

CONSUMER ELECTRONIC FUNDS TRANSFER AGREEMENT



NOTICE REGARDING ELECTRONIC FUND TRANSFERS

In November 1978, Congress enacted a new law called the Electronic Fund Transfer Act which requires us to inform our customers about some of its terms and provisions.

The act defines the rights, liabilities, and responsibilities of consumers and financial institutions relating to money transfers initiated by an electronic transaction, such as direct deposits to your account, preauthorized bill payments, telephone transfers, etc. This brochure contains important information in regard to these services.

The first part of this brochure consists of the Consumer Electronic Fund Transfer Disclosure Statement ("Disclosure").

The second part of this brochure is the Customer Agreement ("Agreement") that outlines additional terms and conditions for electronic fund transfers for your accounts maintained at Essex Savings Bank, ("the Bank"). Both parts should be read together as the entire agreement.

WHAT THE WORDS MEAN

In the Disclosure and Agreement, the words "you" and "your" apply to anyone who has an Account with us and is authorized to use the applicable EFT. "We", "us", and "our" mean Essex Savings Bank. "Account" refers to any account at our bank from or to which we allow electronic fund transfers ("EFTs").

"ATM" refers to any of our automated teller machines where you can use your Card and PIN. "Card" refers to your Essex Savings Bank ATM card or your ATM/DEBIT CARD. "PIN" refers to the personal identification number you chose to use to identify yourself when using your card. Do not reveal your PIN number to anyone. Also, do not write your PIN number on your Card or carry it with your Card.

"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, Online Banking and our Voice Response System.

"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.

"Available Funds" means the money in your accounts which can be withdrawn or transferred together with any credit you may have available under your Line of Credit.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.

WHAT IS AN EFT?

An EFT is a transfer of your funds at our bank which is initiated electronically, for example, by our Voice Response System, Computer or ATM. We currently offer the following EFT services:

Direct Deposit. You can arrange for the direct deposit to your account of Social Security benefits or other deposits, such as payroll, 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 Automated Voice Response System between certain accounts on request.

Preauthorized Payments. You can arrange to have payments or transfers (that we allow) made from certain accounts automatically. These payments or transfers are made to third parties such as insurance and utility companies. 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 ATM's. You may use your Card and PIN to perform the following transactions through our ATM's:

- You can withdraw cash from your personal checking or statement savings account.
- You can make deposits to your personal checking or statement savings account.
- You can transfer cash between your personal checking and statement savings accounts.
- You can change your PIN.

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.

Other EFT Service. Additional EFT services we may offer, such as online banking and mobile banking, are described and governed by separate agreements.

ATM Networks

You can use your Card with your PIN at other ATM's 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 ATM's depends on their network agreements, and prevailing law which permits the shared use of other ATM's and limitations of the ATM you are using.

There is a charge for Card transactions. Please refer to your brochure entitled, "Schedule of Consumer Deposit Account Charges" regarding charges that apply to Card transactions.

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.

ATM Surcharges

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.

Agreement And Limitations

By signing an application or by using your Card or an EFT, you agree to the rules in this Agreement for the type of EFT service that you use. If you have a Card, you may access your accounts and make a variety of transactions subject to the following conditions:

- The Card belongs to us. We can take it back at any time. You agree to surrender the Card when we or our agents request it.
- We can close any or all of our ATM's without notice.
- You may use your Card to get cash, make deposits or to make transfers to or from your accounts. In addition, you may use your Card to automatically debit your account(s) in the case of POS transactions, where available. When you do, those transactions are subject to all of the terms of the contracts for those accounts.
- Regarding 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: (i) pay for purchases; (ii) pay bills.
- In addition, for security reasons, we may limit the amount of cash you can get from the ATM at one time. We may also limit the total amount of cash you can get in a set period of time.
- 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.

Notice About Electronic Check Conversion

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. You authorize us to collect a fee as listed in the Bank's Schedule of Consumer Deposit Account Charges for overdraft fees through an electronic fund transfer from your account if your payment is returned unpaid.

Documentation and Telephone Inquiry

Periodic Statements. You will get a monthly account statement for all statement accounts.

Preauthorized Deposits. You can arrange to have direct deposits made to your savings or checking account on a regular basis from the same person or entity, including the Federal Government. If you do, you can call us toll-free at 1-877-377-3922 or 1-860-767-4414 to find out whether or not the deposit has been made. Ask for the Deposit Operations Department.

ATM or POS Record. You can get a written receipt at the time of a transaction through an ATM or POS terminal.

Preauthorized Transfers From Your Account

Stop Payment. 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 toll-free at 1-877-377-3922 or 1-860-767-4414 and ask for the Deposit Operations Department or write us at Essex Savings Bank, P.O. Box 950, Essex, Connecticut 06426, Attention: Deposit Operations Department, in time for us to receive your request 3 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. If we require you to put your request in writing and send it to us within the 14 days and you do not do so, then your oral stop payment order will cease 14 days after it has been made and we may make the payment if it is demanded by the particular person or organization involved.

NOTE: If you want to stop these preauthorized payments permanently, you must notify the person or organization you have told us to pay or us. A stop payment request which we receive will only stop the particular payment to which it applies, unless you instruct us otherwise. If you instruct us to stop these payments permanently we will do so, but we may require you to send us a copy of your notice to the person or organization you told us to pay.

Liability For Failure To Stop Payment Of Preauthorized Transfers. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and you comply with a request by us to put your request in writing (as explained above), then, if we do not follow your request to stop payment, we will be liable for certain types of losses or damages you suffer.

Notice Of Varying Amounts. If these regular payments vary in amount, either the person or company you are going to pay will tell you or we will tell you, 10 days before each payment, when it will be made and how much it will be.

You may ask the person or organization you are going to pay, or us, to give you 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. We will not be liable if the person or organization you are going to pay fails to give you notice of varying amounts.

Stop EFT. Unless otherwise stated in this Agreement, you cannot stop an EFT, other than a preauthorized transfer.

Financial Institutions Limit On Liability

Unless otherwise in conflict with applicable regulations governing electronic funds transfers, you may recover only your actual damages if our failure to make a transfer:

- Is not intentional, or
- Results from a mistake made in good faith, or
- Should have been prevented by our usual practices.

Our Possible Liability For Failure To Make Transfers.

If we do not complete a transfer to or from your account in a timely manner in accordance with the terms and conditions of your account and normal banking procedures or in the correct amount according to your instructions, we will be liable for certain types of losses or damages which you suffer. However, there are some exceptions. We will not be liable in the following instances:

- If, through no fault of ours, you do not have enough available funds in your account to make the transfer.
- If the ATM or POS terminal, or system was not working properly, and you knew-or should have known-about the breakdown when you started the transfer.
- If you do not give us, where applicable, your name, correct PIN, and correct account numbers when starting the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer despite reasonable precautions that we have taken.
- If we do not receive proper instructions or notification for the use of the account for EFTs or proper instructions for the particular transfer.
- If the ATM or POS terminal where you are making a withdrawal does not have enough cash.
- If the account has a "hold" on it for the amount of all or part of the funds necessary to make the transfer.
- If the transfer would cause you to exceed your Line of Credit maximum.
- If the funds in your account are subject to legal process or other encumbrance restricting such transfer.
- If your Card has deteriorated or been damaged so that it does not function properly.
- If your Card or PIN has been reported lost or stolen.
- If you do not follow the procedures in this or any other agreement you have with us.
- There may be other reasons under federal or state law why we will not be liable.

Consumer Liability

Tell us AT ONCE if you believe your Card or PIN 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 believe your Card or PIN has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card or PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN 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, 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 which kept you from telling us, we will extend the time periods.

Under MasterCard's zero liability policy, you will have no liability for unauthorized purchases made using your MasterCard-branded Card and Account provided the following preconditions are met: (a) your Account is in good standing, (b) you have exercised reasonable care in safeguarding your Card from any unauthorized use (unauthorized use means that you did not provide, directly, by implication or otherwise, the right to use your Card and you received no benefit from the unauthorized purchase); and (c) you have not reported two or more unauthorized events in the past 12 months. MasterCard's zero liability policy does not apply if a PIN for a debit transaction is used for the unauthorized purchase and does not apply to MasterCard-branded cards issued for commercial, business or agricultural purposes, except for MasterCard commercial cards used for small businesses as listed on www.mastercardbusiness.com. MasterCard's policies are subject to change.

Contact In Event Of Unauthorized Transfer

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, either call us toll free at 1-877-377-3922 or 1-860-767-4414 or write: EFT Department, Essex Savings Bank, P.O. Box 950, Essex, Connecticut 06426.

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.

Business Days

For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

In Case of Errors Or Questions about your Electronic Funds Transfers.

In case of questions or errors about your electronic transfers, telephone us toll-free at 1-877-377-3922 or 1-860-767-4414 or write us at Error Resolution, Essex Savings Bank, P.O. Box 950, Essex, Connecticut 06426 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 send the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- 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.
- 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 after we hear from you and will correct any error promptly. (We may extend this time period to 20 business days if the error occurred within 30 days of the first deposit to your account.) If we need more time; however, we may take up to 45 days to investigate your complaint or question, for most types of errors. (If the complaint or question concerned a transaction that was initiated in a foreign country, a point of sale transaction, or a transaction that occurred within 30 days of the first deposit to your account, we may take up to 90 days to complete our investigation.) If we decide to take this extra time to investigate, we will credit your account within 10 business days (20 business days if the error occurred within 30 days of the first deposit of your 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.

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.

Notice of Changes

We can change these rules, including for example, adding or increasing fees. We will notify you in writing 21 days prior to the effective date of any change in any term or condition herein, if the change would result in higher charges, greater liability, or limit the access to your account.

You will not receive the notice if an immediate change must be made to protect the electronic fund transfer system or your account. If such change becomes permanent, and disclosure would not jeopardize the security of the account or system, we will notify you with the next regularly scheduled periodic statement or within 30 days of making the change permanent.

Account Information Disclosure

We will disclose information to third parties about your account or the transfers you make in the following instances:

- We will disclose information where it is necessary for completing transactions or collecting checks.
- We will disclose information as allowed by law in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant.
- We will disclose information in order to comply with any law, court order or proper governmental requests, such as subpoenas, tax information, bank examinations and reports of unusual cash transactions.
- We will disclose information if you give us your written permission.
- We will disclose information to our agents, auditors and collection attorneys.
- We will tell a holder of one of your checks whether it would be paid if presented at the time of the request.
- We will disclose information to government officials in connection with suspected violations of law.
- We may disclose information relating to the account which does not identify you or your account.
- We will disclose information to third parties if you owe us money and we must take legal action to get it.
- We may disclose information relating to your account which is allowed to be disclosed under the state and federal privacy laws.

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. (An example of such an overpayment to your account to which you are not legally entitled would be a Social Security payment received by direct deposit after your death).

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.

Fees And Charges

All fees and charges if any, will be listed in our Schedule of Consumer Deposit Account Charges disclosure. A copy of this brochure is also available in all our lobbies and is given out upon the opening of deposit accounts.

Collections

If we initiate any legal action to collect money owed to us under this agreement, including any counterclaim, you agree to pay all our costs for such action, including any reasonable attorneys' fees. This provision does not apply to action in connection with any credit account. In such cases, the credit agreement will govern these costs.

The Following Information Applies Only To The ATM/DEBIT CARD

Your Card may also be used to make purchases of goods and services through the MasterCard® Network at any merchant location, which displays the MasterCard® logo. These transactions are known as debit transactions. When you use your Card to make purchases through the MasterCard® Network, you are requesting us to withdraw funds from your checking account to pay for the purchase.

At MasterCard® merchant locations, the merchant will prepare a sales slip, which you sign to authorize the purchase of goods or services. When your Card is used for a purchase through the MasterCard® Network, we may place a hold on the funds available in your account and initiate any pre-authorized overdraft protection that may be necessary to cover the transaction. The hold will be in the amount of the transaction request that has been submitted by the merchant for authorization. Held funds will not be available for withdrawal or check writing purposes during the period that the hold is in effect. The hold will be in effect for no more than 3 business days.

Card Limits

You may use your Card to withdraw cash from an ATM up to the total dollar amount per calendar day that has been established for you by the Bank.

You may use your Card to make purchases through the MasterCard® Network up to a total dollar withdrawal limit per calendar day that has been established for you by the Bank.

Merchant Disputes

We will not be liable if a merchant refuses to honor your Card. In addition, you are responsible for resolving all disputes concerning the quality of the goods and services purchased from the merchant that accepted the Card and we are not responsible for any injury to you or anyone else caused by any goods or services purchased or leased with a Card.

International Transactions

If you effect a transaction with your MasterCard® card in a currency other than U.S. dollars, MasterCard International Incorporated will convert the charge into a U.S. dollar amount. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard® cards. Currently the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used by MasterCard International on the purchase date or cardholder statement posting date.

MasterCard™ International Debit Card Transaction Fee Disclosure

For international transactions, the following fees will apply and will be reflected on your statement:

1. A currency conversion fee of .20% for any foreign transactions that is conducted in foreign currency. This fee does not apply if the transaction is complete in US currency.
2. An international fee of .90% for cardholder transactions occurring outside the United States, regardless of any currency conversion.

Office Locations

Corporate Office

35 Plains Road (860) 767-4414
Toll Free (877) 377-3922
essexsavings.com

Essex

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

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



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