that occur within the first thirty (30) days after the first deposit to the account is made. If an alleged error involves an electronic fund transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are twenty (20) business days (instead of ten (10) business days) and ninety (90) calendar days (instead of forty-five (45) calendar days). If we determine that no error occurred,

we will send you a written explanation within three business days after the investigation is complete. You may request copies of the documents that were used in the investigation.

1. You may notify us by telephone, in writing, or by email using the secure email form provided within our Online Banking service. Notification by general email to report an unauthorized transaction is not secure and therefore not advised

**Notify Us IMMEDIATELY For Unauthorized Transactions** – Tell us at once if you believe your access codes have been lost, stolen, or otherwise compromised or used without your authorization. Quickly telephoning us is the best way of reducing your possible losses. You could lose all the money in your account (plus your maximum overdraft limit).

You may call or write:

**Customer Service**

(888) 662-2327

**Mailing Address:**

Badass Bank

6160 N. Broadway

Wichita, KS 67219

If we provide you another means of notifying us for this specific purpose, you may use that means. However, DO NOT use general e-mail service or other electronic means that we have not specifically authorized for this purpose.

**Changing Terms and Terminating This Agreement**

This agreement will stay in effect until it is changed or terminated. We have the right to terminate this agreement at any time. We will ordinarily send you notice of any termination, but we are not required to do so unless applicable law requires such notice. Once we terminate this agreement, no further or pending transfers will be made, including but not limited to any transfers scheduled in advance or any preauthorized recurring transfers. We may routinely terminate Online Banking service for customers that have not used the service within the first 30 days after activation or if the service has been inactive for 6 months.

We also have the right to make changes in this agreement at any time. We will comply with any notice requirements under applicable law for such changes. If applicable law does not specify any notice requirements for the change, we will decide what kind of notice (if any) we will give you and the method of providing any such notice.

You may terminate this agreement at any time by notifying us in writing. However, any instructions from you to make transfers will continue in effect until we have received your written notice of termination and have had a reasonable opportunity to act upon it. Once we have acted upon your notice, no further or pending transfers will be made, including but not limited to any transfers scheduled in advance or any preauthorized recurring transfers.

You are not permitted to alter or amend this agreement or any related document without our express written consent. Any attempt to do so will be void and unenforceable.

### **Waivers**

No delay or omission by us in exercising any rights or remedies under this agreement or applicable law shall impair such right or remedy or be construed as a waiver of any such right or remedy. Any single or partial exercise of a right or remedy shall not preclude further exercise of that right or remedy or the exercise of any other right or remedy. No waiver shall be valid unless in a writing enforceable against us.

### **Notices and Communications**

Except as otherwise provided in this agreement, all notices required to be sent to you will be effective when we mail or deliver them to the last known address that we have for you in our records or when we make such notices available to you through electronic means. All notices and communications sent by you to us will be effective when we have received them and have had a reasonable time to act on them.

You agree to notify us promptly of any change in your mailing address, e-mail address or telephone number.

### **Attorney Fees**

If we become involved in legal action to defend or enforce this agreement, you agree to pay our reasonable attorney fees and court costs, to the extent not prohibited by law.

### **Laws That Apply**

Regardless of where you live or work or where you access our Online Banking service, this agreement is subject to the federal law of the United States of America and the laws of the State of Kansas. If any of the terms of this agreement cannot be legally enforced, they will be considered changed to the extent necessary to comply with applicable law.

### **Bill Payment Services**

**Description of Service**— The Bill Payment Service permits you to use your personal computer, mobile devices, or other screen-based electronic devices, etc., to direct payments from your designated online Bill Payment Checking Account to third parties you wish to pay. Your Bill Payment Account must be a primary checking account. Through the Bill Payment Service, you can pay bills from your Bill Payment Account to businesses or individuals.

All payments you make will be deducted from the checking account that you designate as your Bill Payment Account for the Bill Payment Service. Any payments you wish to make through this Service must be payable in U.S. dollars to a payee located in the continental United States. We reserve the right to restrict types of payees to whom payments may be made using the Service from time to time. You

should not use the Bill Payment Service to make payments to settle securities purchases, payments to interest bearing accounts, tax payments, or court ordered payments. Payments for these payees will be your sole responsibility if delayed or improperly processed or credited.

**Scheduling Payments** -Funds must be available in your Bill Payment Account on the scheduled payment date. You are responsible for ensuring there is a sufficient available balance in the funding account on the Send Date to cover the full amount of any payment you instruct us to make through the Bill Payment Service. Badass Bank will not complete a bill payment transaction if there is not a sufficient available balance in the funding account (including funds available through any automatic transfer feature) on the Send Date. If there is not a sufficient available balance in your funding account on the Send Date, no subsequent bill payments will be processed until there is a sufficient available balance in the funding account. If the scheduled payment date falls on a non-business day (Saturday, Sunday, or holiday), the scheduled payment will be sent the following business day (e.g. Monday). After funds are withdrawn from your Bill Payment Account to make a payment, we may make the payment either by transferring funds electronically to the payee or by mailing the payee a check.

You may choose to schedule payments to recur in the same amount at regular weekly, monthly, or semi-monthly intervals. You should schedule a payment to a new payee at least five (5) business days before any payment due date, to allow us time to set up the payee and verify information about your account with the payee.

For all subsequent payments, you agree to allow at least three (3) to five (5) business days between the date you schedule a payment to be initiated and the payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If the payment is an Automatic Clearing House (ACH) electronic payment, it will take up to three (3) business days to reach the payee. However, if the company or person that you are paying cannot accept an electronic payment, the Bill Payment Service will send a check that may take up to five (5) business days. If you do not follow these time frames, you will be fully responsible for all late fees, finance charges or other actions taken by the payee. If you schedule your payment and follow all instructions provided, but the payment is not received by the payee in a timely manner, the Bank will work with the payee on your behalf to reverse any late fees or charges.

**No Duty to Monitor Payments.** The Bank is only responsible for exercising ordinary care in processing and sending payments upon your authorization in accordance with this Agreement. The Bank will not be liable in any way for damages you incur for any of the following reasons:

- Insufficient funds in your Bill Payment Account to make the payment on the processing date;
- Delays in mail delivery;
- Changes to the payee's address or account number unless we've been advised of the change in advance;
- The failure of any payee to correctly account for or credit the payment in a timely manner; or
- Any other circumstances beyond the control of the Bank.
- If the session during which you schedule a payment or transfer ends by 3:00 p.m. CST, the Bank will be considered to have received it on that day. Otherwise, it will be considered received on



the following business day. For all entries made using the Services, the time recorded by the Online Banking Service will be considered the official time of the transaction.

- If your Bill Payment Account does not have sufficient funds to make a payment as of the date the payment is debited to your account, the Bill Payment Service may not submit payments. The Bank will attempt to notify you via U.S. Postal Mail that your account has insufficient funds, but the Bank shall have no obligation or liability if it does not complete a payment because there are insufficient funds in your account to process a payment. In all cases, you are responsible for either contacting Badass Bank, Customer Service at (888)-662-2327 to either make alternate arrangements for the payment or reschedule the payment through the Service. In the case of fixed payments, only the payment currently scheduled will be impacted. Fixed payments scheduled for future dates will not be affected.

**Cancel or Change Payment Instructions** – Payments must be changed or canceled using the Service prior to 3:00 pm CST on the business day the transaction is scheduled to be initiated. If you ask us to cancel a payment after it is issued and we agree to do so, we may charge you a stop payment fee. If a check has been issued for your bill payment, any stop payment provisions that apply to checks in the agreement governing your bill pay funding account will also apply to Bill Pay.

**No Signature Required**– When any payment or other online Service generates items to be charged to your account, you agree that we may debit your Bill Payment account without requiring your signature on the item and without prior notice to you.

**Restrictions** – You must use Bill Pay at least once every 3 months to keep the service.

## Signatures

You agree to all of the provisions of this agreement (to the extent applicable as provided in this agreement) by any and all of the following means:

- Using our Online Banking service to perform any transactions.
- Physically signing this agreement.
- Causing your company representative to physically sign this agreement, if you are a business entity.
- Completing a separate electronic consent form to receive disclosures and enter into this agreement electronically.

Your electronic consent or use of our Online Banking service has the same effect as if you had signed this agreement with your physical signature or that of your authorized company representative.

Your physical signature, electronic consent, or use of our Online Banking service is also your acknowledgement that you have received a copy of this agreement in paper form, or if you have provided a separate electronic consent, in electronic form. If you are offered or provided an electronic copy of this agreement but would like to have a paper copy, please contact us by calling or writing:

## Customer Service

(888) 662-2327

**Mailing Address:**

Badass Bank

6160 N. Broadway

Wichita, KS 67219