

BUSINESS ELECTRONIC FUNDS TRANSFER AGREEMENT



NOTICE REGARDING ELECTRONIC FUND TRANSFERS

In This Electronic Fund Transfer Agreement, certain words have a special meaning and are therefore defined. Those words are defined below.

DEFINITIONS

- “Account” means any deposit account you maintain at Essex Bank from or to which we allow electronic fund transfers.
- “Agreement” means this Electronic Fund Transfer Agreement.
- “ATM” refers to any of our automated teller machines where you can use your Card and PIN.
- “Card” refers to your Essex Bank ATM/DEBIT Card.
- “Available Funds” means the money in your Accounts which can be withdrawn or transferred together with any credit you may have available under your Line of Credit. Available funds may be less than the entire balance in your Account, if, for example, we have placed a “hold” against certain funds in your Account for a certain number of days to allow time for checks deposited in your Account to clear.
- “Check” means a check or other noncash item we handle for payment, other than an electronic fund transfer or wire transfer.
- “Business day” means every day, except Saturdays, Sundays, and holidays.
- “Electronic Fund Transfer” (EFT) means a transfer of funds by electronic means. The term EFT includes all Point-of-Sale transfers, ATM transfers (deposits and withdrawals), direct deposits, electronic payments, transfers initiated by telephone, by a computer terminal (“Web Banking”), wire transfers and transfers conducted over an Automated Clearing House network (“ACH”).
- “PIN” refers to the personal identification number you chose to use to identify yourself when using your card.
- “Point-of-Sale” or “POS” terminal refers to an electronic terminal at which you can use your Card and PIN to pay for goods and services by debiting an Account.
- “Transfer” refers to a withdrawal, deposit, or transfer of funds via electronic transfer into or between your Accounts with us, including but not limited to Card transactions, Web Banking and our 24 Hour Phone Link System.
- “You” and “your” refer to the entity that receives the Essex Bank services described in this Agreement and the duly authorized individuals who sign the signature card for any deposit Account.
- “We,” “us,” “our,” and “Bank” refer to Essex Bank.

EFT SERVICES AND AUTHORIZED PERSONS

Any person you authorize by deposit account resolution or in a separate form or agreement provided by us (each an “Authorized Person”) is authorized to make or order electronic fund transfers to or from your Account(s). We will debit your Account for the amount of an electronic fund transfer and will charge your Account for any fees related to the transfer. Please refer to your brochure entitled, “Schedule of Business Account Charges” regarding charges that apply to Card transactions. You represent and warrant that the EFT services described in this Agreement shall not be used for personal, family or household purposes.

Subject to transfer limitations set forth in this Agreement, you may use a Card, password or PIN, as applicable, to access the following EFT services:

Direct Deposit. You can arrange for the direct deposit to your Account of funds that we allow to be deposited directly to your Account through the computer.

Telephone Transfer. You can use your Account numbers and your PIN to transfer funds by using our 24 Hour Phone Link System between certain Accounts on request.

Preatuthorized Payments. You can arrange to have payments or transfers (that we allow) made from certain Accounts automatically. If your Account is a Money Market Account, you may make no more than six preauthorized withdrawals, automatic or telephonic transfers, checks, drafts and debit card or other similar transactions from your Account payable to third parties per month or statement cycle.

Services Available through Our ATMs. You may use your Card and PIN to perform the following transactions through our ATMs:

- You can withdraw cash from your Accounts.
- You can make deposits to your Accounts.
- You can transfer cash between your Accounts.

ATM Networks. You can use your Card with your PIN at other automated teller machines that have the NYCE, CIRRUS, or Plus logo. The amount, dollar denomination, and daily limit you may transfer each time you use your Card at other ATMs depends on their network agreements, and prevailing law which permits the shared use of other ATMs and limitations of the ATM you are using.

When withdrawing from ATMs abroad, cash is dispensed in local currency but usually debited from your home Account based on your home country’s favorable exchange rate.

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used to complete the transfer. You may also be charged a fee for a balance inquiry.

Other Services Available With Your Card and PIN. You can pay for purchases by accessing your checking or savings Account through a POS terminal at merchants that have agreed to accept the Card and PIN. At the time of the purchase you may also be able to withdraw cash, subject to availability.

You may also authorize or consent to have merchants or businesses use your checks, or information from your checks to create one-time electronic payments from your Accounts. Authorization for such transactions occurs if you receive notice that the transaction will be processed as an EFT and you complete the transaction.

Certain wire transfers, ACH transfers and transfers conducted through Web Banking are governed by separate agreements. In the event of a conflict between this Agreement and the provisions of our wire transfer, ACH and Online Banking agreements, the provisions of the separate wire transfer, ACH and Web Banking agreements shall control.

USING YOUR CARD

For security reasons, we may place a limit on individual POS transactions or the amount of cash you can get from an ATM at one time. We may also limit the total amount of cash you can get or the amount of POS transactions you make in a set period of time. We may also limit the number of ATM and POS transactions you conduct in a set period of time. Generally, if on a particular day, the amount of available funds in your Accounts totals less than the daily limit, you may not withdraw or complete purchases for more than the total of available funds on that day with a Card and PIN. However, in our sole discretion we may allow you to pay for purchases even if your Account does not contain sufficient available funds and you agree to pay the amount of the overdraft plus any applicable fee(s).

Your Card and Account may be used only for valid and lawful purposes. If you use, or allow someone else to use the Card or Account for any other purposes, you will be responsible for such use and may be required to reimburse us and MasterCard International Corporation for all amounts or expenses either the Bank or MasterCard pays as a result of such use. You acknowledge and agree that “restricted transactions” as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG issued thereunder are prohibited from being processed through your Account or any relationship between you and the Bank. In the event we identify a suspected restricted transaction, we may block or otherwise prevent or prohibit such transaction and further we may close the Account or end the relationship.

Purchases and cash withdrawals made in foreign currencies with your Card will be debited from your Account in U.S. dollars. The exchange rate used to convert foreign currency transactions to U.S. dollars is either a government-mandated exchange rate or a wholesale exchange rate and is selected by MasterCard. The rate MasterCard uses for a particular transaction is the rate MasterCard selects for the applicable currency on the day the transaction is processed. This rate may differ from the rate applicable on the date the transaction occurred or was posted to your Account. A fee of up to 1.1% will be charged on all transactions completed in a foreign currency. All fees are calculated based on the transaction amount after it is converted to U.S. dollars. These fees are charged except where excluded.

Do not reveal your PIN to anyone. Also, do not write your PIN on your Card or carry it with your Card.

TEMPORARY HOLDS FOR CARD TRANSACTIONS

For all Card purchase or payment transactions, please note that we are permitted to place a temporary hold against some or all of the funds in your Account if and when we receive an authorization request from someone with whom you have conducted a transaction with your Card. We refer to this temporary hold as an "authorization hold." The amount of each authorization hold will be subtracted from your Available Funds. In the case of an authorization request at a restaurant, hotel, or similar merchant, this amount may differ from the actual transaction amount as the actual transaction amount may not yet be known to the merchant when the merchant submits the authorization request. For those transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In other cases we may not receive an authorization request from the merchant, and there will be no authorization hold. We are permitted to place an authorization hold on your Account for up to three (3) business days (or for up to thirty (30) business days for certain types of Card transactions, including but not limited to, car rental transactions, cash transactions, and international transactions) from the time of the authorization until the authorization transaction is paid from your Account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your Available Funds until the transaction is submitted for payment by the merchant and finally posted to your Account. The merchant may submit the transaction for payment after the Bank has released the authorization hold. If this happens, the Bank must honor the prior authorization request and will pay the transaction from your Account.

LIMITATION OF LIABILITY

EXCEPT AS OTHERWISE STATED HEREIN, YOU ARE FULLY RESPONSIBLE FOR ANY TRANSACTION MADE BY USE OF A CARD, SIGNATURE, PIN, OR PASSWORD WHETHER OR NOT OBTAINED OR RETAINED BY A PERSON NOT AUTHORIZED BY YOU TO INITIATE ELECTRONIC FUND TRANSFERS. YOU AGREE TO IMMEDIATELY REIMBURSE US FOR ANY LOSS, CLAIM OR DAMAGE WE MAY SUSTAIN AS A RESULT OF THE USE OF ANY CARD, PIN, OR PASSWORD. WE SHALL HAVE NO LIABILITY FOR ANY LOSS, CLAIM, OR DAMAGE YOU MAY SUSTAIN AS A RESULT OF THE USE OF ANY CARD, PIN, OR PASSWORD. WE WILL NOT BE LIABLE EVEN IF THE UNAUTHORIZED USE OCCURS AFTER YOU HAVE ASKED US TO DEACTIVATE THE CARD, PIN OR PASSWORD, WHETHER WE HAVE ACTED ON THE REQUEST OR NOT.

UNLESS EXPRESSLY PROHIBITED OR OTHERWISE RESTRICTED BY APPLICABLE LAW OR THIS AGREEMENT, WE WILL NOT BE LIABLE TO YOU OR TO ANY THIRD PARTY FOR OUR PERFORMANCE OR FOR OUR FAILURE TO PERFORM ANY ELECTRONIC FUND TRANSFERS UNLESS WE HAVE ACTED IN BAD FAITH. WITHOUT LIMITING THE ABOVE, WE WILL NOT BE LIABLE:

- FOR DELAYS OR MISTAKES THAT OCCUR BECAUSE OF REASONS THAT ARE BEYOND OUR CONTROL (E.G., FIRE, FLOOD, OR WAR), DESPITE REASONABLE PRECAUTIONS THAT WE HAVE TAKEN.
- IF ANY ATM OR ATM SYSTEM NETWORK OR OTHER ELECTRONIC COMMUNICATION SYSTEM WAS NOT WORKING PROPERLY, OR IF THERE IS A POWER FAILURE.
- IF, THROUGH NO FAULT OF OURS, YOU DO NOT HAVE SUFFICIENT FUNDS IN YOUR ACCOUNT TO MAKE THE TRANSFER, THE TRANSFER WOULD EXCEED THE CREDIT LIMIT ON YOUR OVER DRAFT PROTECTION, IF APPLICABLE, OR YOUR ACCOUNT HAS BEEN CLOSED.
- IF THE FUNDS ARE SUBJECT TO LEGAL PROCESS RESTRICTING THE TRANSFER.
- IF WE ARE OTHERWISE EXEMPTED FROM LIABILITY UNDER APPLICABLE LAWS AND REGULATIONS.

IN NO EVENT WILL WE BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE, OR CONSEQUENTIAL DAMAGES OR LOST PROFITS.

For MasterCard Cards issued to certain small businesses, you will generally have no liability for unauthorized purchases made in a store, over the telephone or online. However, if we determine that your Account is not in good standing or you did not exercise reasonable care in safeguarding your Card, these special limitations on liability may not apply.

DOCUMENTATION OF FUND TRANSFERS

You can get a receipt at the time you make any transfer to or from your Account using one of our ATMs or Point-of-Sale terminals. You will get a monthly account statement (except for passbook accounts where only preauthorized deposits are allowed). If you bring your passbook to us, we will record any electronic deposits that were made to your Account since the last time you brought in your passbook. You can call us at (860) 767-4414, toll free at (877) 377-3922 or write us at Essex Bank, PO Box 950, Essex, CT 06426, Attention: Deposit Operations for information about your electronic fund transfers.

STOPPING PAYMENTS

If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Here's how:

Call us at (860) 767-4414, toll free at (877) 377-3922 or write us at Essex Bank, PO Box 950, Essex, CT 06426, Attention: Deposit Operations, in time for us to receive your request 3 (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 (fourteen) days after you call.

Oral or written stop payment instructions are good for 6 (six) months unless we receive written notice to remove it or renew it before the 6 (six) month period expires.

CHARGES FOR EFT SERVICES; TERMINATION OF SERVICES

Any charges for EFT services are contained in the Schedule of Business Account Charges. Other parties may impose surcharges when transactions are initiated from ATMs not operated by Essex Bank.

We reserve the right to terminate any of the above described services without notice. All Cards are the property of the Bank and must be returned to us immediately upon such termination or upon our request.

WHAT YOU SHOULD DO IF YOUR CARD OR PASSWORD IS LOST OR STOLEN

Tell us AT ONCE if you believe your Card, PIN, or password has been lost or stolen or is in the possession of an unauthorized person, 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 available for withdrawal in your Account.

Also, if your statement shows transfers that you did not make, including those made by card, PIN, password or other means, tell us at once. If you do not tell us within 60 (sixty) days after the statement was mailed to you, the statement will be deemed to be correct and you will not be able to dispute any transfers.

If you believe your Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission, call us at (860)767-4414, toll free at (877)377-3922 or write us at Essex Bank, PO Box 950, Essex, CT 06426, Attention: Deposit Operations.

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

WHAT YOU SHOULD DO IN CASE OF ERRORS OR QUESTIONS

In case of errors or questions about your electronic transfers, call us at (860)767-4414, toll free at (877)377-3922 or write us at Essex Bank, PO Box 950, Essex, CT 06426, Attention: Deposit Operations 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. If you do not tell us within 60 (sixty) days after the statement was mailed to you, the statement will be deemed to be correct and you will not be able to dispute any errors.

We will need to know:

- Your name and Account number
- A description of the error or the transfer you are unsure about, and a clear explanation of why you believe it is an error, or why you need more information
- 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 (ten) business days.

UNIFORM COMMERCIAL CODE ARTICLE 4A AND OTHER AGREEMENTS

Except as amended by this Agreement, electronic fund transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the State of Connecticut.

AGREEMENT

This Agreement together with the deposit account agreement governing each of your Accounts shall govern the EFT services you receive from the Bank. In case of an inconsistency between this Agreement and your deposit account agreement, this Agreement shall control. We may amend this Agreement after giving you prior written notice of such amendment. This Agreement is governed by and construed in accordance with the laws of the State of Connecticut, without regard to its conflict of laws principles.

OUR RIGHTS WITH REGARD TO OVERPAYMENTS

If funds have been deposited into your Account, by mistake or otherwise, you agree that such amounts are debts owing from you to us and you authorize us summarily to withdraw such amounts from the Account or any other account you have with us. We can do this without giving you prior notice or demand. We can also exercise our right of set-off to recover any such amount.

NON-ENFORCEMENT OF OUR RIGHTS

We can choose not to enforce or to delay in enforcing any of our rights under this Agreement without losing them in the future.

Office Locations

Corporate Office

35 Plains Road (860) 767-4414
Toll Free (877) 377-3922
www.essex.bank

Essex

35 Plains Road (860) 767-2573
9 Main Street (860) 767-8238



Equal Housing Lender

NMLS #440436

Chester

203 Middlesex Avenue (860) 526-0000

Madison

99 Durham Road (203) 318-8611

Old Lyme

101 Halls Road (860) 434-1646

Old Saybrook

155 Main Street (860) 388-3543

Member FDIC

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