

Online Banking Disclosure and Agreement Farmers & Merchants State Bank

This agreement states the terms and conditions that apply when you use Farmers & Merchants State Bank's Online Banking service. These terms and conditions are in addition to those that apply to any accounts you have with us or any other services you obtain from us. You must follow all of our instructions and procedures applicable to the services covered by this agreement.

"You" and "your" mean each person who establishes an Online Banking relationship with us or who uses or is authorized to access Online Banking or other means of access we establish or approve.

Online Banking

The term "Online Banking" means our digital service that allows you to pay bills, transfer funds, access accounts and online statements, obtain information and perform other transactions over the Internet by use of a personal computer and/or other means we authorize or allow. In some instances, balances and transaction history may only reflect activity conducted through the close of the previous business day.

You may access your account(s) at the Bank's website at fmb-ebank.com. You must be the owner of the account. If you are not the owner of the account, you agree that you have the legal right to access the accounts requested and that permission from the account owner has been granted. If requested, you agree to provide any documentation to such right. You must use your User ID together with a password or other accepted method by us of access. Anyone to whom you give your Online Banking User ID and password and other means of access will have full access to your accounts even if you attempt to limit that person's authority. You may not request Online Banking access for an account that requires more than one signature to transact business.

We may accept as authentic, any instructions given to us through the use of your User ID, Password, and any other method used to access Online Banking (collectively known as "Online Banking credentials"). Therefore, you agree that if you give your Online Banking credentials or allow it to be given to someone else, you are authorizing them to act on your behalf, and we may accept any instructions they give us to make transfers or otherwise use the Online Banking service.

Joint Accounts

The provisions of this Agreement also apply if any of your accounts with us are joint accounts. As a holder of a joint account, you are jointly and severally liable under this agreement. Each of you acting alone, may perform transactions, obtain information, stop or change payments or transfers, terminate this Agreement or otherwise transact business, take actions or perform under this Agreement. We are not required to obtain the consent of or notify any other joint account holder or you, about the action of the other. However, each of you will only be permitted to access accounts for which you are an owner, joint owner or authorized user.

Each of you individually releases us from liability and agrees not to make a claim or bring any action against us for honoring or allowing any actions or transactions where the person performing the action or transaction is one of you or is otherwise authorized to use your Online Banking Service. Each of you agrees to indemnify us and hold us harmless from any and all liability (including, but not limited to, reasonable attorney's fees) arising from any such claims or actions.

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. Transfers made via Online Banking after 3:00 p.m. will be processed on the next business day. Every day is a business day except for Saturdays, Sundays, and federal holidays. At certain times, our Online Banking Service may not be available due to system maintenance or circumstances beyond our control. During these times, you may contact us by telephone.

Miscellaneous Fees and Charges

Each of you agrees, for yourself to the terms of this account and the schedule of charges that may be

imposed. The schedule of charges includes those you received when you opened your account(s) or later disclosed as required by law. You authorize us to deduct these charges directly from your account.

Security and Unauthorized Transactions

You are liable for all transactions that you, or anyone you authorize, even if the person you authorize exceeds your authority. If you have given someone your User ID and password or other means of access and want to terminate that person's authority you must change your password or other means of access or take additional steps to prevent further access by such person. You will be liable for losses stemming from your disregard of warnings relating to insecure storage of written password information, password sharing, or use of insecure, public computer.

If you believe your Online banking User ID or password or other means of access have been lost or stolen or that someone has used them without your authorization, call us immediately at 507-723-4800 (Springfield Office) or 507-249-3166 (Morgan Office).

Disclaimer of Warranty and Limitation of Liability

Our liability to you is explained in any agreements, notices, and disclosures that we separately provide to you from time to time regarding your accounts. This section explains our liability to you only to the extent that our liability has not been separately disclosed to you by any of these agreements, notices, or disclosures. Under no circumstances will we have any liability to you for failing to provide you access to your accounts through Online Banking. Furthermore, unless otherwise required by applicable law, we will only be responsible for performing Online Banking services as expressly stated in the agreement, and will only be liable for material losses incurred by you to the extent such losses directly resulted from our gross negligence or intentional misconduct in performing the Online Banking services. **IN NO EVENT WILL WE HAVE LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE WHETHER OR NOT ANY CLAIM FOR SUCH DAMAGES IS BASED ON TORT OR CONTRACT OR WE KNEW OR SHOULD HAVE KNOWN THE LIKELIHOOD OF SUCH DAMAGES IN ANY CIRCUMSTANCES.**

We will not be obligated to honor, in whole or in part, any transaction or instruction which:

1. If, through no fault of ours, you do not have enough available money in the account from which a payment or transfer is to be made, or if the account has been closed or is not in good standing, or if we reverse a payment or transfer because of insufficient funds.
2. If any payment or transfer would go over the credit limit of any account.
3. If your equipment or ours was not working properly and the breakdown should have been apparent to you when you attempted to conduct the transaction.
4. If you have not given us complete, correct or current account number or other identifying information so that we can properly credit your account or otherwise complete the transaction.
5. 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.
6. If you do not instruct us soon enough for your payment or transfer to be received and credited by the time it's due.
7. If the money in the account from which a payment or transfer is to be made is subject to legal process or other claim restricts the transaction.
8. If circumstances or persons beyond our control prevent, delay, intercept or alter the transaction, despite reasonable precautions that we have taken.

Indemnification

Except to the extent that we are liable under the terms of this agreement or an agreement that otherwise governs your account, you agree to indemnify and hold us, our directors, officers, employee and agents harmless from all loss, liability, claims, demands, judgments, and expenses arising out of or in any way connected with an account or performance of an Online Banking service. This indemnification is due to the use of our service by you and your authorized representative. This includes your request to us for computer-related assistance in relation to any Online Banking service. You agree that you are solely responsible for changes made to your computer system, whether recommended by the bank or otherwise.

No Warranties or Representations Expressed or Implied

The Bank and its suppliers make no warranties or representations of any kind with respect to Online Banking, whether expressed or implied, including any claims, losses, liabilities, damages, expenses, or costs arising as a result of negligent or intentional misuse of the Online Banking system by a customer. Neither the Bank nor its suppliers nor anyone else who has been involved in the creation, production or delivery of Online Banking assume any responsibility with respect to your use thereof. No oral or written information or advice given by the Bank or its suppliers or any of their employees shall create a warranty or in any way increase the scope of this warranty. You may not rely on any such information or advice. The foregoing constitutes the Bank's sole and exclusive liability to you with respect to your use of Online Banking.

Changes in Terms

Except as otherwise required by law, rule or regulation, we may change the terms of this Agreement from time to time. When changes are made, we will update this Agreement via our website at fmb-ebank.com. The Website will be updated on the effective date, unless an immediate change is necessary to maintain the security of the system or unless a law, rule or regulation requires that it be updated an earlier time. If such a change is made, and disclosure would not jeopardize the security of the system, this Agreement will be updated within 30 days after the change. As always, you may choose to accept or decline changes by continuing or discontinuing to use our service. Changes to fees or terms applicable to eligible accounts are governed by the agreement otherwise governing the applicable account. Continued use of the Online Banking service constitutes acceptance of the terms described in the disclosure and agreement.

Termination

Please contact us if you wish to cancel any of your Online Banking services. You may request reinstatement of any Online Banking service at any time.

Unless otherwise required by applicable law, the Bank may terminate this Agreement and/or your access to any Online Banking through our service, in whole or in part, at any time. If you do not access your eligible accounts via our service for a time period we choose, we may terminate your service. We will attempt to notify you prior to taking such action.

If your account privileges cease upon a certain event, such as Power of Attorney (POA) rights upon the death of the account owner, you agree to notify us that your Online Banking access should be removed.

Miscellaneous Fees and Charges

The fees that have been separately disclosed to you in connection with your account(s) will continue to apply to those account(s) and to your Internet Banking Services.

Communication

On occasion, we will communicate with you pertaining to the digital banking service including, but not limited to, when change requests are made by you. Such communication methods include but are not limited to emails and text messages. These communication methods may contain confidential information about your account or other requests made by you. You acknowledge and agree that these communications are never completely private or secure. You understand some of these communication methods will be sent unencrypted and may be read or intercepted by others.

Electronic Funds Transfer Disclosures

Various payments are processed by Electronic Fund Transfers (EFT). Please see the Electronic Fund Transfers Disclosure Statement included, or, received when you opened your account, which discloses important information concerning your rights and obligations. The EFT Disclosure can also be found on our website fmb-ebank.com. By accepting this agreement, you agree that you have reviewed the Electronic Funds Transfer Disclosure posted on our website or otherwise requested and reviewed a paper copy from us.

Printed Agreement

If you are unable to print this agreement and would like a copy for your records, please email us at fmb@fmb-springfield.com

Contact Information:

Farmers & Merchants Bank
101 N Marshall Ave
Springfield, MN 56087
(507) 723-4800
fmb@fmbspringfield.com

Consent to Electronic Delivery

You agree to the following:

1. You authorize the Bank to deliver all account statements, various disclosure and notices, and any other information (collectively known as "information") in an electronic format;
2. You have the right to receive your information in paper form, and at any time, you may withdraw your consent to receive the information electronically. Information delivered electronically will be in effect unless you notify a Bank employee of your withdraw of consent. If you withdraw your consent, we will resume printing your information and you will be responsible for obtaining them in the same manner prior to electronic delivery. You can withdraw your consent or request a paper copy of your information by calling us at 507-723-4800;
3. You agree to contact us at 507-723-4800 if you are unable to access the information in an electronic format;
4. You agree to keep your email address current within Online Banking. (You can verify and update your email address on file within Online Banking);
5. In the future, if you request to receive information electronically, you agree that this consent applies to such accounts; and
6. You are authorized to provide this consent on behalf of all account owners.

Computer Requirements

In order to access Online Banking, your computer will need to meet certain hardware and software requirements. You are solely responsible for the setup, installation, operation, upgrading and maintenance of the hardware or software that will be needed to access our Online Banking service. We are not responsible for any errors or failures from any malfunction of your computer and we are not responsible for any computer virus, malware, or any other security issues or other related problems that may be associated with the use of your computer.

We reserve the right to discontinue support or revise the requirements of hardware and/or software if, in our sole discretion, it creates a security or other risk. If changes made may impact your ability to access any Online Banking service, we will notify you. At that time, you will be given an opportunity to withdraw any prior consent to receive information electronically.

Supported Systems for Online Banking and Online Statements

Prior to consenting to this agreement, you agree to review the hardware and software requirements needed to access and retain your information. These specifications are located on our website at www.fmb-ebank.com. You also agree that if you are unable to access this information, you will request this information from us prior to consenting to this agreement. You may want access to a printer or storage medium such as a hard drive so that you can download and/or print your information.

By accepting the terms and conditions of this agreement, you represent that you have carefully read and understand this agreement and that you agree to the terms and conditions.